



November 13, 2019

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STAFF

CAROLYN EMERY
EXECUTIVE OFFICER

TO: Local Agency Formation Commission

FROM: Executive Officer
Policy Analyst

SUBJECT: Proposed "Reorganization of the 17th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County (RO 19-07)"

APPLICANT:
City of Santa Ana by resolution.

BACKGROUND

For the past three years, Commission staff has worked collaboratively with representatives from the City of Santa Ana, the County of Orange and representatives of a landowner on the potential annexation of the 17th Street and Tustin Unincorporated Island ("Island"). Discussions with agency and landowner stakeholders initially began when the County of Orange informed Orange LAFCO ("OC LAFCO") of an application for the proposed commercial development on a three-parcel lot located within the Island. The lot is currently proposed to include two commercial buildings that require local water and wastewater services. As the County is not a provider of either of these services, the stakeholders were informed that the City of Santa Ana would be the most logical provider of these services to the entire Island, including the proposed development.

Subsequent to multiple discussions, in June 2018, the Santa Ana City Council directed its staff to explore the potential annexation of the Island and to jointly conduct a community workshop with OC LAFCO and the County of Orange involving the residents of the Island. On September 14, 2018, a community workshop was held to provide information on the annexation process, address questions and receive comments from residents. Approximately 25 residents attended the workshop that took place at the Calvary Church in Santa Ana near the Island.

Following the community workshop, the staffs of OC LAFCO, the Cities of Santa Ana and Tustin, the County and representatives of the proposed commercial development continued discussions on process requirements and developing agreements to assist with moving the annexation of the Island forward. After a multi-year collaborative effort, the City of Santa Ana filed an annexation application with OC LAFCO on September 19, 2019 and cooperative and service agreements have been adopted by the respective agencies to ensure that specific terms and conditions are met upon annexation.

STAFF ANALYSIS

For nearly 20 years, OC LAFCO has worked collaboratively with multiple cities containing unincorporated areas within their spheres of influence and the County of Orange to establish more logical jurisdictional boundaries and efficient delivery of municipal services. To complement this effort, the Commission has implemented a long-standing fee waiver policy for small island annexations, and with the State streamlined legislation for processing small islands, OC LAFCO has annexed over 50 islands. The annexation of the 17th Street and Tustin Unincorporated Island would represent another successful transition of an unincorporated island to enhance efficient service delivery.

The Reorganization Proposal

The City of Santa Ana has filed an application for the annexation of the 17th Street and Tustin Unincorporated Island and detachment of the same territory from the Municipal Water District of Orange County ("MWDOC"). The total acreage of the Island is approximately 24.79 acres (See Figure 1). MWDOC is a water member agency of the Metropolitan Water District of Southern California ("MWD") and was formed to provide wholesale water service to those areas of Orange County not covered by an MWD member agency. The City of Santa Ana is an MWD city member agency, and because the service boundaries of MWD member agencies cannot overlap, should the Island be annexed to the City of Santa Ana, the reorganization would require a concurrent detachment and sphere amendment of the same territory from MWDOC.

Figure 1

**17th Street and Tustin
Unincorporated Island**

- **Population: 275**
- **Land Use: Residential and Commercial**
- **Acreage: 24.79**



Annexation of the Island would allow the extension of efficient municipal services (i.e., police, planning, water, and wastewater) to the Island. An analysis of municipal service provision within the Island is discussed in the next section of this report. Additionally, State law requires the Commission to review and consider several factors and make determinations for the proposed reorganization. The details of all the factors considered in the review of this proposal are presented in Attachment A.

Municipal Service Provision

The County of Orange is the current service provider of several municipal services to the Island. In accordance with one of its statutory mandates, the Commission is required to establish a Sphere of Influence (SOI) for each Orange County city and special district. SOIs are used to identify probable and physical boundaries and service areas of local government agencies. Additionally, OC LAFCO has established agency SOIs to encourage the efficient, effective and equitable delivery of municipal services to Orange County residents.

In 1973, the Commission established the SOI for the City of Santa Ana, which included the 17th Street and Tustin Unincorporated Island. During subsequent SOI reviews and updates, the City's SOI was reaffirmed to include this area. Additionally, service delivery within the City's SOI was reviewed in municipal service review reports prepared in 2006, 2008, and 2013. In each report it was noted that the City of Santa Ana was the most logical provider to the Island based on the City's SOI designation, the Island's physical boundary, and the ability of the City, as a full-service agency, to provide services to the area. Currently, the City of Santa Ana provides local wastewater service and police protection services (through a mutual aid agreement) to the Island, and annexation would clarify that service provision and allow the City to provide additional local services, such as water, planning, code enforcement, and parks and recreation.

In September 2019, the County of Orange approved the proposed commercial development of a three-parcel lot located within the Island. Development of the currently vacant lot will include Chick-fil-A and In-N-Out restaurants. A Cooperative Agreement was approved by the County of Orange and the City of Santa Ana to allow the County to complete the planning approvals for the development upon annexation of the Island. Currently, the City of Tustin provides local water service to a portion of the Island. The Santa Ana City Council approved a water agreement on September 3 that will allow the City of Tustin to provide local water service to the entire Island upon annexation. The Tustin City Council is scheduled to consider approval of the water agreement on November 5. Both of these agreements have been incorporated into the terms and conditions of the OC LAFCO resolution approving the reorganization. Copies of the cooperative agreement and water agreement are attached to the resolution (Exhibits C and D).

The table below depicts the existing and proposed service delivery to the Island upon annexation.

Table A – Current and Proposed Service Providers		
Service	Current	Proposed
Retail Water	City of Tustin	City of Tustin (through a contractual agreement with the City of Santa Ana)
Local Wastewater	City of Santa Ana	City of Santa Ana*
Regional Wastewater	Orange County Sanitation District	Orange County Sanitation District
Fire	Orange County Fire Authority	Orange County Fire Authority
Police	Orange County Sheriff	City of Santa Ana
Public Works	County of Orange	City of Santa Ana
Parks and Recreation	County of Orange	City of Santa Ana
Planning	County of Orange	City of Santa Ana
*There are approximately 30 septic systems within the island.		

LAND USE

The 17th Street and Tustin Unincorporated Island includes a total of 57 parcels. Current land uses designated by the County of Orange General Plan include: Single-Family Residence (R1), Multi-Family Dwelling (R2) and Local Business (C1 and 100-C-1-100). As part of the annexation application, the City of Santa Ana approved the following land use designations for the annexation territory: Single-Family Residence (R1), Two-Family Residence (R2), Community Commercial (C1) and Arterial Commercial (C5).

PROPERTY TAX

California and Taxation Code Section 99 requires the City and County to adopt property tax exchange resolutions for proposed changes of organization and reorganization. On September 3rd and September 24th, the City of Santa Ana and the County of Orange, respectively, adopted resolutions in accordance with the Master Property Tax Exchange Agreement. Upon annexation, the City will receive 58.5285% and the County will receive 41.4715% of the one percent basic levy of property tax generated within the Island.

ENVIRONMENTAL REVIEW

As the lead agency, the County of Orange prepared a Mitigated Negative Declaration in accordance with the California Environmental Quality Act (CEQA) for the development project and the proposed reorganization. On September 18, 2019, the City of Santa Ana approved a Notice of Exemption for the proposed reorganization. The Commission, as a

responsible agency, may use the Mitigated Negative Declaration in its consideration of the reorganization proposal. The Notice of Determination is attached for the Commission's consideration as Attachment B.


RECOMMENDATION

The "Reorganization of the 17th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County" proposal addresses the factors and requirements of State law for a reorganization and aligns with OC LAFCO's policies and procedures on agency spheres of influence, MSR determinations and the Commission's proactive effort of annexing unincorporated areas to adjacent cities to support more logical boundaries and efficient delivery of services.

Staff, therefore, recommends the Commission:

1. Certify that the Commission has reviewed and considered the information contained within the Mitigated Negative Declaration prepared by the County of Orange.
2. As a responsible agency, approve the Notice of Determination for the "Reorganization of the 17th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County (RO 19-07)" (Attachment B).
3. Adopt OC LAFCO Resolution No. RO 19-07 approving the "Reorganization of the 17th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County (Attachment C).
4. Waive protest proceedings in accordance with Government Code Section 56375.3.

Respectfully Submitted,



CAROLYN EMERY

LUIS TAPIA

Attachments:

- Attachment A – Factors Considered by Commission
- Attachment B – Notice of Determination
- Attachment C – OC LAFCO Resolution No. 19-07

FACTORS CONSIDERED IN REVIEW OF THE REORGANIZATION OF THE 17TH STREET AND TUSTIN UNINCORPORATED ISLAND TO THE CITY OF SANTA ANA AND MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
(RO 19-07)

I. Population, population density, land area, land use, and assessed valuation

- The proposal includes approximately 275 residents based on the last Census.
- The proposed annexation territory is currently designated by the County of Orange General Plan as Single-Family Residence (R1), Multi-Family Dwelling (R2) and Local Business (C1 and 100-C1-100).
- The land use designations proposed by the City of Santa Ana are Single-Family Residence (R1), Two-Family Residence (R2), Community Commercial (C1) and Arterial Commercial (C5).
- The total assessed valuation for the property within the proposed annexation territory is \$27,475,353.

II. Organized community services, present cost and adequacy, and future needs of governmental services, and probable effect of the proposed annexation

- The subject territory is within the County of Orange, which is responsible for most of the municipal services. The City of Santa Ana and the City of Tustin provide sewer service and water service respectively to developed parcels within the subject territory. If the Commission approves the proposed reorganization, it will not affect the City of Santa Ana's ability to adequately provide services in the subject territory and adjacent areas. The table below depicts the current and proposed service provisions to the developed and undeveloped parcels within the subject territory.

Table A – Current and Proposed Service Providers		
Service	Current	Proposed
Retail Water	City of Tustin	City of Tustin (through a contractual agreement with the City of Santa Ana)
Local Wastewater	City of Santa Ana	City of Santa Ana*
Regional Wastewater	Orange County Sanitation District	Orange County Sanitation District
Fire	Orange County Fire Authority	Orange County Fire Authority
Police	Orange County Sheriff	City of Santa Ana
Public Works	County of Orange	City of Santa Ana
Parks and Recreation	County of Orange	City of Santa Ana
Planning	County of Orange	City of Santa Ana
Library	County of Orange	City of Santa Ana
*There are approximately 30 septic systems within the island.		

- If the Commission approves the reorganization, the City of Santa Ana and the City of Tustin will enter into a water agreement for Tustin to continue providing water service to all of the parcels included within the subject territory.
- Upon annexation, all planning approvals for the proposed development within the subject territory will be processed by the County of Orange in accordance with a cooperative agreement executed by the County of Orange and the City of Santa Ana.

III. Effect on adjacent areas, mutual social and economic interest, local governmental structure

- Approval of the proposed annexation will not have an effect on adjacent areas, mutual social and economic interests, and local government structure.

IV. The conformity of both the proposal and its anticipated effect with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Government Code Section 56377

- The proposed reorganization does not include any open space lands.
- The proposed reorganization includes three parcels that are the sites of a proposed development for two commercial buildings, a Chick-fil-A and an In-N-Out.
- The proposed reorganization was processed in accordance with Commission policies and procedures and is consistent with the priorities set forth in Government Code Section 56377.

V. Effect on maintaining the physical and economic integrity of agricultural lands

- No agricultural land is contained within or adjacent to the proposed project territory.

VI. The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries

- The proposed annexation boundary has been reviewed by staff and does not create any islands or corridors of unincorporated territory.

VII. Regional Transportation Plan (RTP) adopted and consistency with city or county general and specific plans.

- The proposed reorganization of territory is consistent with the City's and County's General Plan and will not impact the Regional Transportation Plan and Sustainable Communities Strategy that has been adopted for the region by the Southern California Association of Governments.

VIII. Sphere of Influence of Local Agencies

- The unincorporated island is within the City of Santa Ana's sphere of influence and is substantially surrounded by the City.
- The unincorporated island is within the following local agencies' sphere of influence: Orange County Sanitation District, Orange County Mosquito and Vector Control District, Orange County Water District, and Orange County Cemetery District.

IX. Comments from affected agencies and/or other public agency

- All affected and public agencies were notified of the proposal and no comments on the proposed annexation were received.

X. Ability of newly formed or receiving entity to provide services to proposal area and sufficiency of revenues for those services

- The City of Santa Ana has sufficient revenues and can provide adequate municipal services to the proposed territory.

XI. Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5

- The proposed territory is composed of 54 developed parcels and 3 undeveloped parcels. The City of Tustin provides water service to the developed parcels within the subject territory. The City of Santa Ana has identified the City of Tustin as the agency that will deliver the water service in the most efficient manner until Santa Ana has the infrastructure to provide water service to all of the parcels. The Santa Ana City Council approved a water agreement on September 3, 2019 that will allow the City of Tustin to provide local water service to the entire Island upon annexation. The Tustin City Council is scheduled to consider approval of the water agreement on November 5.

XII. Extent to which the proposal will affect the City of Santa Ana and the County in achieving their respective fair shares of the regional housing needs

- There were no comments received from the City and County regarding the extent to which the proposal will affect their respective shares of the regional housing needs.

XIII. Information or comments from landowners, voters, or residents within affected territory

- Staff notified all landowners, voters, and residents within the affected territory 21-days prior to the public hearing. As of the date of the agenda distribution, staff has received no written comments.

- XIV. The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and income with respect to the location of public facilities and the provision of public services
- If annexed to the City of Santa Ana, the subject territory will receive the same municipal services currently provided to all City residents.
- XV. Information contained in a local hazard mitigation plan, information contained in safety element of a general plan, and any maps that identify land as very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to 4102 of the Public Resource Code
- Government Code Section 51178 requires the California Department of Forestry and Fire Protection (CAL FIRE) to identify "very high fire hazard severity zones" using consistent statewide criteria. The 17th Street and Tustin unincorporated island is not identified to be in a "very high fire hazard severity zone."

NOTICE OF DETERMINATION

TO:	<input type="checkbox"/> Clerk of the Board of Supervisors or <input checked="" type="checkbox"/> County Clerk County of: Orange Address: 12 Civic Center Plaza, Santa Ana, CA 92701	FROM:	Orange County Local Agency Formation Commission (Responsible Agency) Address: 2677 N. Main St., Suite 1050 Santa Ana, CA 92705 Contact: Luis Tapia Phone: 714-640-5100
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TO:	<input checked="" type="checkbox"/> Office of Planning and Research P. O. Box 3044 Sacramento, CA 95812-3044 <input type="checkbox"/> 1400 Tenth Street (overnight or hand delivery) Sacramento, CA 95814	Lead Agency: County of Orange Address: 300 North Flower Street Santa Ana, CA 92703 Contact: Kevin Shannon Phone: 714-667-1632

SUBJECT: Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: Reorganization of the 17 th Street and Tustin Unincorporated Island and Municipal Water District of Orange County (RO 19-07)		
State Clearinghouse Number (If submitted to SCH): 2019079044	Applicant: City of Santa Ana Contact Person: Vince C. Fregoso, AICP 20 Civic Center Santa Ana, CA 92701	Telephone Number: (714) 667-2713
Specific Project Location – Identify street address and cross street or attach a map showing project site (preferably a USGS 15' or 7 ½' topographical map identified by quadrangle name): See attached vicinity map.		
General Project Location (City and/or County): The 17 th Street and Tustin Unincorporated Island is substantially surrounded by the City of Santa Ana and it is to the northeast portion of the City's sphere of influence. The subject territory is located in the County of Orange.		
Project Description: The proposed Reorganization of the 17 th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County (RO 19-07) consists of: (1) the annexation of approximately 24.79 acres to the City of Santa Ana and (2) detachment of the same territory from the Municipal Water District of Orange County.		
Identify the person or entity undertaking the project, including any private applicant, any other person undertaking an activity that receives financial assistance from the Public Agency as part of the project, and any person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the project.		
The Orange County Local Agency Formation Commission, as a responsible agency. 2677 North Main Street Suite 1050, Santa Ana, CA 92705		

ATTACHMENT B

This is to advise that the (☐ Lead Agency or ☒ Responsible Agency) has approved the above described project on November 13, 2019 and has made the following determinations regarding the above described project:

1.	<input type="checkbox"/>	The project will have a significant effect on the environment.
	<input checked="" type="checkbox"/>	The project will NOT have a significant effect on the environment
2.	<input type="checkbox"/>	An Environmental Impact Report was prepared and certified for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
	<input type="checkbox"/>	A Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
	<input checked="" type="checkbox"/>	A Mitigated Negative Declaration was previously prepared and adopted for this project by the Lead Agency pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
3.	<input checked="" type="checkbox"/>	Mitigation measures were made a condition of the Lead Agency's approval of the project.
	<input type="checkbox"/>	Mitigation measures were NOT made a condition of the approval of the project.
4.	<input checked="" type="checkbox"/>	A Mitigation Monitoring or Reporting Plan was adopted by the Lead Agency for this project.
	<input type="checkbox"/>	A Mitigation Monitoring or Reporting Plan was NOT adopted for this project.
5.	<input type="checkbox"/>	A Statement of Overriding Considerations was adopted for this project.
	<input checked="" type="checkbox"/>	A Statement of Overriding Considerations was NOT adopted for this project
6.	<input checked="" type="checkbox"/>	Findings were made pursuant to the provisions of CEQA.
	<input type="checkbox"/>	Findings were NOT made pursuant to the provisions of CEQA.
This certifies that the location and custodian of the documents which comprise the record of proceedings for the Final EIR (with comments and responses) or Negative Declaration are available to the general public at the following location(s):		
Custodian:		Location: County of Orange 300 N. Flower Street, 1 st Floor Santa Ana, CA 92702 Orange County Local Agency Formation Commission 2677 North Main Street Suite 1050 Santa Ana, CA 92705
Date: _____		Signature: _____
Date Received for Filing: _____		Title: _____

Authority cited: Sections 21083, Public Recourse Code.
Reference Section 21000-21174, Public Resources Code.

RO 19-07

**RESOLUTION OF THE LOCAL AGENCY
FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA
MAKING RESPONSIBLE AGENCY FINDINGS UNDER THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT AND APPROVING THE
“REORGANIZATION OF THE 17TH STREET AND TUSTIN UNINCORPORATED
ISLAND TO THE CITY OF SANTA ANA AND MUNICIPAL WATER DISTRICT
OF ORANGE COUNTY (RO 19-07)”**

November 13, 2019

On motion of Commissioner _____, duly seconded and carried, the following resolution was adopted:

WHEREAS, the proposed change of reorganization, designated as “Reorganization of the 17th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County (RO 19-07),” was hereto filed with and accepted for filing on November ____, 2019 by the Executive Officer of the Local Agency Formation Commission of Orange County (“OC LAFCO”) pursuant to Title 5, Division 3, commencing with Section 56000 et seq. of the Government Code; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56658 set November 13, 2019 as the hearing date of this proposal; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56665 has reviewed this proposal and prepared a report including her recommendations therein and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the annexation of approximately 24.79 acres to the City of Santa Ana and detachment of the same territory from the Municipal Water District of Orange County; and

WHEREAS, the County of Orange served as “lead agency” for the environmental review, analysis, and approval of a “Chick-fil-A/In-N-Out 17th and Tustin”

development and the proposed reorganization pursuant to the requirements of the California Environmental Quality Act (Public Resources Code section 21000 et seq.) and the State CEQA Guidelines (14 Cal. Code Regs., § 15000 et seq.) (“CEQA”); and

WHEREAS, pursuant to CEQA, on September 3, 2019, the County of Orange adopted a Mitigated Negative Declaration (SCH#2019079044) (“MND”) for the “Chick-fil-A/In-N-Out 17th and Tustin” development. The MND explicitly identified the reorganization in the project description and included the reorganization as a possible future contemplated action by OC LAFCO; and

WHEREAS, OC LAFCO has been asked to approve the “Reorganization of the 17th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County (RO 19-07)”;

WHEREAS, OC LAFCO has limited approval and implementing authority over the development site and, thus, is a “responsible agency” for the proposed reorganization pursuant to the requirements of CEQA; and

WHEREAS, OC LAFCO, at its agendized public meeting on November 13, 2019, independently reviewed and considered the MND prepared by the County of Orange, and other related documents in the record before it; and

WHEREAS, all of the procedures of CEQA have been met, and the Mitigated Negative Declaration prepared in connection with the reorganization, is sufficiently detailed so that all of the potential effects of the proposal on the environment and measures necessary to avoid or substantially lessen such effects have been evaluated in accordance with CEQA; and

WHEREAS, as contained herein, OC LAFCO has endeavored in good faith to set forth the basis for its decision on the proposal; and

WHEREAS, this Commission called for and held a public hearing on the proposal on November 13, 2019, and at the hearing, this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

Resolution (19-07)

WHEREAS, all of the findings and conclusions made by OC LAFCO pursuant to this Resolution are based upon the oral and written evidence presented to it as a whole and not based solely on the information provided in this Resolution; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the Commission of OC LAFCO does hereby resolve as follows:

Section 1. Compliance with the Environmental Quality Act.

As the decision-making body for OC LAFCO, and in OC LAFCO's limited role as a "responsible agency" under CEQA, the Commission has reviewed and considered the information contained in the MND and all supporting documents incorporated by reference as though set forth fully herein. Based on this review, the Commission finds that, as to those potential environmental impacts within the Commission's powers and authorities as the "responsible agency", the MND and supporting environmental documentation contain a complete, objective, and accurate reporting of those potential impacts, and that these findings reflect the independent judgement and analysis of the Commission.

Section 2. Findings on Environmental Impacts.

The Commission concurs with the County of Orange's environmental findings regarding the proposed reorganization, and adopts these findings, attached hereto as "Exhibit A," as though fully set forth herein. The Commission finds that there is no substantial evidence in the administrative record supporting a fair argument that the reorganization proposal may result in significant environmental impacts.

Section 3. OC LAFCO Findings.

The 17th Street and Tustin Unincorporated Island is currently within the City of Santa Ana's Sphere of Influence and is assigned the following distinctive short-form designation, "Reorganization of the 17th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County." The proposal consists of the annexation of approximately 24.79 acres located east of Tustin Avenue and north of 17th Street and the detachment of the subject territory from the Municipal Water District of Orange County. (See Vicinity Map attached as "Exhibit B")

Section 4. Approval of the "Reorganization of the 17th Street and Tustin Unincorporated Island to the City of Santa Ana and Municipal Water District of Orange County (RO 19-07)" Conditions of Approval:

- a) The annexation of the 17th Street and Tustin Unincorporated Island consisting of approximately 24.79 acres to the City of Santa Ana.
- b) Detachment of the subject territory from the Municipal Water District of Orange County.
- c) The Cooperative Agreement executed by the County of Orange and the City of Santa Ana ("Exhibit C").
- d) The City of Santa Ana shall provide the OC LAFCO Executive Officer with an executed copy of the Water Agreement executed by the Cities of Santa Ana and Tustin in substantially the same form as the draft agreement attached as "Exhibit D" prior to the recordation of the Certificate of Completion for the proposed reorganization.
- e) The sphere of influence for the Municipal Water District of Orange County is hereby amended to exclude the subject territory. The Statement of Determinations and amended sphere of influence map are shown as "Exhibit E."

- f) Upon annexation of the territory to the City, all right, title, and interest of the County, including the underlying fee title where owned by the County in any and all sidewalks, trails, landscaped areas, street lights, open space, signals, shall vest in the City of Santa Ana, except for those properties to be retained by the County and specifically listed by these conditions.
- g) Upon annexation of the territory, the City of Santa Ana shall be the owner of, and responsible for, all of the following property owned by the County at the time of annexation: public roads, adjacent slopes, street lights, traffic signals, mitigation sites that have not been accepted by regulatory agencies but exist or are located in public right-of-way and were constructed or installed as part of a road construction project within the annexed area and storm drains within street right-of-way and appurtenant slopes, medians and adjacent property. City of Santa Ana shall also be responsible for the ongoing mitigation, but not the ownership of, mitigation sites that were installed on other County property, such as flood control property that were installed as a condition of road construction projects in or associated with the road projects in the annexed area and mitigation site that is annexed to the City of Santa Ana.
- h) Upon the effective date of annexation, the City of Santa Ana shall do the following: (1) assume ownership and maintenance responsibilities for all drainage devices, storm drains and culverts, appurtenant facilities (except regional OCFCD flood control facilities for which OCFCD has a recorded flood control easement or ownership interest), site drainage, and all master plan storm drain facilities that are within the annexation area and are currently operated and maintained by the County of Orange; (2) accept and adopt the County of Orange Master Plan of Drainage (MPD), if any, which is in effect for the annexation area. Orange County Public Works Department/Planning & Development Services/Subdivision & Infrastructures should be contacted to provide any MPD which may be in

effect for the annexation area. Deviations from the MPD shall be submitted to the Manager of Flood Control Division, Orange County Public Works Department for review to ensure that such deviations will not result in diversions between watersheds and/or will not result in adverse impacts to OCFCD's flood control facilities; (3) administer flood zoning and Federal Emergency Management Agency floodplain regulations within the annexation area; (4) coordinate development within the annexation area that is adjacent to any existing flood control facilities for which OCFCD has a recorded flood control easement or owns fee interest, by submitting maps and proposals to the Manager of Flood Control Division, Orange County Public Works Department, for review and comment. If such facilities are in need of improvement to provide the required flood control and/or erosion protection for the development, require the developer to enter into an agreement with OCFCD for the design, review, construction, acceptance, and maintenance of such necessary flood control improvements, and; (5) for development proposals that are adjacent to regional drainage courses which are not owned or maintained by OCFCD, but are in need of improvements to provide the required flood control and/or erosion protection for the development, required the developer to enter into an agreement with OCFCD for the design, review, construction, acceptance, and maintenance of proposed regional flood control facilities.

- i) Payment by the applicant of State Board of Equalization fees is a condition of approval.
- j) As a condition of approval, the applicant agrees to defend, hold harmless and indemnify OC LAFCO and/or its agents, officers and employees from any claim, action or proceeding against OC LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of OC LAFCO concerning this proposal or any action relating to or arising out of such approval.

- k) The effective date shall be the date of recordation.

Section 5. Notice of Determination.

The Commission directs staff to file a Notice of Determination with the Orange County Clerk's Office within five working days of adoption of this Resolution.

Section 6. Conducting Authority.

The Commission shall authorize conducting authority proceedings to be waived in accordance with Government Code Section 56375.3.

Section 7. Mail Copy of Resolution.

The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code Section.

Section 8. Custodian of Records.

The documents and materials that constitute the record of proceedings on which this Resolution and the above findings have been based are located at the offices of OC LAFCO. The custodian for these records is OC LAFCO, and is located at 2677 North Main Street, Suite 1050, Santa Ana, California 92705.

PASSED, APPROVED AND ADOPTED, by the Commissioners of the Local Agency Formation Commission of Orange County this 13th day of November 2019.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of November 2019.

Cheryl Brothers
Chair of the Orange County
Local Agency Formation Commission

By: _____
Cheryl Brothers

NOTICE OF DETERMINATION

TO:	<input type="checkbox"/> Clerk of the Board of Supervisors or <input checked="" type="checkbox"/> County Clerk County of: Orange Address: 12 Civic Center Plaza, Santa Ana, CA 92701	FROM:	Orange County Local Agency Formation Commission (Responsible Agency) Address: 2677 N. Main St., Suite 1050 Santa Ana, CA 92705 Contact: Luis Tapia Phone: 714-640-5100
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TO:	<input checked="" type="checkbox"/> Office of Planning and Research P. O. Box 3044 Sacramento, CA 95812-3044 <input type="checkbox"/> 1400 Tenth Street (overnight or hand delivery) Sacramento, CA 95814	Lead Agency: County of Orange Address: 300 North Flower Street Santa Ana, CA 92703 Contact: Kevin Shannon Phone: 714-667-1632

SUBJECT: Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: Reorganization of the 17 th Street and Tustin Unincorporated Island and Municipal Water District of Orange County (RO 19-07)		
State Clearinghouse Number (If submitted to SCH): 2019079044	Applicant: City of Santa Ana Contact Person: Vince C. Fregoso, AICP 20 Civic Center Santa Ana, CA 92701	Telephone Number: (714) 667-2713
Specific Project Location – Identify street address and cross street or attach a map showing project site (preferably a USGS 15' or 7 ½' topographical map identified by quadrangle name): See attached vicinity map.		
General Project Location (City and/or County): The 17 th Street and Tustin Unincorporated Island is substantially surrounded by the City of Santa Ana and it is to the northeast portion of the City's sphere of influence. The subject territory is located in the County of Orange.		
Project Description: The proposed reorganization consists of: (1) the annexation of approximately 24.79 acres to the City of Santa Ana and (2) detachment of the same territory from the Municipal Water District of Orange County.		
Identify the person or entity undertaking the project, including any private applicant, any other person undertaking an activity that receives financial assistance from the Public Agency as part of the project, and any person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the project.		
The Orange County Local Agency Formation Commission, as a responsible agency. 2677 North Main Street Suite 1050, Santa Ana, CA 92705		

This is to advise that the (☐ Lead Agency or ☒ Responsible Agency) has approved the above described project on November 13, 2019 and has made the following determinations regarding the above described project:

1.	<input type="checkbox"/>	The project will have a significant effect on the environment.
	<input checked="" type="checkbox"/>	The project will NOT have a significant effect on the environment
2.	<input type="checkbox"/>	An Environmental Impact Report was prepared and certified for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
	<input type="checkbox"/>	A Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
	<input checked="" type="checkbox"/>	A Mitigated Negative Declaration was previously prepared and adopted for this project by the Lead Agency pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.
3.	<input checked="" type="checkbox"/>	Mitigation measures were made a condition of the Lead Agency's approval of the project.
	<input type="checkbox"/>	Mitigation measures were NOT made a condition of the approval of the project.
4.	<input checked="" type="checkbox"/>	A Mitigation Monitoring or Reporting Plan was adopted by the Lead Agency for this project.
	<input type="checkbox"/>	A Mitigation Monitoring or Reporting Plan was NOT adopted for this project.
5.	<input type="checkbox"/>	A Statement of Overriding Considerations was adopted for this project.
	<input checked="" type="checkbox"/>	A Statement of Overriding Considerations was NOT adopted for this project
6.	<input checked="" type="checkbox"/>	Findings were made pursuant to the provisions of CEQA.
	<input type="checkbox"/>	Findings were NOT made pursuant to the provisions of CEQA.
This certifies that the location and custodian of the documents which comprise the record of proceedings for the Final EIR (with comments and responses) or Negative Declaration are available to the general public at the following location(s):		
Custodian:		Location: County of Orange 300 N. Flower Street, 1 st Floor Santa Ana, CA 92702 Orange County Local Agency Formation Commission 2677 North Main Street Suite 1050 Santa Ana, CA 92705
Date: _____		Signature: _____
Date Received for Filing: _____		Title: _____

Authority cited: Sections 21083, Public Recourse Code.
 Reference Section 21000-21174, Public Resources Code.

Attachment:

City of Santa Ana

City of Tustin

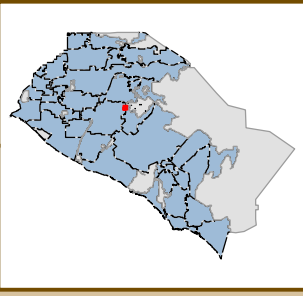
Tustin Avenue

17th Street

Legend

-  Proposed Annexation
-  SANTA ANA
-  TUSTIN

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



Reorganization of 17th Street and Tustin
Unincorporated Island to the City of Santa Ana
and Municipal Water District of
Orange County (RO 19-07)

Vicinity Map



Return ORIGINAL
Executed Copy to COTC
(M-30/T11)

INSURANCE NOT REQUIRED
WORK MAY PROCEED
CLERK OF COUNCIL
DATE: SEP 05 2019

COOPERATIVE AGREEMENT

BETWEEN THE CITY OF SANTA ANA AND THE COUNTY OF ORANGE FOR THE REORGANIZATION OF THE 17TH AND TUSTIN UNINCORPORATED ISLAND TO THE CITY OF SANTA ANA AND MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (RO19-07)

THIS COOPERATIVE AGREEMENT ("Agreement"), dated September 3, 2019, between the CITY OF SANTA ANA ("CITY"), a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California, and the COUNTY OF ORANGE ("COUNTY"), a political subdivision of the State of California, (collectively referred to as the "PARTIES" herein) is based on the following:

RECITALS

A. The City is in the process of annexing an unincorporated County island consisting of approximately 25 acres and referred to as the 17th and Tustin Unincorporated Island ("Annexation Area") and detachment of the Annexation Area from the Municipal Water District of Orange County. The Annexation Area is described in **Exhibit 1** and depicted in **Exhibit 2**.

B. The Annexation Area more specifically includes 57 parcels in the COUNTY bearing Assessor's Parcel Numbers ("APNs") 396-303-01 to 396-303-28, 396-304-01 to 396-304-11, 396-312-13 to 396-312-15, 396-313-01 to 396-313-03, 396-313-06 to 396-313-11, and 396-314-01 to 396-314-06, as depicted on **Exhibit 3**.

C. Among the individual parcels in the Annexation Area, the John C. Hall Trust UAD is the fee title holder of three parcels with APN Nos. 396-312-13 to 396-312-15, which parcels are currently under COUNTY review, application number PA160055, for discretionary permits for development. There may be additional ministerial permit applications to be submitted to the County, and County shall continue to retain all planning, building, safety, and inspection authority until the point of occupancy (collectively the discretionary and ministerial permits are the "Development Project").

EXHIBIT 2

D. The CITY and COUNTY are public entities possessing the common power to conduct and evaluate applications for discretionary and ministerial permits for development, including, but not limited to, subdivision maps, conditional use permits, grading permits and building permits, and approvals related to the implementation, planning, and development of real property ("Development Approvals").

E. The CITY intends, by way of this Agreement and pursuant to California Government Code section 51300 et seq. to contract with the COUNTY for the performance of all Development Approvals for the Development Project. Subject to this Agreement, and as limited to the Development Project alone, the COUNTY will assume the authority for the Development Approvals.

F. In the event of a "jurisdictional change" as defined in California Revenue and Taxation Code section 99, prior to the effective date of any jurisdictional change, the affected agencies of such change shall negotiate the amount of property tax revenues to be exchanged.

G. The Parties have met and negotiated both a property tax exchange and other consideration, all of which is conditional upon the CITY'S annexation of the Annexation Area becoming final and effective.

AGREEMENT

NOW, THEREFORE, based on the foregoing and in consideration of the Parties' mutual agreements and promises hereinafter set forth, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. CITY'S ANNEXATION APPLICATION

Within 90 days of the execution of this Agreement, the CITY will file an application for and diligently pursue annexation of the Annexation Area with the Orange County Local Agency Formation Commission (OCLAFCO).

2. PROPERTY TAX EXCHANGE

Upon annexation of the Annexation Area and assumption of services by the CITY becoming final and complete, the COUNTY and CITY agree to an exchange of property taxes generated within the Annexation Area as follows:

a. The COUNTY shall receive 41.4715 percent and the CITY shall receive 58.5285 percent of the COUNTY's share of the 1 percent basic levy of property tax from the annexation, with the re-allocation taking effect after OCLAFCO approval of the annexation. These proportional shares shall remain as the allocation of tax revenues between the CITY and the COUNTY for the annexations for all future years unless the CITY and COUNTY agree by written Resolution to adjust the allocation proportions.

b. The CITY shall receive a one-time compensation of \$711,814 to construct betterments in the Annexation Area, including Street Improvements (\$397,314), Storm Drain Improvements (\$187,500), and General Construction Costs (\$127,000).

c. As the CITY contracts with the Orange County Fire Authority, the Structural Fire Fund shall remain unchanged.

3. PERFORMANCE OF DEVELOPMENT APPROVALS

For the Development Project alone, the CITY hereby conveys to the COUNTY authority and responsibility for the Development Approvals, as defined above and pursuant to Government Code section 51300, et seq. County shall have such authority and responsibility for the Development Project through issuance of the Certificates of Occupancy. The County shall exercise the Development Approvals in substantial compliance with: (I) conditions imposed by any State or local agency; and (II) legally enforceable restrictions and limitations on development of the Property.

4. DISSOLUTION OF ANNEXATION AREA

Except with respect to matters addressed in Sections 5 and 6 herein, the COUNTY shall dissolve the Annexation Area, with the CITY to assume the services for the area, and the CITY to receive a transfer of the one-time compensation amount specified in paragraph 2.b herein at the time of dissolution.

5. OPEN CODE ENFORCEMENT CASES

The COUNTY commits to making its best effort to close open code enforcement and building safety/planning cases prior to the date of annexation, with the understanding that CITY agrees that COUNTY shall be entitled to charge, receive and retain all code enforcement fine amounts, which shall be the COUNTY's sole consideration for all services performed in closing the open cases. For code enforcement cases that still remain open on the date of annexation, the COUNTY will administer the cases to completion, using COUNTY ordinances and code enforcement procedures.

6. PERMITS AND PLAN CHECKS

CITY agrees that COUNTY shall be entitled to charge, receive and retain all customary fees for the Development Project through issuance of the Certificates of Occupancy, including planning application, building permit fees, grading fees, and inspection fees. The fees shall be the COUNTY's sole consideration for all services performed in closing the Development Project.

7. ANNEXATION FEES

CITY shall request that OCLAFCO allow the annexation to be processed under the "Small Island Annexation Program" so that OCLAFCO fees and map and legal fees are waived for the CITY.

8. DEEDS

COUNTY and CITY agree to execute, in recordable form, such documents as may be required to complete the annexation. In addition, if any transfer of ownership of real property that would not automatically result from the annexation is necessary to carry out the objectives of this Agreement, the COUNTY will execute, in recordable form, such deeds or other documents as may be required to accomplish those objectives.

9. TERM OF AGREEMENT

This Agreement shall commence upon the execution of all necessary signatures, and except for the authority granted to COUNTY for the Development Approvals, this Agreement shall continue in full force and effect with respect to the Property until annexation of the Property by the City has been completed to the satisfaction of both parties.

10. ENTIRE AGREEMENT

This Agreement sets forth and contains the entire understanding and agreement of the Parties, and all oral or written representations, understandings or agreements are expressly stated in this Agreement. No testimony or evidence of any such representations, understandings, or covenants shall be admissible in any proceeding or any kind or nature to interpret or determine the terms or conditions of this Agreement.

11. SEVERABILITY

If any term, provision, covenant, or condition of this Agreement is ruled invalid, void, or unenforceable by a court of competent jurisdiction, this Agreement shall nonetheless remain in full force and effect as to all remaining terms, provisions, covenants, and conditions.

12. INTERPRETATION AND GOVERNING LAW

This Agreement and any related dispute shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed according to its plain language and fair and common meaning to achieve the objectives and purposes of the Parties.

13. INDEMNIFICATION

Each party agrees to indemnify, defend with counsel approved in writing by the other party, and hold the other party, and their officials, officers, employees and agents free and harmless from any claim, loss, damage, or injury to property or persons, including wrongful death, in any manner arising out of or incident to any negligent act, omission or willful misconduct of the agreeing party, their respective officers, employees

or agents, arising out of or in connection with the execution or performance of this Agreement, including without limitation the payment of attorney fees.

14. SECTION HEADINGS

All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

15. WAIVER

The failure of a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, or the failure of a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of that Party's right to demand and require, at any time, the other Party's strict compliance with the terms of this Agreement

16. NO THIRD PARTY BENEFICIARIES

The Parties expressly acknowledge and agree that they do not intend, by their execution of this Agreement, to benefit any person or entities not signatory to this Agreement. No person or entity not a signatory to this Agreement will have any rights or causes of action against the CITY or COUNTY, or any combination thereof, arising out of or due to CITY'S or COUNTY'S entry into this Agreement.

17. SUCCESSORS IN INTEREST

The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties to this Agreement.

18. COUNTERPARTS

This Agreement may be executed by the parties and counterparts, which counterparts shall be construed together and have the same effect as if all the parties had executed the same instrument.

19. JURISDICTION AND VENUE

Any action at law or in equity arising under this Agreement or brought by any Party for the purpose of enforcing, construing, or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Orange, State of California. The Parties waive all provisions of law providing for the filing, removal or change of venue to any other court.

20. FURTHER ACTIONS AND INSTRUMENTS

Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated by this Agreement to achieve the objectives of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record instruments and writing. The Parties shall also take any action that may be reasonably necessary under the terms of this Agreement to carry out the intent and to achieve the objectives of this Agreement

21. AMENDMENTS

This Agreement may be amended only by written consent of the parties specifically approving the amendment. The Parties shall cooperate in good faith with respect to any amendment proposed in order to clarify that intent and application of this Agreement.

22. AUTHORITY TO EXECUTE

Any person or persons executing this Agreement on behalf of the City and County warrants and represents that he or she has the authority to execute this Agreement on behalf of his or her agency and to bind that Agency to the performance of its obligations pursuant to this Agreement.

23. NOTICE

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and shall be deemed served when delivered personally or on

the third business day after deposit in the United States mail, postage prepaid, first class mail, addressed as follows.

All notices, demands, requests or approvals to CITY shall be addressed to:

City of Santa Ana
20 Civic Center Plaza
Santa Ana, CA 90702
Attn: Clerk of the Council

All notices, demands, requests or approvals to COUNTY shall be addressed to:

Robin Stieler, Clerk of the Board
County of Orange
333 W. Santa Ana Blvd
Santa Ana, CA 92701

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates set forth below:

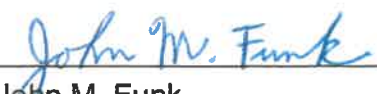
CITY OF SANTA ANA

By: 
Kristine Ridge
City Manager
Date: _____

ATTEST:

APPROVED AS TO FORM
Sonia R. Carvalho, City Attorney

By:  
City Clerk

By: 
John M. Funk
Assistant City Attorney

**Return ORIGINAL
Executed Copy to COTC
(M-30/T11)**

COUNTY OF ORANGE

By: _____

LISA A. BARTLETT

Chairwoman of the Board of Supervisors

County of Orange, California

Date: _____

9/24/19



SIGNED AND CERTIFIED THAT A COPY OF THIS
AGREEMENT HAS BEEN DELIVERED TO THE CHAIR
OF THE BOARD PER G.C. SEC. 25103, RESO 79-1535
ATTEST:

Robin Stieler

Clerk of the Board

Orange County, California

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By: _____

WSD

Date: _____

9.17.19

Return ORIGINAL
Executed Copy to COTC
(M-30/T11)

COOPERATIVE AGREEMENT
BETWEEN THE CITY OF SANTA ANA AND THE COUNTY OF ORANGE
FOR THE REORGANIZATION OF THE 17TH AND TUSTIN
UNINCORPORATED ISLAND TO THE CITY OF SANTA ANA

The 17th and Tustin Island annexation area is described as approximately 25 acres of unincorporated territory generally located near where the SR-55 Costa Mesa Freeway intersects 17th street, lying to the north of 17th Street, to the east of Tustin Avenue, to the south of Catalina Avenue, and west of SR-55 Costa Mesa Freeway.

Included in the annexation is unincorporated public right of way as follows:

- 17th Street from Tustin Avenue to SR-55 Costa Mesa Freeway
- Tustin Avenue from 17th Street to the north line produced of APN 396-312-15
- Ponderosa Street from 17th Street to the north line produced of APN 396-303-12
- Deodar Street from 17th Street to the north line produced of APN 396-303-12
- Medford Street from Deodar Street to Pasadena Street
- Pasadena Street from Medford Street to the north end of the cul-de-sac

The above described annexation area is depicted in Exhibit 2.

The area includes the private property parcels with Assessor's Parcel Numbers ("APNs") as shown in Exhibit 3.



EXHIBIT 2
CITY OF SANTA ANA 17TH STREET ISLAND - VICINITY MAP

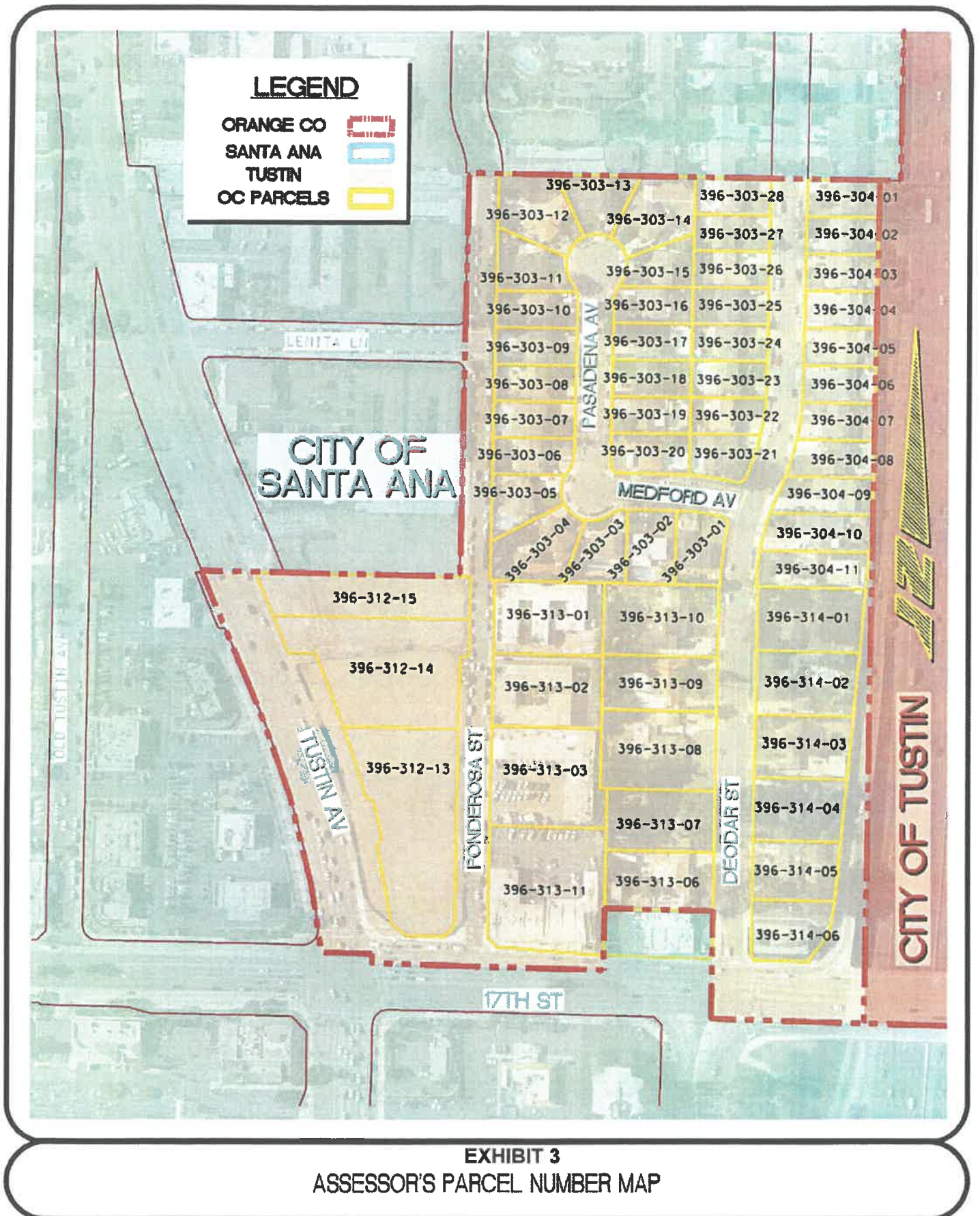


EXHIBIT 3
ASSESSOR'S PARCEL NUMBER MAP

**SERVICE AGREEMENT
BY AND BETWEEN THE CITY OF SANTA ANA
AND THE CITY OF TUSTIN
REGARDING POTABLE WATER SERVICE FOR
VARIOUS PARCELS OF UNINCORPORATED REAL PROPERTY**

This Service Agreement (“Agreement”) is entered into by and between the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (“Santa Ana”), and the City of Tustin, a California municipal corporation (“Tustin”) (each referred to as “Party” and collectively referred to as the “Parties”) on the effective date of the reorganization of “Island Parcels” involving the annexation of the “Island Parcels” to Santa Ana and detachment of same territory from the Municipal Water District of Orange County as specified in Section A below.

RECITALS

A. As provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Gov. Code, §§ 56000 et seq.) and the Orange County Local Agency Formation Commission’s (“OC LAFCO”) policies and procedures, Santa Ana will submit to OC LAFCO an application to annex 57 parcels and detachment of the same parcels from the Municipal Water District of Orange County. The annexation collectively constitutes an island of unincorporated territory within Santa Ana’s sphere of influence with Assessor’s Parcel Numbers (“APNs”) 396-303-01 to -28, 396-304-01 to -11, 396-312-13, -14, and -15, 396-313-01 to -03, -06 to -11, and 396-314-01 to -06 (“Island Parcels”) as shown on Exhibit A.

B. Santa Ana is presently without the necessary water system infrastructure to directly provide Potable Water Services to the Island Parcels, but contemplates and fully intends to ensure that the Island Parcels receive adequate Potable Water Service consistent with the level of service contemplated by Santa Ana subsequent to the Annexation, including installation and completion of all necessary water system infrastructure and performance of all customer service functions (“Potable Water Service”) following Santa Ana’s annexation of the Island Parcels.

C. Tustin maintains and operates water lines and facilities that provide Potable Water Services to all developed Island Parcels.

D. Santa Ana and Tustin desire to enter into this Agreement, whereby Tustin will provide Potable Water Service to the Island Parcels. Tustin will provide water service to the Island Parcels until such time Santa Ana has completed water system infrastructure to serve the entire Island Parcels.

E. This Agreement constitutes a service agreement in which “[t]wo or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.” (Gov. Code, § 56133(e)(1)).

F. Under Government Code, section 56133 and OC LAFCO's "Policy & Procedures for the Review and/or Processing of Out-Of-Area Agreements by the Executive Officer (Gov't Code §56133)," this Agreement is not an out-of-area service agreement requiring OC LAFCO's review and approval because: (1) Santa Ana and Tustin are both public agencies; and (2) upon annexation, Santa Ana will have the exclusive authority to provide Potable Water Services to the Island Parcels. However, Santa Ana has found that such activities can be more efficiently and more conveniently performed by Tustin pursuant to this Agreement at this time.

G. This Agreement will in no way adversely impact water services to current customers of Santa Ana or Tustin, will not induce growth, and will not result in the duplication of services in the territory of either city.

H. This Agreement serves the public interest, economy, and general welfare.

TERMS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants as well as for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. CONSENT FOR AND PROVISION OF SERVICES

1.1. Santa Ana's Consent for Service. Except as provided in Section 1.2, Santa Ana consents to Tustin's provision of Potable Water Service to the Island Parcels, upon Santa Ana's annexation of the Island Parcels.

1.2. Following the annexation, in the event that Santa Ana has or creates the infrastructure and the capacity to provide Potable Water Service to the Island Parcels, any new development or redevelopment within the Island Parcels shall be served by Santa Ana.

1.3. Tustin's Provision of Service.

1.3.1. Provision of Service. Tustin agrees to provide Potable Water Service to the Island Parcels in a manner and at a level consistent with Tustin's provision of services to its remaining service area, subject only to a changeover as set forth in Section 2 of this Agreement.

1.3.2. Applicable Law. Tustin's provision of the Potable Water Service shall comply with applicable local, state, or federal statutes, regulations, rules, or policies.

2. TERMINATION

Santa Ana's Capacity for Service. If, at any time during the course of this Agreement, Santa Ana determines that it has the infrastructure and capacity to economically and conveniently provide Potable Water Service to the Island Parcels in a manner and at a level consistent with Santa Ana's service to the remainder of its service area, then Santa Ana will send written notice to Tustin and OC LAFCO of such determination. The notice shall provide reasonable terms, conditions, and times for accomplishing the changeover from Tustin to Santa Ana as the provider of Potable Water Service; provided, however, that cooperation with the notice shall be at no cost to Tustin. Tustin will work in good faith with Santa Ana to reasonably comply with the notice. This Agreement shall terminate when the changeover is accomplished. When this Agreement is terminated for any reason, any costs reasonably required to disconnect, transfer, cap, abandon, and/or otherwise cease Potable Water Service by Tustin will be reimbursed by Santa Ana within ninety (90) days of delivery of written request for such reimbursement. The manner of cessation of Tustin Potable Water Service shall be in compliance with all then-current Tustin standards and requirements.

3. EFFECTIVE DATE OF AGREEMENT

The effective date of this Agreement is the date this Agreement is executed by both Parties as it appears on the Signatures page of this Agreement referred to as Effective Date.

4. SCOPE OF AGREEMENT

Nothing contained in this Agreement shall be construed as representing the establishment of any precedent or the formation of any policy by Santa Ana to generally allow Tustin to provide Potable Water Service within Santa Ana's jurisdiction or by Tustin to provide Potable Water Service within Santa Ana's jurisdiction on the terms and conditions contained herein or on any terms and conditions whatsoever.

5. INDEMNIFICATION

The Parties shall indemnify and hold harmless each other and their officers, employees, and agents, against any and all claims, liabilities, expenses, attorney's fees or damages, for injury or death of any person, or damage to property, or interference with use of property Claims, to the extent the Claims arise from the negligence or willful misconduct of the indemnifying Party or to the extent any Claim arises in connection with the indemnifying Party's negligent performance of this Agreement.

6. MISCELLANEOUS PROVISIONS

6.1. Changes to Agreement. All of the terms, conditions and provisions hereof shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns, provided, however, that no assignment of this Agreement shall be made without the prior written consent of the Parties to the Agreement, which consent may not be unreasonably withheld, conditioned or delayed.

6.2. Performance. Whenever performance is required of any Party hereunder, that Party shall use all due diligence to perform and take all necessary measures in good faith to perform; provided, however, that if completion of performance shall be delayed at any time by reason of acts of God, war, civil commotion, riots, strikes, picketing, or other labor disputes, or damage to work in progress by reason of fire or other casualty or cause beyond the reasonable control of a party (acts by the performing Party causing the situation to be beyond reasonable control excepted), then the time for performance as herein specified shall be appropriately extended by the amount of the delay actually so caused.

6.3. Severability. Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any person or circumstance, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other person or circumstance and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

6.4. Form of Notice. Any notice to any Party shall be in writing and given by delivering the same to such party in person or by sending the same by registered or certified mail, return receipt requested, with postage prepaid to the party's mailing address. The respective mailing addresses of the Parties thereto are, until changed as hereinafter provided, the following:

To Santa Ana:	Fuad Sweiss, PE, PLS Executive Director Public Works Agency 20 Civic Center Plaza Santa Ana, Ca. 92702
With copy to:	Clerk of the Council 20 Civic Center Plaza Santa Ana, Ca. 92702
To Tustin:	Douglas Stack Director of Public Works/City Engineer 300 Centennial Way Tustin, Ca. 92780
To OC LAFCO:	Carolyn Emery 2677 North Main St Suite 1050 Santa Ana, Ca 92705

6.5. Change of Address. Any Party may change its mailing address at any time by giving written notice of such change to the other Party in the manner provided herein at least ten days prior to the date such change is considered effective.

6.6. Effective Date of Notice. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is effective or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

6.7. Content of Notice. Every notice (other than the giving or withholding of consent, approval, or satisfaction under this Agreement, but including requests therefore) given to a Party or other person shall comply with the following requirements. Each notice shall state:

6.7.1. The paragraph of this Agreement pursuant to which the notice is given; and

6.7.2. The period of time within which the recipient of the notice must respond or if no response is required, a statement to that effect.

6.7.3. Each request for consent or approval shall contain reasonably sufficient data or documentation to enable the recipient to make an informed decision.

6.8. Entire Agreement. This writing constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all oral or written representations or written agreements that may have been entered into between the Parties. This Agreement may be cancelled, changed, modified or amended in whole or in part only by a written and recorded instrument executed by the Parties (or their respective successors and assigns).

6.9. Governing Law. This Agreement shall be governed by the laws of the State of California. Any legal action concerning or arising out of this Agreement shall be filed in a court of the State of California having jurisdiction of the subject matter, and venue shall be in the County of Orange, State of California.

6.10. Counterparts. This Agreement may be executed by the parties in one or more counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such parts shall together constitute one and the same instrument.

6.11. Section Headings. All section headings and subheadings are inserted for convenience only and will not affect any construction or interpretation of this Agreement.

Signatures and OC LAFCO certification on the next pages.

SIGNATURES

In witness thereof, the Parties here to have executed this Agreement on _____ which is the Effective Date.

Month Day Year

CITY OF SANTA ANA,
a California municipal corporation

CITY OF TUSTIN,
a California municipal corporation

By: _____
KRISTINE RIDGE,
CITY MANAGER

By: _____
MATHEW S. WEST,
ACTING CITY MANAGER

Attest:

Attest:

By: _____
NORMA MITRE-RAMIREZ,
ACTING CITY CLERK

By: _____
ERICA N. YASUDA,
CITY CLERK

Approved as to Form:

Approved as to Form:

WOODRUFF, SPRADLIN & SMART, APC.

By: _____
SONIA CARVALHO,
CITY ATTORNEY

By: _____
DAVID E. KENDIG,
CITY ATTORNEY

CERTIFICATION

Based upon the recitals and the terms of this Agreement, I find that Tustin's provision of Potable Water Services outside its jurisdictional boundary to the Island Parcels does not constitute a contract or agreement requiring OC LAFCO approval under Government Code section 56133.

By: _____
CAROLYN EMERY,
EXECUTIVE OFFICER
OC LAFCO

**STATEMENT OF DETERMINATIONS
FOR THE REORGANIZATION OF THE 17TH STREET AND TUSTIN
UNINCORPORATED ISLAND TO THE CITY OF SANTA ANA
AND MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (RO 19-07)
SPHERE OF INFLUENCE AMENDMENT**

Government Code Section 56425

1. The present and planned land uses in the area, including agriculture and open-space lands.

The current County zoning designations include Single-Family Residence (R1), Multi-Family Dwelling (R2) and Local Business (C1 and 100-C-1-100). The proposed land use designation of the island by the City of Santa Ana are Single-Family Residence (R1), Two-Family Residence (R2), Community Commercial (C1) and Arterial Commercial (C5). The subject territory does not include agricultural lands or open space areas.

2. The present and probable need for public facilities and services in the area.

Currently the City of Santa Ana and the City of Tustin provide sewer and water service respectively to the developed parcels within the 17th Street and Tustin Unincorporated Island. Upon annexation of the 17th Street and Tustin Unincorporated Island, the City of Santa Ana and the City of Tustin will provide retail water and wastewater service, respectively, to all of the parcels within the island. The City of Tustin will enter into a water agreement with the City of Santa Ana to provide the retail water service to the subject territory.

3. The present capacity of public facilities and the adequacy of public services which the agency provides or is authorized to provide.

The amendment to the Municipal Water District of Orange County's (MWDOC) sphere of influence is consistent with the annexation of the 17th Street and Tustin Unincorporated Island to the City of Santa Ana. MWDOC is a member agency of the Metropolitan Water District of Southern California (MWD) and was formed to provide wholesale water service to those areas of Orange County not covered by an MWD member agency. The City of Santa Ana is an MWD city member agency, and because the service boundaries of MWD member agencies cannot overlap, the

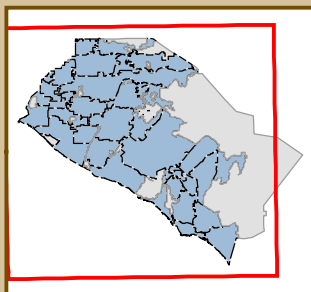
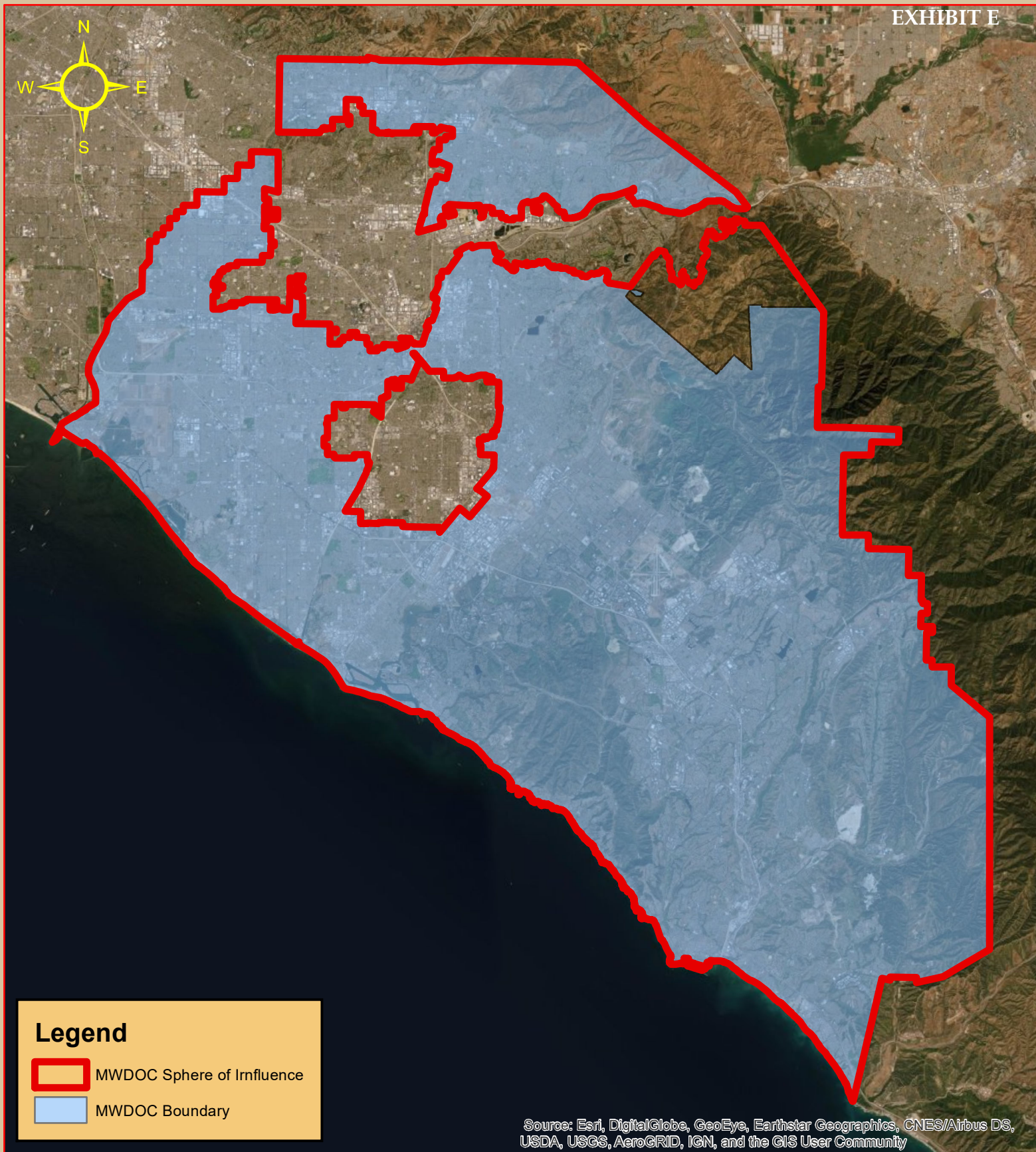
reorganization requires a concurrent detachment and sphere amendment of the same territory from MWDOC.

4. The existence of any social or economic communities of interest in the area.

There are no existing social or economic communities of interest in the area.

5. The present and probable need for public sewer, municipal and industrial water or structural fire protection facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

There are no disadvantaged unincorporated communities within or adjacent to the subject territory.



Sphere of Influence Map **Municipal Water District of Orange County (MWDOC)**

SOI Originally Adopted: 11/05/84

Last Updated: 11/13/2019

0 12 Miles

