



DRAFT MINUTES

5a

OC LAFCO REGULAR MEETING AGENDA

Wednesday, November 14, 2018
8:15 a.m. - 12:00 p.m.

Hall of Administration
Planning Commission Hearing Room
333 W. Santa Ana Blvd.
10 Civic Center Plaza, Santa, 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 8:18 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Penrose led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners and Alternates were present:

- Chair Derek J. McGregor
- Vice Chair Cheryl Brothers
- Commissioner Lisa Bartlett
- Commissioner Allan Bernstein
- Commissioner Douglass Davert
- Commissioner Todd Spitzer
- Commissioner Charley Wilson
- Alternate Commissioner James Fisler
- Alternate Commissioner Lou Penrose

The following Commissioners were absent:

- Alternate Commissioner Wendy Bucknum
- 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 Paula de Sousa Mills

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

Commission Clerk Cheryl Carter-Benjamin noted no supplemental correspondence was received.

5. APPROVAL OF MINUTES

5a. – October 10, 2018 - Regular Commission Meeting Minutes

The regular minutes were approved with no revisions.

MOTION: Approve the October 10, 2018 Regular Commission Meeting Minutes. (Cheryl Brothers)

SECOND: Allan Bernstein

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

AGAINST: None

ABSTAIN: None

MOTION PASSED: 7-0.

6. PUBLIC COMMENT

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

7. CONSENT CALENDAR

Chair McGregor called for the approval of the consent calendar.

7a. - FY 2018-19 Comprehensive Quarterly Report - First Quarter

7b. - Proposed 2019 OC LAFCO Calendar

7c. - OCERS FY 2019-20 Contribution Rates and Prepayment Program

7d. - Conflict of Interest Code Biennial Review and Amendments

MOTION: Approve the Consent Calendar. (Douglass Davert)

SECOND: Lisa Bartlett

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

AGAINST: None

ABSTAIN: None

MOTION PASSED: 7-0.

8. PUBLIC HEARING

The Chair stated that there were no public hearing items for consideration.

9. COMMISSION DISCUSSION AND ACTION

9a. - FY 2017-18 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 on the audit process, the audited financial statements, and the findings. Ms. Farr concluded by informing the Commission that OC LAFCO received an "unqualified" opinion, which is the highest level of opinion issued by an auditor.

MOTION: Receive and file OC LAFCO's FY 2017-18 audited financial statements prepared by Davis Farr LLP. (Cheryl Brothers)

SECOND: Douglass Davert

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

AGAINST: None

ABSTAIN: None

MOTION PASSED: 7-0.

9b. - Proposed 2018-19 OC LAFCO Work Plan (Continued from June 13 and August 8, 2018)

Executive Officer Carolyn Emery gave a brief presentation on the proposed work plan for FY 2018-19. She noted that the Commission continued consideration of the proposed work plan to allow time for additional input from stakeholders. She added that changes in the work plan were derived from input from the Orange County City Manager Association Executive Committee, the Center for Demographic Research, and from the discussion during the Ad Hoc Committee meeting with the special districts' group.

Lisa Ohlund, General Manager of East Orange County Water District commented on the item by thanking the Commission and staff for the time and care that was taken to listen and respond to the concerns of the special districts on the work plan and the policies and procedures.

- MOTION:** Approve the revisions to the Commission's Revised Recommendations, originally proposed in the MSR Stakeholder Report prepared by Management Partners; Approve the FY 2018-19 OC LAFCO Work Plan. (Allan Bernstein)
- SECOND:** Lisa Bartlett
- FOR:** Derek J. McGregor, Cheryl Brothers, Allan Bernstein, Lisa Bartlett, Douglass Davert, Todd Spitzer, Charley Wilson
- AGAINST:** None
- ABSTAIN:** None

MOTION PASSED: 7-0.

9c. - Proposed Revisions to OC LAFCO Policies and Procedures (Continued from June 13 and August 8, 2018)

Assistant Executive Officer Debra Kurita gave an overview of the proposed revisions to OC LAFCO's policies and procedures. She noted that the item had been continued to allow time for additional input from the stakeholders. She added that the proposed revisions were reviewed by the Ad Hoc Committee, legal counsel, and staff.

Commissioner Davert asked if staff had conducted a review regarding a question that had been raised by a member of the public concerning whether the use of the term affordability in the proposed policies and procedures was taken from the Cortese-Knox-Herzberg Act.

Executive Officer Emery replied in the affirmative.

Commissioner Fisler asked for clarification as to whether it is mandatory for OC LAFCO's policies and procedures to mirror the language of the law.

Paula de Sousa Mills, Legal Counsel, clarified that while the policies and procedures mirror the statute, the law does give flexibility and discretion to the Commission in the implementation.

Vice Chair Brothers noted that the Commission needs to be transparent and identify the factors that will be considered in an analysis.

Commissioner Davert added that if the Commission was to depart from the code, it would have to provide an explanation in its findings.

Commissioner Spitzer stated that the factors included in the analyses would need to be highlighted with an explanation of why other factors were not considered. He recommended that the term be left in the revised policy but noted that the Commission would have to provide an explanation if this factor is included in the policy and not considered in the analyses.

Commissioner Fisler inquired as to how affordability would be measured and if that term is used in other policies.

Following a discussion by the Commission members and staff concerning how affordability may be measured, Legal Counsel de Sousa Mills added that the terms efficiently and affordability were in more than one of the revised policies and procedures under consideration by the Commission.

Executive Officer Emery also added that during the discussions with the representatives of the special districts, the group expressed concern with some of the terms in the documents and to address those concerns, the proposed policies were written to directly reflect the language of the code.

MOTION: Adopt the revised Guidelines for Evaluating a Plan for Services, Guidelines for Preparing Municipal Service Reviews, Guidelines for Establishing and Updating Spheres of Influence, and Community Identity Policy. (Douglass Davert).

SECOND: Lisa Bartlett

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

AGAINST: None

ABSTAIN: None

MOTION PASSED: 7-0.

9d. - Request by Southern California Water Coalition for Support of the California WaterFix

Policy Analyst Gavin Centeno introduced the presenters on the California WaterFix item: Mr. Charley Wilson, appearing in his role as Executive Director and CEO of the Southern California Water Coalition (SCWC), and Mr. Robert Hunter, General Manager of Municipal Water District of Orange County. Policy Analyst Centeno noted that the staff report provided three options for the Commission to consider:

- Adopt a “support” position and authorize the Chair to execute a letter of support as requested by SCWC, or
- Decline the request of the SCWC, or
- Provide other direction to staff regarding the request from the SCWC.

Mr. Wilson and Mr. Hunter provided a comprehensive presentation and answered questions from the Commission. During the discussion, Mr. Wilson highlighted that the purpose of the WaterFix project is to enhance the reliability of the water supply.

MOTION: Adopt a support position and authorize the Chair to execute a letter of support as requested by SCWC (Allan Bernstein)

SECOND: Cheryl Brothers

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

AGAINST: None

ABSTAIN: None

MOTION PASSED: 7-0.

10. COMMISSIONER COMMENTS

Commissioner Bernstein thanked staff for the all the work done to prepare documents for review for the meeting and congratulated **Commissioner Spitzer** on his new role as District Attorney. He concluded by wishing everyone a Happy Thanksgiving.

Commissioner Bartlett asked to adjourn the meeting in memory of Commissioner Bucknum’s mother who passed away the day before the meeting.

Vice Chair Brothers provided an update on the CALAFCO Ad Hoc Finance Committee meeting, noting that the Committee supports raising the dues as a

short-term solution to the financial deficit. She added that the Committee has not decided on the final fee structure.

Commissioner Bartlett suggested that CALAFCO consider a robust sponsorship program which could help address the funding gap and reduce the need to increase dues.

Commissioner Fisler congratulated **Commissioner Spitzer** on his new role as District Attorney Elect and offered condolences to **Commissioner Bucknum**.

Commissioner Penrose congratulated **Commissioner Spitzer** on becoming District Attorney-elect and wished everyone a Happy Thanksgiving. He asked that everyone keep in mind the families throughout California that are suffering through the fires and support the first responders responding to those fires.

Chair McGregor asked **Commissioner Spitzer** when he would officially begin in his new role.

Commissioner Spitzer responded that, by statute, January 7, 2019 is the official start of his new role as the Orange County District Attorney. He noted that there are several individuals that have announced their candidacy to replace him to represent the 3rd District on the Board of Supervisors. He then complimented and thanked staff for their professionalism and commitment to the agency. He specifically thanked Executive Officer Emery for her service and for consistently giving him the information he needed to make the best decisions.

Chair McGregor stated that the agenda for the next meeting was light and if there were no objections, the December meeting will be cancelled. He concluded the meeting by thanking **Commissioner Spitzer** for his leadership on the Commission.

11. EXECUTIVE OFFICER'S REPORT

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

12. INFORMATIONAL ITEMS & ANNOUNCEMENTS

The Chair stated that there were no informational items or announcements for discussion.

13. CLOSED SESSION

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

14. ADJOURNMENT OF REGULAR COMMISSION MEETING

The Regular Commission meeting was adjourned in memory of the mother of Commissioner Bucknum at 9:14 a.m.

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

By: _____
Carolyn Emery
Executive Officer