



## DRAFT MINUTES

5a

### OC LAFCO REGULAR MEETING AGENDA

Wednesday, November 13, 2019  
8:15 a.m.

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

#### 1. CALL TO ORDER

Chair **Brothers** called the meeting of the Orange County Local Agency Formation Commission (OC LAFCO) to order at 8:15 a.m.

#### 2. PLEDGE OF ALLEGIANCE

Commissioner **Bartlett** led the Pledge of Allegiance.

#### 3. ROLL CALL

The following Commissioners and Alternates were present:

- **Chair Cheryl Brothers**
- **Vice Chair Douglass Davert**
- **Commissioner Lisa Bartlett**
- **Commissioner James Fisler**
- **Commissioner Derek J. McGregor**
- **Alternate Commissioner Kathryn Freshley**

The following Commissioners were absent:

- **Commissioner Allan Bernstein**
- **Commissioner Donald Wagner**
- **Alternate Commissioner Wendy Bucknum**
- **Alternate Commissioner Lou Penrose**
- **Alternate Commissioner Michelle Steel**

The following OC 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

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

Commission Clerk Cheryl Carter-Benjamin noted that there was supplemental correspondence received after the agenda mailout related to Agenda Item 7a (City of Yorba Linda Annexation of Cielo Vista Development - CA 19-03) from Protect Our Homes and Hills.

**5. APPROVAL OF MINUTES**

**5a. - October 9, 2019 - Regular Commission Meeting**

The regular minutes were approved with no revisions.

**MOTION: Approve the October 9, 2019 Regular Commission Meeting Minutes. (Douglass Davert)**

**SECOND: Derek J. McGregor**

**FOR: Cheryl Brothers, Douglass Davert, James Fisler,  
Derek J. McGregor**

**AGAINST: None**

**ABSTAIN: Lisa Bartlett**

**MOTION PASSED: 4-0-1.**

**6. PUBLIC COMMENT**

**Chair Brothers** requested public comments on any non-agenda items.

Commission Clerk Cheryl Carter-Benjamin noted that no speaker cards were received. **Chair Brothers** closed the public comments.

**7. CONSENT CALENDAR**

**7a. - City of Yorba Linda Annexation of Cielo Vista Development (CA 19-03)**

**7b. -Fiscal Year 2019-20 Comprehensive Quarterly Report - First Quarter**

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

**MOTION PASSED: 5-0.**

## **8. PUBLIC HEARING**

### **8a. - Reorganization of the 17<sup>th</sup> Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County (RO 19-07)**

Policy Analyst Luis Tapia presented the staff report on the reorganization of 17th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County (MWDOC). Mr. Tapia concluded his presentation by acknowledging staff from the County Executive Office, the City of Santa Ana and the City of Tustin for their collaboration and efforts on the reorganization.

**Chair Brothers** opened the public hearing.

Alan Rice, a resident of North Tustin, noted that the residents were not in support of the reorganization and asked for clarification on which agency would be the water provider for the residents of the annexed area after the detachment from the Municipal Water District of Orange County.

Executive Officer Carolyn Emery clarified that MWDOC is a member of the Metropolitan Water District of Southern California (MWD), and because the City of Santa Ana is also a member agency of MWD, the service boundaries of MWD member agencies cannot overlap. She also noted that the City of Santa Ana would be the agency who would provide wholesale water to the residents.

Vice Chair Davert added that the retail water would continue to be provided by the City of Tustin through an agreement with City of Santa Ana.

**Chair Brothers** closed the public hearing and called for the motion.

**MOTION: Certify that the Commission has reviewed and considered the information contained within the Mitigated Negative Declaration prepared by the County of Orange; Approve the Notice of Determination; Adopt the form of resolution approving the reorganization (RO 19-07); and Waive protest proceedings. (Douglass Davert)**

**SECOND:** Lisa Bartlett  
**FOR:** Cheryl Brothers, Douglass Davert, Lisa Bartlett,  
James Fisler, Derek J. McGregor  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED:** 5-0.

Commissioner Bartlett left the meeting at 8:33 a.m.

## 9. COMMISSION DISCUSSION AND ACTION

### 9a. - Fiscal Year 2018-19 OC LAFCO Annual Audit

Assistant Executive Officer Debra Kurita provided a summary of staff's recommendation and introduced Jennifer Farr of Davis Farr LLP who presented an overview of the OC LAFCO audited financial statements for Fiscal Year 2018-19.

**MOTION:** Receive and file OC LAFCO's Fiscal Year 2018-19 audited financial statements prepared by Davis Farr LLP. (Douglass Davert)  
**SECOND:** Derek J. McGregor  
**FOR:** Cheryl Brothers, Douglass Davert, James Fisler,  
Derek J. McGregor  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED:** 4-0.

### 9b. - Second Amendment to the Office Lease Agreement with OC Main Street Owner, LLC

Assistant Executive Officer Debra Kurita and consultant, Tom Abel, First Vice President of CBRE gave a presentation on the office lease alternatives and the staff recommendation.

**Vice Chair Davert** noted that the Executive Committee had conducted a thorough review of this item at its quarterly meeting.

**MOTION:** Approve the Second Amendment to the Office Lease Agreement with OC Main Street Owner, LLP. (Douglass Davert)  
**SECOND:** Derek J. McGregor  
**FOR:** Cheryl Brothers, Douglass Davert, James Fisler,  
Derek J. McGregor  
**AGAINST:** None

**ABSTAIN: None**

**MOTION PASSED: 4-0.**

**9c. – OC LAFCO Amendments to Accounting and Financial Policies**

Executive Officer Carolyn Emery presented the staff report on the proposed amendments to OC LAFCO's Accounting and Financial Policies, noting the recommended amendments were reviewed by the Executive Committee and OC LAFCO's legal counsel.

**MOTION: Adopt the amendments to the OC LAFCO Accounting and Financial Policies. (Douglass Davert)**

**SECOND: Derek J. McGregor**

**FOR: Cheryl Brothers, Douglass Davert, James Fisler,  
Derek J. McGregor**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSED: 4-0.**

**9d. – OC LAFCO 2020 Meeting Calendar**

**Chair Brothers** noted that the recommendation is to adopt the OC LAFCO 2020 Meeting Calendar and to schedule the next strategic planning workshop for January 2021.

**MOTION: Adopt the OC LAFCO 2020 Meeting Calendar and schedule the next strategic planning workshop for January 2021. (Derek J. McGregor)**

**SECOND: James Fisler**

**FOR: Cheryl Brothers, Douglass Davert, James Fisler,  
Derek J. McGregor**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSED: 4-0.**

**10. COMMISSIONER COMMENTS**

**Commissioner Bartlett** returned to the meeting at 8:45 a.m.

**Vice Chair Davert** noted his attendance at the CALAFCO Annual Conference and recommended that the Commission focus on 2020 legislation that is of OC LAFCO interest.

**Commissioner Freshley** noted her appreciation of the work that the Executive Committee has completed on various Commission items.

**Commissioner McGregor** commented on the high quality of the sessions and materials offered at the CALAFCO annual conference. He further noted that there are some unique differences in approaches and policies between the LAFCOs from the northern regions and those from the southern region, but there are also some common elements upon which they agree.

**Commissioner Fisler** congratulated OC LAFCO for another successful island annexation.

## 11. EXECUTIVE OFFICER'S REPORT

The Executive Officer noted that there were no items to report.

## 12. INFORMATIONAL ITEMS & ANNOUNCEMENTS

### 12a. - CALAFCO Board Update

**Chair Brothers** announced that OC LAFCO was awarded Project of the Year by CALAFCO for the Commission's effort on the City of San Juan Capistrano Utilities Municipal Service Review.

**Chair Brothers** also noted that the new dues structure was approved at the conference by the majority members, with 38 (YES), 10 (NO), and 10 (ABSENT). She added that the vote was based on the implementation of the formula that was presented to the membership and that the elements of the formula cannot be changed unilaterally by the Board.

**Chair Brothers** commented on the focus by some LAFCOs on the issue of managing urban sprawl, noting that Central California is faced with proposed development of its agricultural land, whereas Orange County has very little, if any, agricultural land remaining. She further noted that the LAFCOs in those areas are very passionate about protecting agricultural lands.

**Vice Chair Davert** responded that after attending a Metropolitan Water District tour of the agricultural areas of the State, his concern is that the interest on restricting urban sprawl is painted with a very broad brush. He noted his concern that CALAFCO may be sponsoring legislation and policies that could have a negative effect in Orange County, where the issues may not be the same as other regions in the State. He noted that the Commission should watch this closely.

**Chair Brothers** commented that CALAFCO has a restriction on how much legislation the organization can advocate, but the organization can certainly weigh in when the Board finds it is needed.

**Commissioner Bartlett** inquired about the financial impact of the CALAFCO dues structure change on the OC LAFCO budget.

The Executive Officer responded that with the new structure, OC LAFCO dues will experience an increase of approximately \$3,000 in the next fiscal year. She noted that the formula currently has a 700,000-population cap for calculating the fees, and if the formula's variables change, the item will be brought back before the Commission for discussion.

### 13. CLOSED SESSION

The **Chair** stated that there were no closed session items for discussion.

### 14. NOTICE OF ADJOURNMENT OF THE REGULAR COMMISSION MEETING

The Executive Officer noted that there are no actionable items ready for Commission consideration in December and, therefore, recommends cancellation of the December regular meeting.

**Chair Brothers** adjourned the Regular Commission Meeting at 9:00 a.m. to the next regular OC LAFCO meeting scheduled for Wednesday, January 8, 2020 at 8:15 a.m. at the Hall of Administration, Planning Commission Hearing Room, 333 W. Santa Ana Blvd., 10 Civic Center Plaza, Santa Ana, CA 92701.

Cheryl Brothers, Chair  
Orange County Local Agency Formation Commission

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