

DRAFT MINUTES

OC LAFCO REGULAR MEETING

Wednesday, March 12, 2025
8:15 a.m.

County Administrative North (CAN)
First Floor Multipurpose Room 101
400 W. Civic Center Drive, Santa Ana, CA 92701

Members of the public may access the audio live-streamed meeting at:
<https://youtube.com/live/9Jps7is5nYg?feature=share>

1. CALL TO ORDER

Vice Chair Bucknum called the meeting of the Local Agency Formation Commission of Orange County (OC LAFCO) to order at 8:17 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Fisler led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners were present:

City Members

Wendy Bucknum **(Vice Chair)**
Carol Moore **(Alt.)**

County Member

Donald P. Wagner **(Chair)** (arrived at 8:18 a.m.)

Special District Members

Douglass Davert
James Fisler
Kathryn Freshley **(Alt.)**

Public Member

Derek J. McGregor
Lou Penrose **(Alt.)**

The following staff members and general counsel were present:

- Executive Officer Carolyn Emery
- Assistant Executive Officer Luis Tapia
- Policy Analyst I Aimee Diaz
- Commission Clerk Cheryl Carter-Benjamin

- General Counsel Scott Smith

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

The Commission Clerk noted that no supplemental communication was received.

5. PUBLIC COMMENT

The **Vice Chair** turned over the meeting to the **Chair** upon his arrival. **Chair Wagner** requested public comments on any non-agenda items. The Commission Clerk noted that there were no requests to speak from the public.

Chair Wagner closed the hearing of public comments.

6. CONSENT CALENDAR

Chair Wagner called for requests to pull the consent calendar item for discussion. There were no requests from Commissioners, and the Commission Clerk noted that there were no requests from the public to speak on the item. **Vice Chair Bucknum** motioned for approval of the consent calendar, and **Chair Wagner** seconded the motion.

6a. – February 19, 2025 - Regular Commission Meeting Minutes

MOTION: Approve Consent Calendar. (Wendy Bucknum)
SECOND: Donald P. Wagner
FOR: Wendy Bucknum, Donald P. Wagner, Douglass Davert, James Fisler,
Derek J. McGregor, Carol Moore
AGAINST: None
ABSTAIN: None

MOTION PASSED: 6-0.

7. PUBLIC HEARING

7a. – Fiscal Year 2025-26 OC LAFCO Proposed Budget and Fee Schedule.

Assistant Executive Officer Luis Tapia and OC LAFCO accountant Corey Mize presented the staff report and recommended action for Commission consideration. Mr. Tapia noted a minor correction to the staff report, which had \$300,000 for OC LAFCO unfunded liability but should have been \$30,000.

Chair Wagner opened the public hearing. The Commission Clerk noted that there were no requests from the public to speak on the item. **Chair Wagner** closed the public hearing and called for a Commission discussion on the item. Commissioner Fisler inquired about the apportionment increase. Mr. Tapia noted that the apportionment aligns with the practice of the Commission of drawing down the unreserved cash balance with a gradual increase to the apportionment until it fully funds the agency budget in accordance with State law. Additionally, Mr. Tapia noted that the apportionment amount for each independent special district and city is calculated by the formulas adopted by the Special District Selection Committee and City Selection Committee, respectively.

Chair Wagner called for a motion on the item. **Commissioner Davert** motioned to approve the staff recommended actions, and **Commissioner McGregor** seconded the motion.

MOTION: Adopt the Proposed FY 2025-26 Budget and direct the Executive Officer to distribute the document for review and comment to the Board of Supervisors, cities, and independent special districts; Direct staff to schedule a public hearing for consideration and adoption of the Final FY 2025-26 OC LAFCO Budget at the May 14, 2025 regular meeting; and Adopt Resolution No. CP 25-01 approving the 2025-26 OC LAFCO Fee Schedule. (Douglass Davert)

SECOND: Derek J. McGregor

FOR: Douglass Davert, Derek J. McGregor, Wendy Bucknum, James Fisler, Carol Moore, Donald P. Wagner

AGAINST: None

ABSTAIN: None

MOTION PASSED: 6-0.

7b. – Focused Municipal Service Review and Sphere of Influence Update for Orange County Water District (MSR 23-06 and SOI 23-06) and Feasibility Analysis of the Potential Consolidation of the Orange County Water District and Municipal Water District of Orange County

General Counsel Scott Smith disclosed his firm's representation of MWDOC and other stakeholders and noted that the Commission's policy allows Best Best & Krieger's participation in answering questions related to LAFCO. Mr. Smith stated that the consultant, Mr. Schatz, would engage by answering questions related to the legislative analysis included in the MSR.

Chair Wagner opened the public hearing. The Commission Clerk noted the public speakers requesting to address the Commission on the item.

Al Nederhood, Division 1 Director of the Municipal Water District of Orange County, made general comments and recommended that the report be received and filed without further action.

Denis Bilodeau, President of the Orange County Water District, made general comments and thanked OC LAFCO staff and consultants for their excellent work during the MSR process and remains open to future discussions.

Harvey De La Torre, General Manager of the Municipal Water District of Orange County, made general comments and acknowledged the effort by OC LAFCO staff and consultants on the MSR.

Chair Wagner closed the public hearing and called for the staff presentation.

Assistant Executive Officer Luis Tapia introduced the municipal service review. He noted that a 45-day public review and comment period was conducted for the Orange County Water District Focused MSR draft. He stated that the agency's comments were received and addressed in the comment log attached to the staff report. Mr. Tapia introduced Consultants from Albert A. Webb Associates and Webb Municipal Finance, LLC, who prepared the comprehensive MSR of OCWD and feasibility analysis of the potential consolidation of OCWD and MWDOC, and John J. Schatz, Esq. who focused on preparing the legislative analysis concerning the feasibility analysis. The Consultants provided a presentation on their findings. Mr. Tapia concluded the presentation with recommended actions for Commission consideration.

Chair Wagner called for Commission discussion on the item. General comments were made by the Commissioners.

Chair Wagner called for a motion on the item. **Commissioner Davert** moved to approve the staff recommended actions and **Commissioner Fisler** seconded the motion.

MOTION: Find the Focused Municipal Service Review and Sphere of Influence Update for OCWD and Feasibility study of the Potential Consolidation of OCWD and MWDOC categorically exempt from the California Environmental Quality Act (CEQA); Receive and file the Focused Municipal Service Review and Sphere of Influence Update for OCWD and Feasibility Study of the Potential Consolidation of OCWD and MWDOC; Approve the OC LAFCO Resolution No. MSR 23-06 adopting the Municipal Service Review Statement of Determinations for the Focused Municipal Service Review for OCWD and Feasibility Study of the Potential Consolidation of OCWD and MWDOC; Approve the OC LAFCO Resolution SOI 23-06 adopting the Sphere of Influence Statement of Determinations

and reconfirming the sphere of influence for OCWD; Approve the Notices of Exemption for MSR 23-06 and SOI 23-06. (Douglass Davert)

SECOND: James Fisler

FOR: Douglass Davert, James Fisler, Wendy Bucknum, Derek J. McGregor, Carol Moore, Donald P. Wagner

AGAINST: None

ABSTAIN: None

MOTION PASSED: 6-0.

8. COMMISSION DISCUSSION AND ACTION

8a. – Personnel Policies and Procedures

Commission Clerk Cheryl Carter-Benjamin presented the staff report and recommended action for Commission consideration and noted that staff and General Counsel were available to answer questions.

Chair Wagner called for Commission discussion and public comments. There was no noted discussion from Commissioners, and the Commission Clerk noted that there were no requests from the public to speak on the item.

Chair Wagner called for a motion on the item. **Commissioner Davert** motioned to approve the staff recommended action, and **Vice Chair Bucknum** seconded the motion.

MOTION: Adopt the Personnel Policies and Procedures, as amended. (Douglass Davert)

SECOND: Wendy Bucknum

FOR: Douglass Davert, Wendy Bucknum, James Fisler, Derek J. McGregor, Carol Moore, Donald P. Wagner

AGAINST: None

ABSTAIN: None

MOTION PASSED: 6-0.

9. COMMISSIONER COMMENTS

Commissioners made general comments.

10. EXECUTIVE OFFICER'S REPORT

The Executive Officer provided an oral report on the upcoming Annual Strategic Planning Workshop on Friday, April 4, from 9:00 a.m. to 1:00 p.m. at the Santa Ana Police Department

Community Room and that William “Bill” Kelly would facilitate the workshop. Ms. Emery reminded the Commission to return the document distributed by Bill. She also noted that the deadline for completing the Commission’s annual Form 700 is April 1, 2025.

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

11a. – 2025 Strategic Planning Workshop

Chair Wagner noted that the Executive Officer provided an oral report during the Executive Officer’s update and that there were no additional informational items or announcements.

12. CLOSED SESSION

Chair Wagner and General Counsel Scott Smith noted that no closed session items scheduled for discussion by the Commission.

13. ADJOURNMENT OF THE REGULAR COMMISSION MEETING

Chair Wagner noted that the Commission would host its Strategic Planning Workshop on April 4, 2025, at 9:00 a.m. and adjourned to the next Regular Commission Meeting on May 14, 2025, at 8:15 a.m.

Donald P. Wagner, Chair
Orange County Local Agency Formation Commission

ATTEST:

By: _____
Cheryl Carter-Benjamin
Commission Clerk