



May 8, 2019

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CAROLYN EMERY
EXECUTIVE OFFICER

TO: Local Agency Formation Commission

FROM: Executive Officer

SUBJECT: Proposed 2019-2020 OC LAFCO Work Plan

BACKGROUND

At the April 10 Regular Meeting, the Commission approved the 2019 Strategic Plan and directed staff to prepare an annual work plan for Commission consideration at the next meeting. In accordance with Commission policy, annual work plans, which include specific projects and identified timeframes for established priorities, are adopted. If approved by the Commission the 2019-2020 Work Plan will commence July 1, 2019. This report provides a summary of the proposed Work Plan.

PROPOSED 2019-2020 WORK PLAN

The OC LAFCO Proposed 2019-2020 Work Plan (Attachment A) includes key project opportunities that have been placed into one of five strategic areas outlined in the 2019 Strategic Plan. An additional category, "Administrative Projects" is also included in the Work Plan.

Strategic Area One

Prioritize and process applications for changes of organization and reorganization, sphere of influence reviews, updates and municipal service reviews.

Every year, OC LAFCO has several legally mandated projects in its Work Plan. The proposed 2019-2020 Work Plan includes eight (8) projects involving anticipated city/district annexations and detachments. Under State law, the Commission is required to dedicate staff and financial resources to process these projects in accordance with prescribed timelines. The standard timeline for processing routine applications range from four to six months and may go beyond that for complex applications. Applications that are filed after the approval of the Work Plan are reviewed with the Executive Committee and included

in a mid-year Work Plan update to the Commission. Subsequent applications requiring significant staffing resources may require adjustments to other strategic areas of the Work Plan.

Strategic Area Two

Complete fourth cycle of Sphere of Influence (SOI) Reviews and Updates and prepare Municipal Service Reviews (MSRs) that serve as repositories of information for affected agencies and communities.

In 2018, the agency began the process for the fourth cycle of SOI and MSR reviews and updates. During the 2019 Strategic Plan Workshop, the Commission supported a proposed timeline for completion of this multi-year project and noted that it may be adjusted by staff as warranted. The proposed 2019-2020 Work Plan identifies key milestones to be accomplished during the next fiscal year.

Strategic Area Three

Provide leadership on effort to transition unincorporated areas of high interest for the County and adjacent cities through the OC LAFCO Unincorporated Areas Program.

For nearly 20 years, the Commission has been successful in transitioning unincorporated areas to adjacent cities. Of particular success has been the collaboration with multiple cities and the County on small island annexations (under 150 acres). With 27 unincorporated areas remaining, 10 large (over 150 acres) and 17 small (150 acres and under), the Commission's proactive leadership in this area is still needed. The proposed Work Plan identifies unincorporated areas of high interest to proactively explore during the next cycle.

Strategic Area Four

Engage the South Orange County Unincorporated Communities (SOCUC) to assist with pathway to future governance.

Many of the largest county unincorporated areas are in South Orange County. Most of these areas (Coto de Caza, Los Flores, Stonecliffe, and Wagonwheel) are within the SOI of an adjacent city, while others (Ladera Ranch and Rancho Mission Viejo) are not within any city's SOI. SOIs are intended to be used by the Commission as a long-range planning tool for determining logical service provision within jurisdictional boundaries. The Commission's engagement of the South Orange County Unincorporated Communities (SOCUC) continues to remain key for the region's future governance pathways. Hence, this ongoing effort has been included in the proposed Work Plan.

Strategic Area Five

Develop a program that enhances communication with local agencies and communities.

The Commission recognizes the importance of agency communication with local affected agencies, communities and other interested parties. The proposed Work Plan identifies key milestones to achieve during the next fiscal cycle that will enhance current communication tools and establish new ones that support collaborative relationships with agencies and promote OC LAFCO as a repository of information and other resources.

Administrative Projects

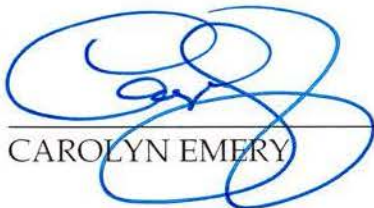
In addition to the five strategic areas, the proposed 2019-2020 Work Plan includes key administrative projects that are required by State law and Commission policy to support strong organizational effectiveness and internal efficiencies. This includes: adoption of an annual budget, independent preparation of the agency's financial statements, review and update to Commission policies and procedures, and continued participation in CALAFCO committees and other activities. Of notable mention is OC LAFCO's co-hosting of the 2020 CALAFCO Staff Workshop. The staff will be partnering with Imperial LAFCO on the location, program and other activities of this event that may yield up to 120 attendees from LAFCOs across the State.

RECOMMENDATION

Staff recommends that the Commission:

1. Adopt the 2019-2020 OC LAFCO Work Plan.

Respectfully submitted,



CAROLYN EMERY

Attachment:

- A. Proposed 2019-2020 OC LAFCO Work Plan

**2019-20 OC LAFCO
WORK PLAN
(Proposed: May 8, 2019)**

STRATEGIC AREA ONE

Prioritize and process applications for changes of organization and reorganization, sphere of influence reviews, updates and municipal service reviews.

Project	Status/Description	Project Complexity	Comments
<i>Anticipated Applications</i>			
Annexation of the 17th Street-Tustin Island to the City of Santa Ana	<p>Status: Application Anticipated in Spring 2019.</p> <p>Proposed annexation of small unincorporated island to the City.</p>	Complex	Staff has participated in ongoing discussions with the City and County on annexation requirements and terms and assisted with development of agreements.
Annexation of the Cielo Vista Development to the City of Yorba Linda	<p>Status: Application Anticipated in Summer 2019.</p> <p>Proposed annexation of an unincorporated area to include 83 residential units to the City.</p>	Complex	Staff has participated in discussions with the City and landowner to develop a pre-annexation agreement and address annexation requirements and terms.
Costa Mesa Sanitation District/Newport Beach Annexations	<p>Status: Application Anticipated in Summer 2019.</p> <p>Proposed annexation to the District to align service and jurisdictional boundaries.</p>	Complex	Staff has participated in ongoing discussions with the district and city on annexation requirements.
Irvine Ranch Water District/Orange County Sanitation District Annexation	<p>Status: Application Anticipated in Spring 2019.</p> <p>Proposed annexation to match district boundaries to conform with current out-of-area service agreement.</p>	Routine	Staff has participated in ongoing meetings and discussions with OCSD, IRWD and SOCWA regarding aligning regional sewer boundaries for identified areas.

STRATEGIC AREA ONE

Project	Status/Description	Project Complexity	Comments
Anticipated Applications			
Laguna Woods/Laguna Hills Reorganization	<p>Status: Application Anticipated in Summer 2019.</p> <p>Proposed reorganization of small areas involving the cities of Laguna Woods and Laguna Hills to clean up boundaries along common right-of-ways.</p>	Routine	Staff has participated in meetings with the City of Laguna Woods to discuss subject areas and annexation process and requirements.
Orange County Sanitation District Annexation (Anaheim)	<p>Status: Application Anticipated in Fall 2019.</p> <p>Potential annexation of properties located in the City of Yorba Linda that are connected to sewer but not within the District's boundary.</p>	Complex	Staff has participated in discussions with the district on annexation requirements. The District is currently conducting an internal review of the potential annexation area.
Orange County Sanitation District Annexation (Yorba Linda)	<p>Status: Application Anticipated in Fall 2019.</p> <p>Potential annexation of properties located in the City of Anaheim that are connected to sewer but not within the District's boundary.</p>	Complex	Staff has participated in discussions with the district on annexation requirements. The District is currently conducting an internal review of the potential annexation area.
Sphere of Influence Update/Annexation of the City of San Juan Capistrano Water and Wastewater Systems to the Santa Margarita Water District	<p>Status: Application Anticipated in Summer 2019.</p> <p>Proposed sphere of influence update and annexation of the City's water and wastewater systems to the District.</p>	Complex	Staff has participated in discussions with the City and Santa Margarita Water District on a plan for service and other annexation requirements.

STRATEGIC AREA TWO

Complete fourth cycle of Sphere of Influence (SOI) Reviews and Updates and prepare Municipal Service Reviews (MSRs) that serve as repositories of information for affected agencies and communities.¹

Project	Status/Description	Project Complexity	Comments
4th Cycle of Spheres of Influence and Municipal Service Reviews	Work Program for the 4th cycle (2018-2022) of SOI reviews, updates and MSRs addressing Orange County's 34 cities and 35 special districts and other service providers.	Complex Multi-year Project	<p>Staff will complete the following work program components:</p> <ol style="list-style-type: none"> 1. Develop MSR Dashboard to include the following: <ol style="list-style-type: none"> a. Agency Demographic Profiles b. Agency Fiscal Indicators c. Agency Municipal Services Overview 2. Shared Services Web Program: <ol style="list-style-type: none"> a. Reactivate and complete enhancements to Web Program. b. Conduct outreach meetings with MSR regions on use of program and promoting shared services agreements. 3. Prepare MSRs for following regions and agencies: <ol style="list-style-type: none"> a. Southeast b. Southwest c. CSA Nos. 13, 22 and 26 d. MWDOC e. OCSD

¹ The 2018-2022 SOI/MSR timeline may be viewed at the OC LAFCO website, www.oclafco.org.

STRATEGIC AREA THREE

Provide leadership on effort to transition unincorporated areas of high interest for the County and adjacent cities through the OC LAFCO Unincorporated Areas Program.

Project	Status/Description	Project Complexity	Comments
County Unincorporated Areas	Develop an implementation strategy with affected stakeholders to annex islands of high interest.	Complex Multi-year Project	Facilitate discussions with county and city staff from Anaheim, Buena Park, and Huntington Beach.

STRATEGIC AREA FOUR

Engage the South Orange County Unincorporated Communities (SOCUC) to assist with pathway to future governance.

Project	Status/Description	Project Complexity	Comments
South Orange County Future Governance	Engage South Orange County Unincorporated Communities (SOCUC) to assist with pathway to future governance.	Ongoing	<ul style="list-style-type: none"> Continue quarterly meetings with Rancho Mission Viejo representatives to discuss development timeline and future governance. Reengage the communities of Coto de Caza, Ladera Ranch, Los Flores, Stonecliffe, and Wagonwheel through stakeholder discussions to discuss common issues and interests to assist with pathway to future governance.

STRATEGIC AREA FIVE

Develop a program that enhances communication with local agencies and communities.

Project	Status/Description	Project Complexity	Comments
Outreach and External Relations	Enhancement of communication with local and affected agencies and communities.	Ongoing	<ul style="list-style-type: none">• Conduct selection process for consultant to assist staff on enhancing existing communication vehicles and identifying new ones.• Implement new communication vehicles that support enhancement of communication.

ADMINISTRATIVE PROJECTS

The following internal efficiencies support administrative and organizational effectiveness and proactive outreach to our funding agencies and the public. These projects also involve statutory requirements.

Project	Description	Status	Comments
Annual Budget	Preparation of OC LAFCO annual budget for 2020-2021	Begin Winter 2020	State law requires the Commission to adopt proposed and final budgets at two public hearings.
Annual Audit	Preparation of annual audited financial statements and presentation of Auditor's report.	Begin Fall 2019	Commission policy requires the preparation of annual audited statements by an independent auditor.
CALAFCO	<p>Continue membership with CALAFCO, attend staff workshops and conferences, and participate in CALAFCO's Legislative Committee.</p> <p>Continue to attend and participate in the bi-annual meetings of LAFCOs from the Southern Region of CALAFCO.</p>	Ongoing	<p>Participation in the following:</p> <ol style="list-style-type: none"> 1. CALAFCO Executive Board 2. CALAFCO Legislative Committee and subcommittees 3. Co-host the 2020 CALAFCO Staff Workshop 4. Southern Region Bi-Annual Meetings

ADMINISTRATIVE PROJECTS

Project	Description	Status	Comments
OC LAFCO Policies and Procedures Update	Commission is statutorily required to establish policies and procedures that support its authority granted by the Legislature and are in line with any subsequent changes to law.	Begin Winter 2020	Staff/Ad Hoc Committee to present policies and guidelines and updates, as warranted, on the following: <ol style="list-style-type: none"> 1. Out of Area Agreements 2. Small Island Annexations 3. Review of Accounting and Personnel Policies 4. Indemnification Agreement 5. Legislative Guidelines
OC LAFCO Records Systems and Projects Database	Continuous improvements to OC LAFCO's electronic and hardcopy records retention and retrieval systems.	Multi-year project	Continue the electronic archiving and integration of agency records with County database system.