

2022

PUBLIC DRAFT MUNICIPAL SERVICE REVIEW

COUNTY SERVICE AREAS

CSA
13

CSA
22

CSA
26



ORANGE COUNTY
LAFCO



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ACRONYMS AND ABBREVIATIONS

BOS	Board of Supervisors
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CIP	Capital Improvement Plan
CSA	County Service Area
CSA 13	La Mirada County Service Area
CSA 22	East Yorba Linda County Service Area
CSA 26	Orange County Parks County Service Area 26
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
G.C.	Government Code
LADPW	Los Angeles Department of Public Works
LAFCO	Local Agency Formation Commission
OC Parks	Orange County Parks
OCPW	Orange County Public Works
OC LAFCO	Orange County Local Agency Formation Commission
MSR	Municipal Service Review
SOI	Sphere of Influence

INTRODUCTION

OC LAFCO is required to conduct a Municipal Service Review (MSR) for all cities and special districts within Orange County. OC LAFCO's policy for this process involves preparing future-oriented studies that are educational and valuable to stakeholders and the public by raising awareness about effective service delivery and opportunities to provide municipal services efficiently, equitably, and reliably. Since 2003, OC LAFCO has responded to this mandate by routinely completing a review of each Orange County city and special district sphere of influence (SOI) and preparing regional MSRs.

Purpose of Municipal Service Review

This Municipal Service Review (MSR) provides a comprehensive review of the municipal services provided and conjunctive SOI reviews of the following County Service Areas (CSAs): (1) La Mirada County Service Area (CSA 13), (2) East Yorba Linda County Service Area (CSA 22), and (3) Orange County Parks County Service Area (OC Parks CSA 26). A CSA is established and funded by the residents that reside within the service boundary to facilitate the provision of specific services to the residents. As a dependent special district, a CSA is governed by the County Board of Supervisors. The MSR has been prepared to assist OC LAFCO in meeting the requirements of G.C. Sections 56425 and 56430 and does not require OC LAFCO or the County of Orange to initiate changes of organization based on the service review findings.

A 30-day review and comment period (June 27 through July 27, 2022) was conducted for the Public Draft MSR for the CSAs. Each Orange County city and special district was notified of the review period and the publishing of the draft MSR on the OC LAFCO website. A single comment during the review period was received from the County's Public Works Department involving a minor modification to the financial section and has been incorporated accordingly.

Organization of the MSR Report

This report is organized as follows:

- Chapter One:** **History and Mission of Local Agency Formation Commissions** – *Provides background on the mission, powers and authorities of LAFCOs, discussion on the SOI and MSR determinations, and a general overview of OC LAFCO's local mission and composition.*
- Chapter Two:** **Municipal Service Review** – *Reviews the seven determinations of the MSR provision and the five determinations of the SOI provision for the following agencies:*
- La Mirada County Service Area (CSA 13)
 - East Yorba Linda County Service Area (CSA 22)
 - Orange County Parks County Service Area (OC Parks CSA 26)

Chapter Three: “What We Learned” – OC LAFCO shared notable areas discovered during the conducting of the MSR. Additionally, this section highlights areas that were noted in previous MSR for the CSAs and if those areas have since been addressed.

Works Referenced: Includes a list of sources and websites used in preparation of the MSR report.

CHAPTER ONE: HISTORY AND MISSION OF LOCAL AGENCY FORMATION COMMISSIONS

Local Agency Formation Commissions (LAFCOs) were created in 1963 by the California Legislature to oversee the logical formation and determination of local agency boundaries that encourage orderly growth and development which are essential to the social, fiscal, and economic well-being of the State. LAFCOs’ authority to carry out this legislative charge is codified in the Cortese-Knox Hertzberg Reorganization Act of 2000 (“CKH Act”). For nearly 60 years, the CKH Act has been amended to give more direction to LAFCOs and, in some cases, expand the authorities of the Commissions. One of the most important revisions to the CKH Act by the Legislature occurred in 2000. Among those revisions was a requirement that LAFCOs update the “spheres of influence” for all cities and special districts every five years, and in conjunction with this responsibility, prepare comprehensive studies that are known as “municipal service reviews.”

Authority and Powers of LAFCOs

Codified within the CKH Act are the procedures and processes for LAFCOs to carry out their purposes that have been established by the Legislature. LAFCOs’ purposes are guided and achieved through their regulatory and planning powers and acknowledge that the local conditions of the 58 California counties shall be considered in part to the Commissions’ authorities. A description of those powers are described below.



CKH ACT (G.C. SECTION 56301) – PURPOSES OF LAFCOS

“Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, encouraging the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.”

REGULATORY AUTHORITIES

LAFCOs’ regulatory authorities include the reviewing, approving, amending or denying of proposals to change the jurisdictional boundaries of cities and special districts. Specifically, these types of boundary changes commonly referred to as “changes of organization,” include:

- City Incorporation
- City Disincorporation
- District Formation
- District Dissolution
- City and District Annexations and Detachments

- City and District Consolidations
- Merger of a City and District
- Establishment of a Subsidiary District
- Activation of new or different functions or classes of services, or divestiture of power to provide services for special districts

Additionally, LAFCOs' regulatory authority includes overseeing the process for a city or special district to provide new or extended services by contract or agreement outside its jurisdictional boundaries. In addition to the laws under which they are governed, many LAFCOs have established local policies and procedures to support the efficient and effective processing of these changes of organization.

PLANNING AUTHORITIES

From 1973 to present, LAFCOs' planning authorities are carried out through the establishment and updating of agencies' spheres of influence. A sphere of Influence (SOI) is a tool used by LAFCOs to define a city or special district's future jurisdictional boundary and service areas. Through the reform of the CKH Act in 2000, the preparation of comprehensive studies (Municipal Service Reviews or MSRs) that analyze service or services within the county, region, subregion, or other designated geographic area was added to the LAFCO's planning responsibility. The determinations that LAFCOs must review, analyze and adopt for SOIs and MSRs are discussed below.

Sphere of Influence

In order to carry out the purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies, LAFCOs are required to establish and determine the sphere of influence (SOI) of each city and special district in their respective county and enact policies that further support this authority. SOIs are established to identify the probable jurisdictional boundaries and service areas for these affected agencies. State law requires that all changes of organization (i.e., annexation, detachment) be consistent with the SOI independently established by the Commission for each city and special district. The statute further requires SOIs to be reviewed every five years and updated as conditions warrant.

With each SOI that is established, amended or updated, LAFCOs are required to consider and prepare written statements of its determinations with respect to the following factors codified in G.C. Section 56425:

1. Present and planned land uses in the area, including agricultural and open-space lands.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area.
5. If a city or special district provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Municipal Service Reviews

Municipal Service Reviews (MSRs) are the core of LAFCOs planning responsibility and are generally prepared in conjunction with SOI reviews and updates. MSRs involve comprehensive reviews and regional studies on future growth and how local agencies are planning for their municipal services and infrastructure systems. These studies are prepared before or in conjunction with the establishment, review or update of an SOI and are generally intended to address the efficiency and affordability of infrastructure and municipal service delivery and assist LAFCOs in the review and initiation of changes of organization.

In accordance with G.C. Section 56430, with each MSR that is prepared, LAFCOs are required to prepare written statements of its determinations with respect to each of the following:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the affected sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the affected sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

Orange County Local Agency Formation Commission

The Orange County Local Agency Formation Commission (OC LAFCO) is responsible for overseeing the boundaries, establishing and updating SOIs, and preparing MSRs for the County's 34 cities and 35 independent and dependent special districts. Since its creation, the Commission has formed nine cities, approved multiple changes of organization and reorganization involving cities and special districts, and encouraged orderly development through the establishment of agency SOIs and preparation of numerous studies. OC LAFCO has also provided proactive leadership on efficient government through its Unincorporated Islands Program and an innovative presence through its Shared Services and Fiscal Indicators Web-based programs. In addition to State law, the Commission's authority is guided through adopted policies and procedures that assist in the implementation of the provisions of the CKH Act and consideration of the local conditions and circumstances of Orange County.



OUR MISSION:

OC LAFCO serves Orange County cities, special districts, and the county to ensure effective and efficient delivery of municipal services.

COMMISSION COMPOSITION

OC LAFCO is comprised of 11 members, with seven serving as regular members and four serving as alternate members. The members include: three county supervisors, three city council members, three

independent special district members, and two at-large representatives of the general public. All members serve four-year terms and there are no term limits. In accordance with the statute, while serving on the Commission, all commission members shall exercise their independent judgement on behalf of the interests of residents, property owners, and the public as a whole. The following table depicts the current members of the Commission and their respective appointing authority and term.

Table 1: 2022 OC LAFCO Commission Roster (as of July 1, 2022)		
Commissioners	Appointing Authority	Current Term
Regular Members		
Douglass Davert, Chair Special District Member	Independent Special District Selection Committee	2022–2026
Donald P. Wagner, Vice Chair County Member	Board of Supervisors	2022–2026
Derek J. McGregor, Immediate Past Chair Public Member	Commission	2022–2026
Lisa Bartlett, County Member	Board of Supervisors	2019–2023
Wendy Bucknum, City Member	City Selection Committee	2020–2024
James Fislser, Special District Member	Independent Special District Selection Committee	2020–2024
Peggy Huang, City Member	City Selection Committee	2022–2026
Alternate Members		
Andrew Do, Alternate County Member	Board of Supervisors	2019–2023
Kathryn Freshley, Alternate Special District Member	Independent Special District Selection Committee	2022–2026
Lou Penrose, Alternate Public Member	Commission	2021–2025
<i>Vacant, Alternate City Member</i>	City Selection Committee	2020–2024
Carolyn Emery, Executive Officer Scott C. Smith, General Counsel		

MEETING AND CONTACT INFORMATION

The Commission’s regular meetings are held on the second Wednesday of the month at 8:15 a.m. Currently, the meetings are conducted at County Administration South 601 North Street, Santa Ana, CA

92701. The Orange LAFCO administrative offices are centrally located at 2677 North Main Street, Suite 1050, Santa, CA 92701. Commission staff may be reached by telephone at (714) 640-5100. The agency's agendas, reports and other resources are available online at www.oclafco.org.

CHAPTER TWO – MUNICIPAL SERVICE REVIEW

County Service Areas (CSAs) are established to allow property owners within unincorporated areas to be assessed fees to receive specific services from the county. An application for the establishment of a CSA may be initiated by a resolution of the respective Board of Supervisors (BOS) or through a petition by no less than ten percent of registered voters residing within the proposed boundary of the CSA. The approval of the establishment of a CSA is an authority granted to LAFCOs by the Legislature. Once approved by LAFCO, the CSA is governed by the respective BOS in accordance with the County Service Area Law (California Government Code Section 25210).

Currently, there are three CSAs in Orange County that fund limited public services within unincorporated and city jurisdictional boundaries. Governed by Orange County Board of Supervisors (BOS), services funded through CSAs 13, 22, and 26 include local wastewater and the maintenance of local and regional parks. The next section of this report includes a review of the services delivered within the respective boundaries of the CSAs.

La Mirada County Service Area (CSA 13)

The boundary of CSA 13 includes approximately 39 acres and 127 properties located within unincorporated Orange County and adjacent to the boundary of the City of Buena Park. OC LAFCO approved the establishment of CSA 13 in 1967 to initially fund street sweeping services to 127 parcels. In 1986, the Commission authorized the funding of wastewater services through CSA 13 in part to the dissolution of the former Third Sewer Maintenance District. Today CSA 13 funds the provision of wastewater services only as street sweeping services were discontinued and is now provided through the County's Public Works department.



Due to the topography of the area, the residential parcels located within CSA 13 connect to the County of Los Angeles Department of Public Works infrastructure for wastewater disposal services. The CSA serves as the financing mechanism to collect a portion of the property tax and an annual assessment fee from the property owners to fund the costs associated with the residents receiving wastewater services. As these properties are located within Orange County, the County's Public Works department is responsible for management of the agreement with the County of Los Angeles Department of Public Works to ensure that wastewater services are provided efficiently within the CSA boundary and the infrastructure is maintained.

The boundary of CSA 13 is coterminous with a small unincorporated area identified as the Andora Fairhope Island. In past years, OC LAFCO has engaged the city and residents of the island on potential

annexation to the City of Buena Park. The area is currently within the City’s sphere of influence; however, the City and residents historically have not supported annexation due to fiscal sustainability related to annexation and a preference for remaining within County’s jurisdiction.

Table 2: La Mirada County Service Area (CSA 13) Profile

Agency Type	Dependent Special District
Date Formed	1967
Principal Act	County Service Area Law (Govt. Code §25210 et. seq)
Governance	County of Orange Board of Supervisors <i>(managed by the OC Public Works)</i>
Services Funded	Local wastewater
Area Served	Unincorporated area adjacent to the Cities of Buena Park and La Mirada (Los Angeles County), encompassing approximately 38.4 acres and 438 residents.
Land Use	Residential
Last MSR Conducted	February 13, 2013

GROWTH AND POPULATION PROJECTIONS

The efficient delivery of wastewater services to the residents of CSA 13 is dependent upon the deliberate planning for the current population and expected growth in population for the CSA. The service area within CSA 13 includes 127 properties and 438 residents. The area encompassed by CSA 13 is built out with residential uses, limiting anticipated future growth in housing and population.

CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

CSA 13 consists of 127 residential properties connected by 4,220 linear feet of sewer lines. Due to the topography of the properties’ locations, the wastewater flows are directed to the County of Los Angeles Department of Public Works wastewater infrastructure. The infrastructure has effectively provided wastewater services to the CSA 13 area for over 40 years. To continue the integrity and efficiency of the wastewater infrastructure, in 2019, Orange County Public Works (OCPW) conducted an assessment of the infrastructure that resulted in the inspection and cleaning of the pipelines through a contractual agreement with a private company. Based on the study, OCPW will conduct annual flushing and cleaning of the pipelines to ensure proper flow and the sewer lines are clear of any debris blockage. Additionally, OCPW will be contracting for video inspections, at minimum, every two years to monitor the system’s integrity and make necessary repairs to the infrastructure.

OCPW has explored two opportunities to transition the provision of wastewater services within the CSA 13 boundary to the Orange County Sanitation District (OCSA) and the City of Buena Park. In part to these discussions with OCSA and the City, it was realized that due to the area’s topography, the costs associated with transitioning the service and infrastructure to OCSA or the City make these options infeasible.

FINANCIAL ABILITY TO PROVIDE WASTEWATER SERVICE

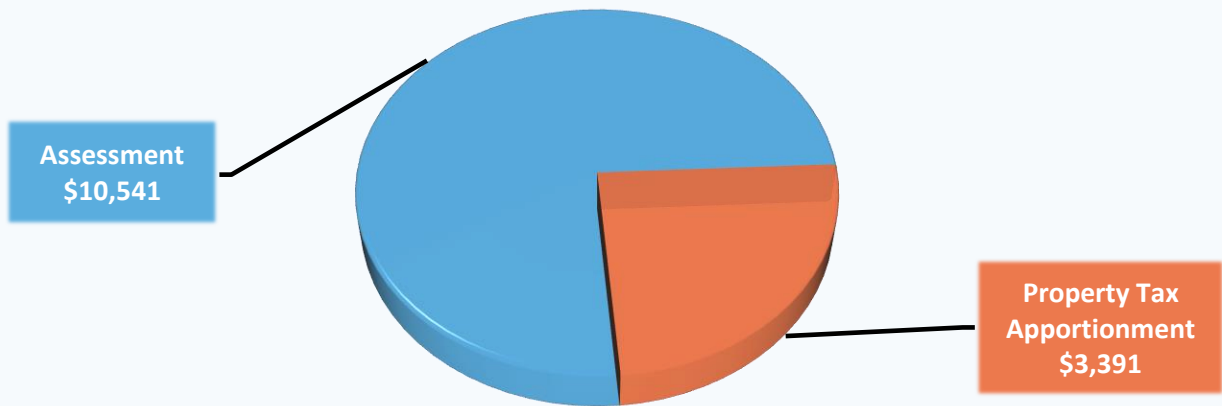
The OCPW Department administers CSA 13 and annually develops a budget that is provided to the BOS for review and approval. The budget for the CSA includes the cost generated from the collection of

wastewater flows by the Los Angeles Public Works Department and the maintenance of the wastewater infrastructure. Until fiscal year 2011–12, the CSA’s budget was only funded by a portion of the one percent ad valorem property tax.

Due to rising costs in the collection of the wastewater flows and maintenance of the wastewater infrastructure, in 2012, OCPW recommended that the BOS approve an annual assessment to each property. Subsequently approved by the board, the CSA 13 annual budget is now supported through the ad valorem property tax and an annual assessment to sufficiently support current costs associated with the provision of services. Additionally, in 2019, following an inspection of the wastewater system, the OCPW Department conducted a fee study to determine the annual assessment needed to sustain the operations and infrastructure of CSA 13. The fee study demonstrated that the annual assessment approved by the Board in 2012 should be increased from \$53.80 to \$83 per parcel. Figures 1 and 2 depict projections for the funding sources and expenditures of CSA 13 for the 2022–23 fiscal year. CSA 13’s key funding sources for fiscal year 2022-23 total \$13,932 and include the following:

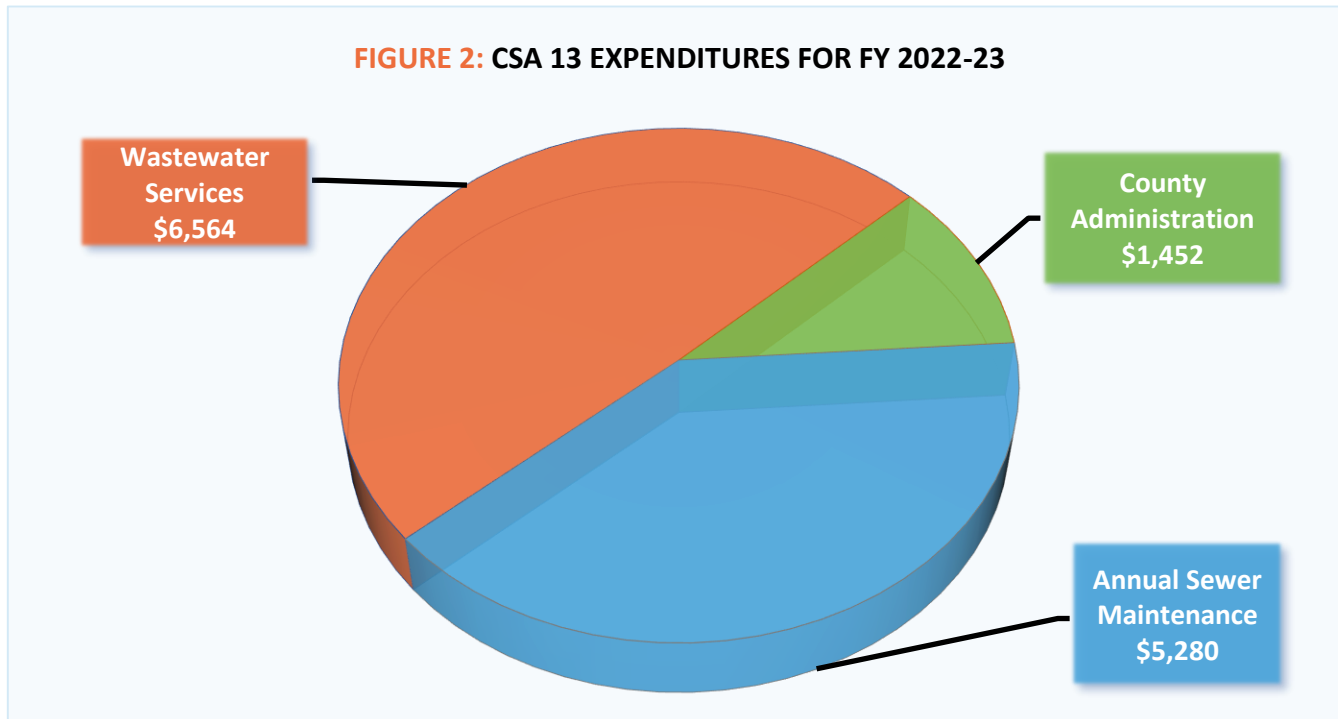
- **Property Tax Apportionment** – CSA 13’s share of the one percent ad valorem property tax.
- **Assessment** – Annual assessment fee of \$83 collected from the 127 properties.

FIGURE 1: CSA 13 FUND SOURCES FY 2022-23



CSA 13's projected expenditures for fiscal year 2022–23 total \$13,296 include the following:

- **Wastewater Services** – Service charges for collection of wastewater flows.
- **Annual Sewer Maintenance** – Maintenance of infrastructure.
- **County Administration** – Administrative and management costs.



Reserves

At the end of fiscal year 2022–23, the reserve balance for CSA 13 is projected to be \$15,500. The reserves for the CSA are generated from the remaining revenue balance after the expenses are paid for the fiscal year. The reserve amount established for the CSA is projected to cover one year of operating costs and unforeseen infrastructure repairs. At this time, a Capital Improvement Plan (CIP) has not been established for CSA 13. However, OCPW staff indicated during the preparation of this MSR that the department is exploring establishment of a CIP in the near future.

STATUS OF AND OPPORTUNITIES FOR SHARED FACILITIES

There were no shared opportunities identified during this review for CSA 13.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

As a dependent special district, the CSA is governed by the five members of the BOS. CSA 13's annual budget is developed, and its operations are managed by the OCPW staff. In concert with that, the staff provides updates to the BOS during budget hearings and through other communication to keep the Board informed of the CSA's affairs. Annual budgets approved by the BOS are posted on the County's website. If the residents of the CSA have inquiries or concerns, they may contact OCPW staff and may also participate through meeting proceedings established by the BOS.

MSR Statement of Determinations

In accordance with Government Code Section 56430, the following MSR Statement of Determinations as shown in Exhibit 1A has been prepared for CSA 13.

EXHIBIT 1A: MSR STATEMENT OF DETERMINATIONS for the La Mirada County Service Area (CSA 13)

DETERMINATION 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA.

CSA 13 funds the provision of local wastewater services to 127 properties and approximately 438 residents. The service area includes single-family homes and is completely built out. Because the area is built out, limited growth in population and a static demand for the service provided are anticipated.

DETERMINATION 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AFFECTED SPHERE OF INFLUENCE.

There were no disadvantaged unincorporated communities (DUCs) identified within the boundary of CSA 13 or adjacent to the CSA boundary during the preparation of this MSR.

DETERMINATION 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES, ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AFFECTED SPHERE OF INFLUENCE.

The service boundary of CSA 13 includes 4,220 linear feet of sewer lines that transport local wastewater flows from 127 parcels to the County of Los Angeles Department of Public Works (LADPW) wastewater infrastructure. The wastewater flows are directed to and treated by LADPW through a contractual agreement with the County of Orange due to the area's topography, which prevents the flows from being collected by the City of Buena Park or the Orange County Sanitation District. Collection and treatment of the wastewater flows by LADPW also minimizes the costs to the residents of the CSA.

Orange County Public Works (OCPW) administratively manages the CSA to ensure that the integrity of the infrastructure is not compromised. As part of the maintenance, the infrastructure undergoes annual flushing and cleaning of the pipelines to ensure proper flows and clear any blockages. As a preventative measure for damages to the infrastructure, OCPW performs annual video inspections of the wastewater infrastructure to make necessary repairs.

Currently, there is not a Capital Improvement Plan (CIP) in place for CSA 13. However, OCPW staff has indicated adoption of a CIP for the area is being explored. OC LAFCO notes the importance of adopting planning documents to address the short and long-term infrastructure needs and deficiencies for services funded by CSA 13.

DETERMINATION 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES.

The fiscal year 2022-23 budget for CSA 13 includes a total of \$13,932 to support the operations of the CSA. The budget provides for the funding of \$6,564 paid to the LADPW to collect and treat the wastewater flows, \$5,280 for the annual sewer maintenance expenses, and \$1,452 allocated for administrative costs. The CSA budget is developed annually by OCPW based on the required costs to transmit the flows to the County of Los Angeles Public Works Department and maintain the wastewater infrastructure.

**EXHIBIT 1A: MSR STATEMENT OF DETERMINATIONS
for the La Mirada County Service Area (CSA 13)**

CSA 13 is funded through a portion of the ad valorem property tax and an annual assessment fee generated and collected within the service area's boundary. The CSA's allocated funding supports the provision of wastewater services to the 127 parcels.

During preparation of the MSR, it was realized that a reserve policy has not been formally established for CSA 13 to address infrastructure repairs and deficiencies and unforeseen situations. OC LAFCO notes that a reserve policy and fund by the County should be established for CSA 13 in the next year to appropriately fund the long-term needs of the infrastructure.

DETERMINATION 5: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES.

The County of Orange has an agreement with the LADPW to collect and treat wastewater flows from the 127 parcels located within CSA 13. Because of the area's topography and location of the infrastructure, the shared arrangement with LADPW creates efficiencies in the service delivery and minimizes costs to the residents of the CSA. However, the County should explore annexation of the area with the City of Buena Park to see if more efficiency would be realized through the City serving the area.

DETERMINATION 6: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

As a dependent district, CSA 13 is governed by the BOS. CSA 13's annual budget is developed, and its operations are managed by OCPW staff. OCPW staff provides updates to the BOS during budget hearings and through other communication to keep the Board informed of the CSA's affairs. Annual budgets approved by the BOS are posted on the County's website. If the residents of the CSA have inquiries or concerns, they may contact OCPW staff and may also participate through meeting proceedings established by the BOS.

Additionally, the boundary of CSA 13 is coterminous with a small unincorporated area within the City of Buena Park's sphere of influence. To realize greater efficiency, the County should initiate discussions with the City to explore assuming wastewater responsibility through annexation of the area and subsequent dissolving of CSA 13.

DETERMINATION 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

CSA 13's service boundary is coterminous with the Andora Fairhope Island, a small unincorporated area within the City of Buena Park's sphere of influence. In past years, OC LAFCO, the City, and County have engaged in discussions regarding the potential annexation of the island to the City and concurrent transfer of the CSA wastewater infrastructure. During the conducting of this MSR, OCPW staff expressed support for the transfer of the infrastructure to the City. As the boundary of CSA 13 is coterminous with a small unincorporated area within the City of Buena Park's sphere of influence, the County should initiate discussions with the City to explore assuming wastewater responsibility through annexation of the area and subsequent dissolving of CSA 13.

Sphere of Influence Review

The sphere of influence (SOI) for CSA 13 was established by the Commission in 1979. In accordance with Government Code Section 56425, the following SOI Statement of Determinations as shown in Exhibit 1B has been prepared for CSA 13 in part to this MSR. Additionally, the SOI map for CSA 13 is shown in Exhibit 1C.

EXHIBIT 1B: SOI STATEMENT OF DETERMINATIONS for the La Mirada County Service Area (CSA 13)

DETERMINATION 1: THE PRESENT AND PLANNED LAND USES IN THE AREA, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS.

The service and sphere of influence boundaries of CSA 13 are coterminous and encompass 39 acres of unincorporated territory and 127 single and multi-family residences. The residential area is built out and includes the small unincorporated area known as the “Andora/Fairhope Island.” The CSA 13 and City of Buena Park’s SOIs overlap in the area of the Andora/Fairhope Island.

DETERMINATION 2: THE PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA.

As the area within CSA 13 is built out, there is no expected need for additional public facilities, and at present, the operation and maintenance of existing infrastructure are funded through revenue sources of CSA 13.

DETERMINATION 3: THE PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE.

The present capacity of the wastewater services and infrastructure are adequately funded by CSA 13. However, OC LAFCO notes concern with adequate reserve funding to address long-term sustaining of the wastewater operations and infrastructure.

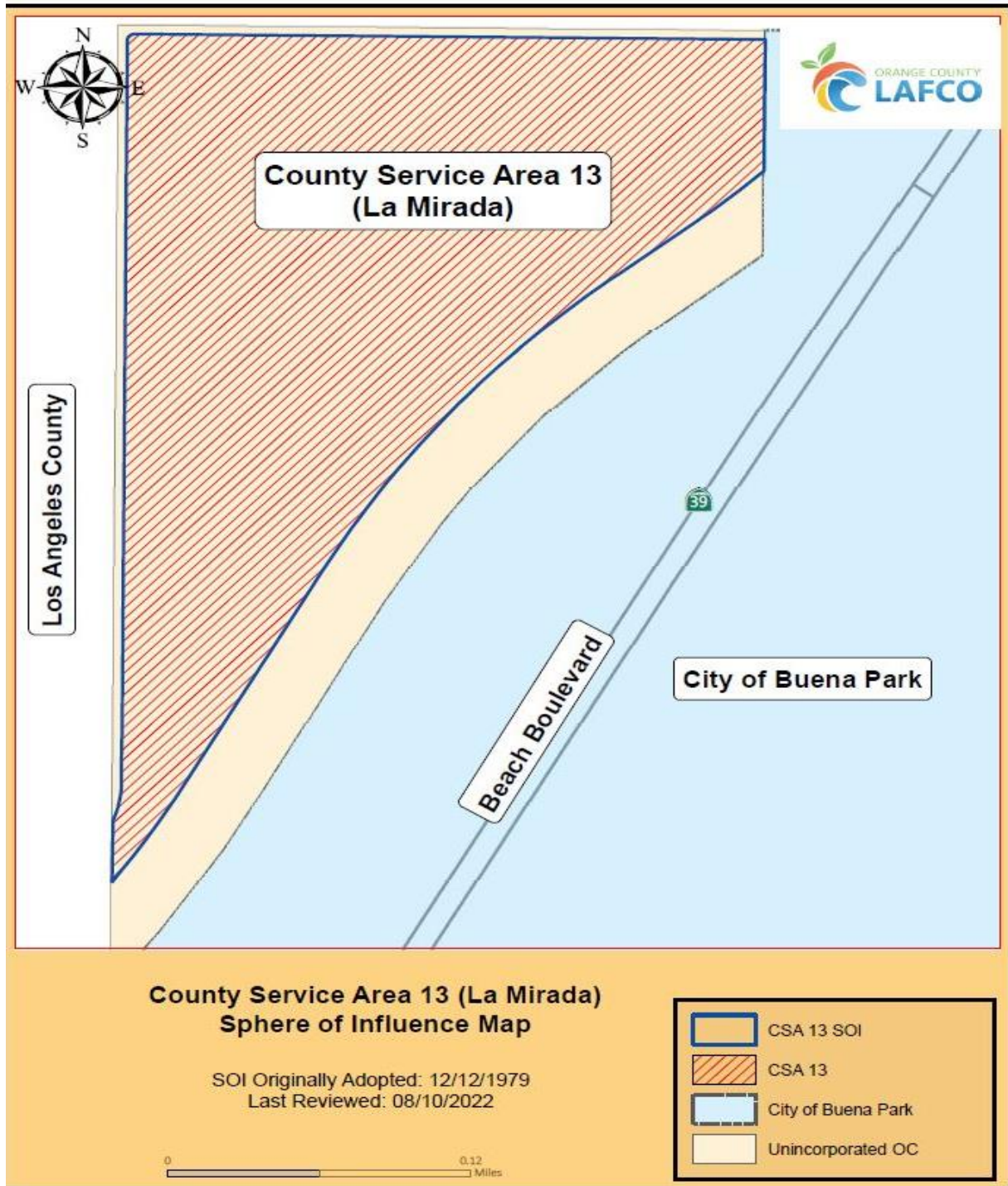
DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

The CSA's boundary includes 438 residents and 127 single-family detached homes connected to the wastewater system and the flows and are directed to LADPW’s wastewater system for collection and treatment. Users of the wastewater system within CSA 13 experience efficiencies in the delivery of services by LADPW. There were no other communities of interest for the area identified during this MSR.

DETERMINATION 5: IF A CITY OR SPECIAL DISTRICT PROVIDES PUBLIC FACILITIES OR SERVICES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, OR STRUCTURAL FIRE PROTECTION, THE PRESENT AND PROBABLE NEED FOR THOSE FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE.

There were no DUCs identified within the sphere of influence for CSA 13 during this review.

EXHIBIT 1C



RECOMMENDED ACTION

Staff recommends the Commission adopt the MSR Statement of Determinations and SOI Statement of Determinations for CSA 13 and reaffirm the respective SOI. Additionally, staff recommends that the Commission direct staff to meet with County staff to discuss potential annexation of the Fairhope/Andora Island to the City of Buena Park and dissolution of CSA 13.

East Yorba Linda County Service Area (CSA 22)

In 1973, the BOS petitioned OC LAFCO to establish CSA 22 to fund the operations and maintenance of a 2.2-acre local park located within the Woodgate Community. In 1973, CSA 22 was formed, and the County began collecting an assessment from 235 parcels located within the community to fund the costs of maintaining what became known as Woodgate Park. Currently, the services administered through the CSA are funded by a portion of the ad valorem property tax and through OC Parks’ fiscal year budget.

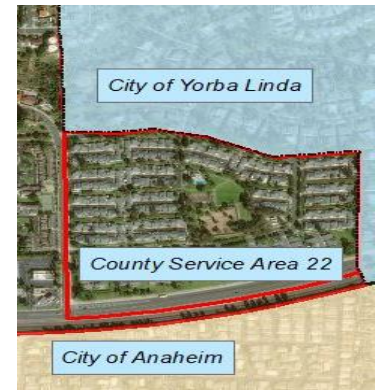


Table 3: East Yorba Linda County Service Area (CSA 22) Profile

Agency Type	Dependent Special District
Date Formed	1973
California State Law	County Service Area Law (Govt. Code §25210 et. seq)
Governance	County of Orange Board of Supervisors <i>(managed by OC Parks)</i>
Services Funded	Operations and maintenance of Woodgate Park located in incorporated Orange County.
Area Served	County park adjacent to the Cities of Yorba Linda and Anaheim, encompassing approximately 2.2 acres and 560 residents.
Land Use	Residential and Open Space
Last MSR Conducted	February 13, 2013

GROWTH AND POPULATION PROJECTIONS

The efficient delivery of services to the residents of CSA 22 is dependent upon the deliberate planning for the current population and expected growth in population for the CSA. The service area within CSA 22 includes 235 properties and 560 residents. The area encompassed by CSA 22 is built out with residential uses, limiting anticipated future growth in housing and population.

CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

The facilities within CSA 22 includes the two-acre Woodgate Park and 235 residential properties that are part of a larger area known as the unincorporated Fairlynn Island. Services provided within the area includes the operation and maintenance of the recreational facilities and infrastructure to ensure that Woodgate Park is accessible, safe, and clean for the public.

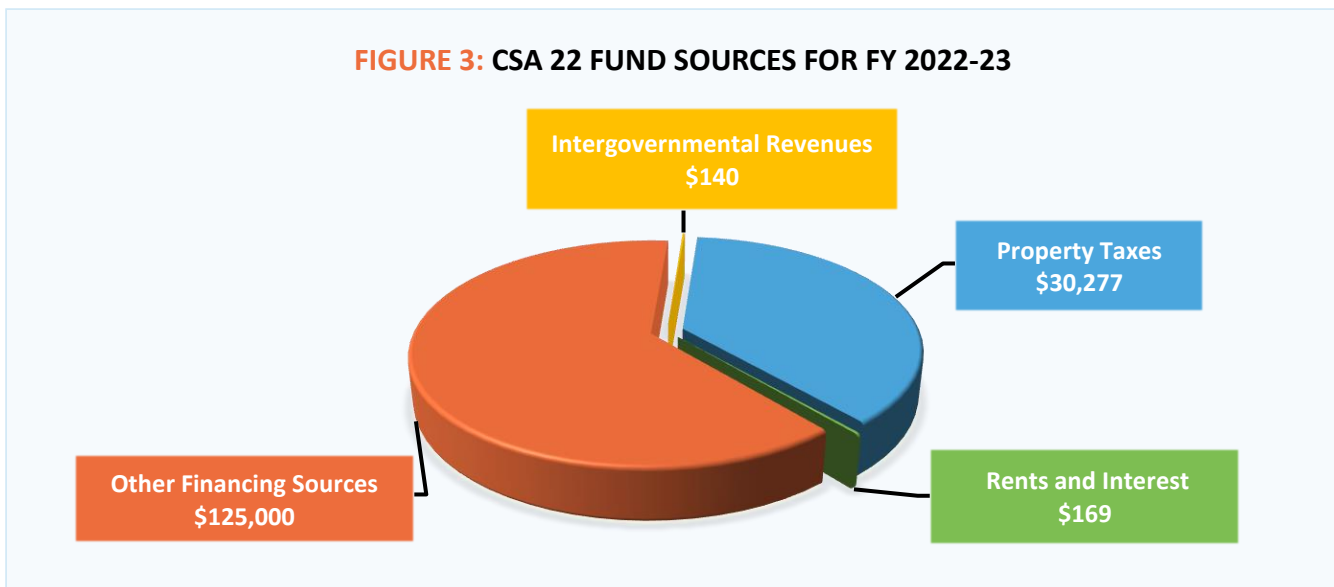
During the preparation of this MSR, OC Parks made mention of the potential transitioning of services funded by the CSA to the City of Yorba Linda, as the CSA’s service boundary is located within the Fairlynn Island and the City’s sphere of influence. The City was not engaged on potential annexation of the area during conducting of this MSR, and residents opposed annexation of the Fairlynn Island during past annexation attempts.

FINANCIAL ABILITY TO PROVIDE SERVICES TO THE WOODGATE PARK

The OC Parks Department administers CSA 22 and annually develops a budget that is provided to the BOS for review and approval. Services provided within CSA 22 were initially funded by ad valorem property tax and an annual parcel assessment. However, the assessment has not been collected by the County since 2015, and the CSA is currently subsidized annually through the OC Parks CSA 26 budget.

Figure 3 depicts the projections for the fund sources for CSA 22 for fiscal year 2022–23. CSA 22’s key funding sources for fiscal year 2022–23 total \$155,586 and include the following:

- **Property Taxes** – CSA 22’s share of the one percent ad valorem property tax.
- **Rents and Interest** – Revenue from interest income.
- **Intergovernmental Revenues** – State funding for homeowners’ property tax relief.
- **Other Financing Sources** – Funding provided by OC Parks.



CSA 22’s projected expenditures for fiscal year 2022-23 total \$155,586. The CSA’s expenditures include a sole line item for the costs associated with the operation and maintenance of Woodgate Park’s facilities and infrastructure.

Reserves

At the end of fiscal year 2021–22, the reserve balance for CSA 22 totaled \$0. However, the Fund Balance Unobligated of \$38,317 at the end of FY 2021-22 will be depleted to assist with funding of the CSA’s 2022–23 budget. As noted by OC Parks staff, a reserve balance is not maintained for the CSA. Unforeseen circumstances or situations that require additional funding will be supported through the OC Parks CSA 26 budget.

STATUS OF AND OPPORTUNITIES FOR SHARED FACILITIES, PROGRAMS AND SERVICES

There were no shared opportunities identified during this review for CSA 22.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

As a dependent special district, the CSA is governed by the five members of the BOS. CSA 22's annual budget is developed, and its operations are managed by the OC Parks staff. In concert with that, the staff provides updates to the BOS during budget hearings and through other communication to keep the Board informed of the CSA's affairs. Annual budgets approved by the BOS are posted on the County's website. If the residents of the CSA have inquiries or concerns, they may contact OC Parks' staff and may also participate through meeting proceedings established by the BOS.

MSR Statement of Determinations

In accordance with Government Code Section 56430, the following MSR Statement of Determinations as shown in Exhibit 2A has been prepared for CSA 22.

EXHIBIT 2A: MSR STATEMENT OF DETERMINATIONS for the East Yorba Linda County Service Area (CSA 22)

DETERMINATION 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA.

CSA 22 funds the maintenance of the 2.2 - acre Woodgate Park located within the CSA. The CSA's boundary consists of 235 properties and 560 residents that utilize the park facilities. Based on designated land use, the area is built out and an increase in population and a demand for services are expected to be minimal.

DETERMINATION 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AFFECTED SPHERE OF INFLUENCE.

There were no disadvantaged unincorporated communities (DUCs) identified within the boundary of CSA 22 or adjacent to the CSA boundary during the preparation of this MSR.

DETERMINATION 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES, ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AFFECTED SPHERE OF INFLUENCE.

The service boundary of CSA 22 includes a two-acre park known as "Woodgate Park" and residents of the respective area. CSA 22 serves as a funding mechanism to support the operations and maintenance of the 2.2-acre park. CSA 22 supports recreational and sports facilities that are managed by OC Parks. Additionally, the CSA funds operations that include landscape and lighting services. As CSA 22 provides limited services and is built out, there are no additional public facilities planned, and existing facilities are adequate for the current population served.

**EXHIBIT 2A: MSR STATEMENT OF DETERMINATIONS
for the East Yorba Linda County Service Area (CSA 22)**

DETERMINATION 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES.

The fiscal year 2022-23 budget for CSA 22 includes a total of \$155,586 to support the operations of the CSA. The budget is funded through a portion of the ad valorem property tax and OC Parks provides for the funding required to maintain the facilities infrastructure of Woodgate Park.

During preparation of the MSR, it was realized that a reserve policy has not been formally established for CSA 22 to address infrastructure repairs and deficiencies and unforeseen situations involving the park facilities and operations. OC LAFCO also notes concerns involving the long-term sustainability of the CSA through current funding sources and that other options, such as assuming of the services by the adjacent City of Yorba Linda should be explored.

DETERMINATION 5: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES.

There were no opportunities for shared facilities or other resources identified during this MSR for CSA 22. However, the County should explore annexation of the area with the City of Yorba Linda to see if more efficiency would be realized through the City serving the area.

DETERMINATION 6: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

As a dependent district, CSA 22 is governed by the BOS. CSA 22's annual budget is developed, and its operations are managed by OC Parks staff. In concert with that, the staff provides updates to the BOS during budget hearings and through other communication to keep the Board informed of the CSA's affairs. Annual budgets approved by the BOS are posted on the County's website. If the residents of the CSA have inquiries or concerns, they may contact OC Park's staff and may also participate through meeting proceedings established by the BOS.

DETERMINATION 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

CSA 22's service boundary includes a portion of the Fairlynn Island, an unincorporated area located within the City of Yorba Linda's sphere of influence. While there have been past attempts to annex the island, the County should engage the City on potential annexation of the island and dissolution of CSA 22 to realize service delivery efficiencies within the area. During the conducting of this MSR, OC Parks' staff indicated support of transferring the responsibility of CSA 22 to the City should the City proceed with annexation of the Fairlynn Island.

Sphere of Influence Review

The sphere of influence (SOI) for CSA 22 was established by the Commission in 1980. In accordance with Government Code Section 56425, the following SOI Statement of Determinations as shown in Exhibit 2B has been prepared for CSA 22 in part to this MSR. Additionally, the SOI map for CSA 22 is shown in Exhibit 2C.

EXHIBIT 2B: SOI STATEMENT OF DETERMINATIONS for the East Yorba Linda County Service Area (CSA 22)

DETERMINATION 1: THE PRESENT AND PLANNED LAND USES IN THE AREA, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS.

The service and sphere of influence boundaries of CSA 22 encompass 2.2 acres of unincorporated territory that includes Woodgate Park and the built-out community of 235 single-family residences. The CSA 22 and City of Yorba Linda's SOIs overlap in the area of the Fairlynn Island, which includes a portion of the CSA's boundary.

DETERMINATION 2: THE PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA.

As the area within CSA 22 is built out, there is no expected need for additional public facilities, and at present, the operation and maintenance of existing infrastructure are funded through the revenue sources of CSA 22.

DETERMINATION 3: THE PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE.

The present capacity and services of the Woodgate Park facility are adequately funded by CSA 22. However, OC LAFCO notes that the County should explore transitioning of the responsibilities of CSA 22 to the City of Yorba Linda through annexation of the area.

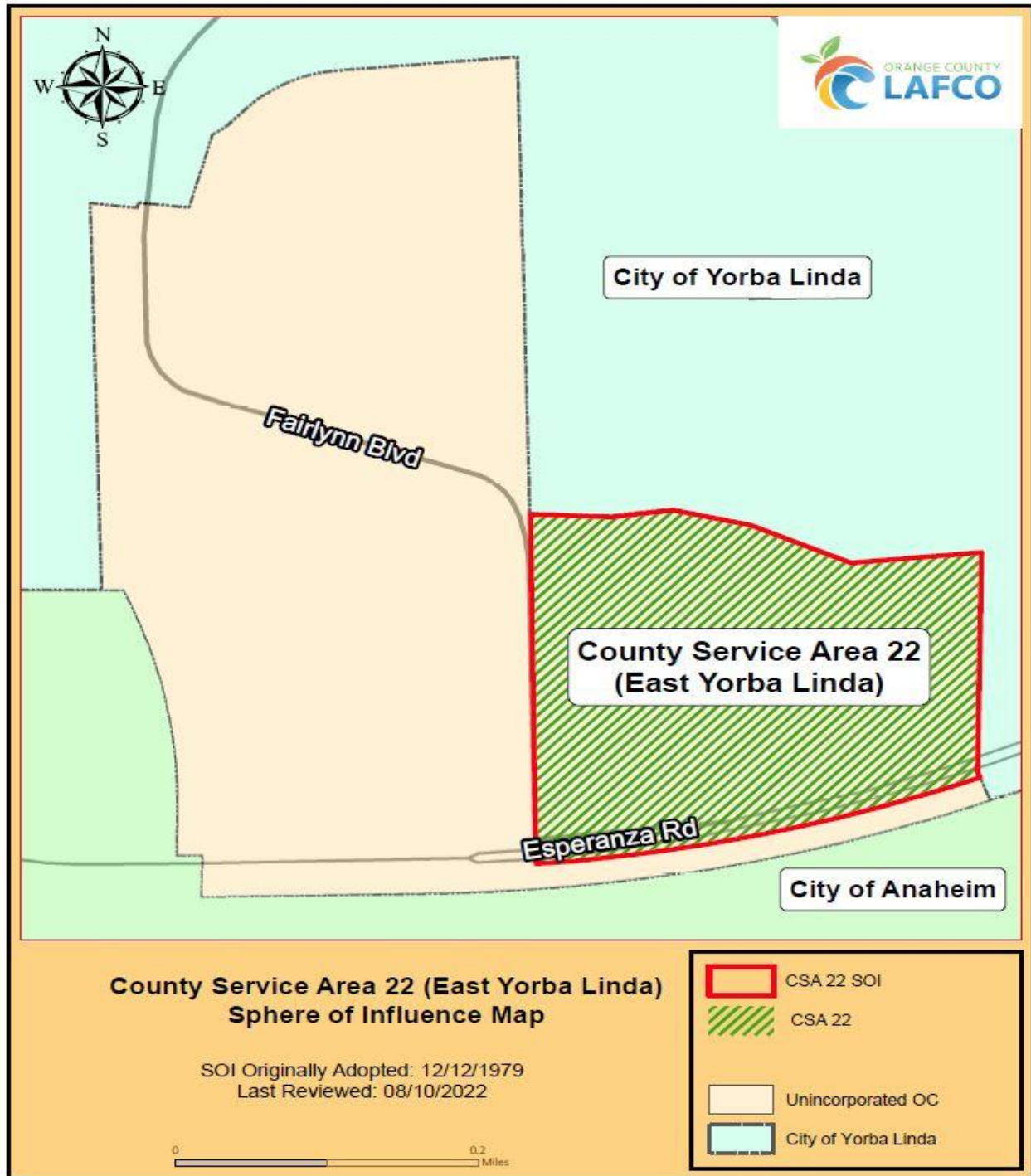
DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

The CSA includes 235 single-family detached units and the 2.2-acre Woodgate Park with a population of approximately 560 residents. Residents of CSA 22 benefit from the use of the Woodgate Park's facilities and amenities within CSA 22. There were no other communities of interest for the area identified during this MSR.

DETERMINATION 5: IF A CITY OR SPECIAL DISTRICT PROVIDES PUBLIC FACILITIES OR SERVICES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, OR STRUCTURAL FIRE PROTECTION, THE PRESENT AND PROBABLE NEED FOR THOSE FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE.

There were no DUCs identified within the sphere of influence for CSA 22 during this review.

EXHIBIT 2C



RECOMMENDED ACTION

Staff recommends the Commission adopt the MSR Statement of Determinations and SOI Statement of Determinations for CSA 22 and reaffirm the respective SOI. Additionally, staff recommends that the Commission direct staff to meet with County staff to discuss potential annexation of the Fairlynn Island to the City of Yorba Linda and dissolution of CSA 22.

OC Parks County Service Area (CSA 26)

The history of CSA 26 can be traced back to an initial vote by the electorate in 1935 approving a bond issuance to fund redevelopment of the Newport Beach Harbor through the creation of the Orange County Harbor District. In accordance with the State of California Harbors and Navigation Code, the BOS served as the local governing body for the District. Subsequently and through the approval of State legislation, in 1971, the Orange County Harbor District was merged with the County Parks Department to form the Harbors, Beaches, and Parks District (HBP District) as a dependent district. The HBP District continued over the next 19 years until it was dissolved by OC LAFCO through an initiating resolution adopted by the BOS in 1988. In 1990, as a successor to the service previously provided by the District, OC LAFCO approved the formation of the Harbors, Beaches, and Parks County Service Area (CSA 26). Unlike the HBP District, the approval of CSA 26 includes its integration as a department of the County, with the CSA assuming the assets, liabilities, and obligations of the dissolved HBP District. Today, the District is known as OC Parks CSA 26. The BOS officially changed the name of the District in 2007 to better align it with the boundary of the service area, which encompasses all park facilities managed and owned by the County.

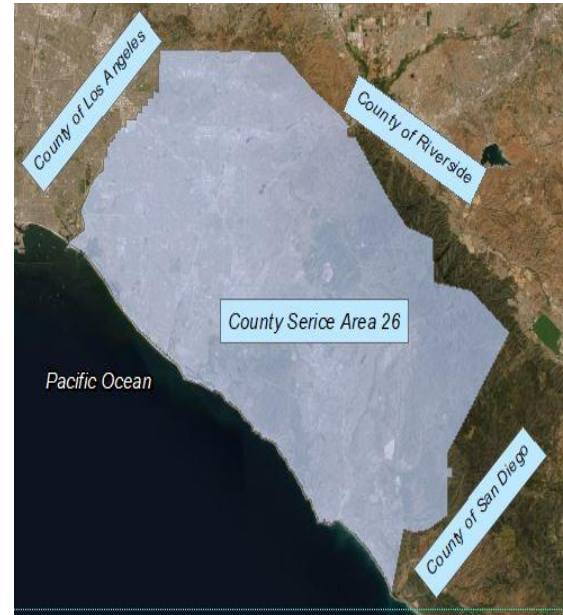


Table 4: Orange County Parks County Service Area (OC Parks CSA 26) Profile

Agency Type	Dependent Special District
Date Formed	1935
Principal Act	County Service Area Law (Govt. Code §25210 et. seq)
Governance	County of Orange Board of Supervisors <i>(managed by OC Parks)</i>
Services Funded	Provides funding to the County’s recreational facilities and historical and natural resources, including Orange County coastal facilities, wilderness parks, historical parks, and regional parks.
Area Served	The CSA 26 boundary is coterminous with the County of Orange’s boundary encompassing 799.8 square miles and 3.176 million residents.
Land Use	Residential, agricultural, commercial, industrial, institutional, and open space.
Last MSR Conducted	February 13, 2013

GROWTH AND POPULATION PROJECTIONS

The efficient delivery of municipal services to the residents within CSA 26 is dependent upon the deliberate planning for the existing population and expected growth within the CSA. As a countywide service area, the demand for municipal services provided within CSA 26 is expected to adjust with changes in the County's population over the next 10 to 20 years. According to the California State Department of Finance, the Orange County population of 3,268,084 is expected to increase by approximately five percent by the year 2030 (3,440,882 residents) and an additional three percent by 2040 (3,531,540 residents). The current population places Orange County as the third and sixth most populous County in California and the United States, respectively.



CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

OC Parks CSA 26 manages and maintains 60,000 acres of diverse regional parklands, wilderness, historic sites, and coastal areas. Additionally, the CSA encompasses 30 urban and wilderness parks, seven miles of beaches, three marinas and harbors, over 150 miles of paved trails, and 350 off-road trails. OC Parks CSA 26 also funds harbor patrol services for the entire coastline of Orange County and lifeguard services on County owned beaches within the city limits of Dana Point, Huntington Beach, San Clemente, Newport Beach, and Laguna Beach. The district's regional recreational system serves 3.1 million County residents and over 16.2 million total annual visitors.

Tables 5 and 6 depicted on the next two pages provide a list of the recreational facilities and operations provided and maintained through OC Parks CSA 26.

Table 5: Orange County Parks CSA 26 Regional Facilities

<p>Beaches</p>	<ul style="list-style-type: none"> • Aliso • Bayside • Baby Beach • Camel Point • Capistrano • Santa Ana River Jetty • Laguna Royale 	<ul style="list-style-type: none"> • Poche • Salt Creek • Strands • Table Rock • Thousand Steps • West Street
<p>Community Parks</p>	<ul style="list-style-type: none"> • Badlands • Bent Tree • Holderman 	<ul style="list-style-type: none"> • Roger Stanton • Seaview • Woodgate
<p>Historic Sites</p>	<ul style="list-style-type: none"> • Arden: Helena Modjeska Historic-House and Gardens • Cooper Center • Heritage Hill • Irvine Ranch 	<ul style="list-style-type: none"> • George Key Ranch • Old Orange County Courthouse • Ramon Peralta Adobe • Yorba Cemetery
<p>Harbors /Marinas</p>	<ul style="list-style-type: none"> • Dana Point Harbor • Newport Harbor 	<ul style="list-style-type: none"> • Sunset Harbor
<p>Regional Parks</p>	<ul style="list-style-type: none"> • Carbon Canyon • Ralph B. Clark • Ted Craig • Featherly • Irvine • Laguna Niguel • William R. Mason • Mile Square 	<ul style="list-style-type: none"> • O'Neill • Peters Canyon • Santiago Oaks • Talbert • Tri City • Harriett M. Wieder • Yorba
<p>Regional Trails</p>	<ul style="list-style-type: none"> • Aliso Creek Trail and Bikeway • Anaheim Hills Trail • Bay View Trail and Bikeway • Bell View Trail • Coyote Creek Bikeway • Esplanade Trail • Hicks Trail • Peters Canyon Trail and Bikeway 	<ul style="list-style-type: none"> • Salt Creek Trail and Bikeway • Santa Ana River Trail and Bikeway • Serrano Creek Trail • Skyline Trail and Bikeway and 500 additional trails and bikeways • Irvine Coast Bikeway
<p>Specialties</p>	<ul style="list-style-type: none"> • Haster Basin Recreational Area • OC Zoo • Irvine Lake • Saddleback Getaway 	
<p>Wilderness</p>	<ul style="list-style-type: none"> • Aliso and Wood Canyons • Ronald W. Caspers • EL Modena Open Space • Irvine Ranch Open Space • Laguna Coast 	<ul style="list-style-type: none"> • El Modjeska Canyon Nature Preserve • Thomas F. Riley • Upper Newport Bay • Whiting Ranch

Table 6: Orange County Parks CSA 26 Operations

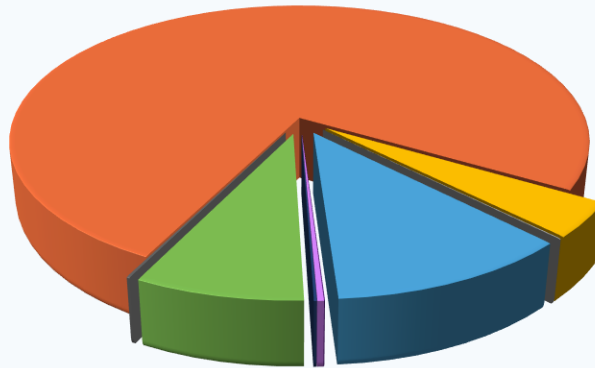
Amenities	<ul style="list-style-type: none"> • Concessions • Children's train • Equestrian center • Paddle boats • Bike rentals 	<ul style="list-style-type: none"> • Restaurants • Hotel • Campsites • Picnic Areas
Facilities	<ul style="list-style-type: none"> • Picnic shelters • Restrooms • Sailing center • Nature Centers 	<ul style="list-style-type: none"> • Amphitheaters • Meeting Rooms • Wedding sites
Infrastructure	<ul style="list-style-type: none"> • Roads, parking • Regional trails • Walkways/sidewalks 	<ul style="list-style-type: none"> • Benches • Fire pits/barbecues • Drinking fountains
Land	<ul style="list-style-type: none"> • Wilderness • Regional Parks 	<ul style="list-style-type: none"> • Open Space • Nature preserves
Landscaping	<ul style="list-style-type: none"> • Trees • Shrubs • Turf 	<ul style="list-style-type: none"> • Native gardens • Irrigation & drainage
Natural Resources	<ul style="list-style-type: none"> • Ecosystem • Habitat • Plants 	<ul style="list-style-type: none"> • Animal • Geology
Employees	<ul style="list-style-type: none"> • Park Rangers • Field/Maintenance/Operations • Administrative • Resources Specialists • Curators 	<ul style="list-style-type: none"> • Zoo/Animal Keepers • Specialty Technical positions, such as GIS, Arborist, Environmental and Natural Resource Specialists
Recreation	<ul style="list-style-type: none"> • Playgrounds • Sports fields/courts • Hiking/Camping • Horseback Riding • Golf 	<ul style="list-style-type: none"> • Surfing • Sailing/Boating • Biking • Fishing
Sheriff Services	<ul style="list-style-type: none"> • County Tidelands - Newport Beach • Harbor Patrol 	<ul style="list-style-type: none"> • County Tidelands - Dana Point
Unique Resources	<ul style="list-style-type: none"> • Zoo • Nature centers 	<ul style="list-style-type: none"> • Vista points • Archery range

FINANCIAL ABILITY TO PROVIDE REGIONAL PARK SERVICES

Figures 4 and 5 depict projections for the funding sources and expenditures for CSA 26 for fiscal year 2022–23. CSA 26’s key funding sources for fiscal year 2022–23 total \$144,938,614 and include the following:

- **Property Taxes** – OC Parks CSA 26’s share of the one percent ad valorem property tax.
- **License, Permits & Franchise** – Fees collected for processing of permits, licenses, and franchise agreements.
- **Fines, Forfeitures & Penalties** – Fees collected from citations issued by park rangers.
- **Rents and Interest** – Revenue from rents and interest income
- **Intergovernmental Revenue** – Grant funding received from the State, Federal, and FEMA.
- **Charges for Service** – Fees generated from park services.
- **Miscellaneous Revenues** – Revenue generated from donations and one-time refunds.
- **Other Funding Sources** – Sales of capital assets.
- **Use of Fund Balance Unassigned** – Use of unassigned funds.

FIGURE 4: OC PARKS 26 FUND SOURCES FOR FY 2022-23
Total Funding Sources: \$144, 938,614



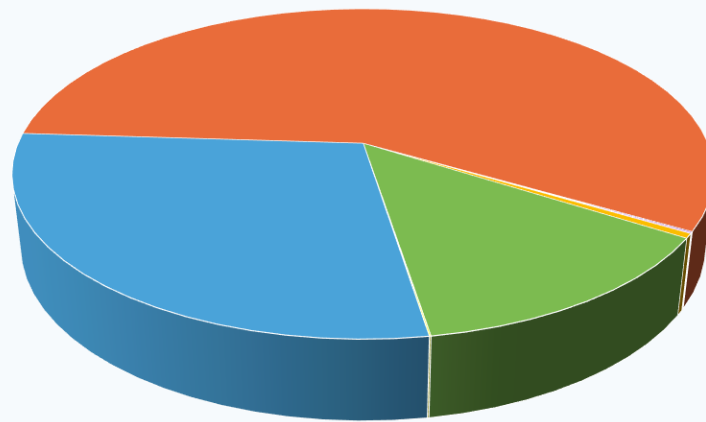
■ Property Taxes	\$109,930,473	■ Rents & Interest	\$5,921,702
■ Other Funding Sources	\$100,000	■ Use of Fund Balance Unassigned	\$16,652,953
■ Fines, Forfeitures & Penalties	\$33,936	■ Intergovernmental Revenue	\$434,389
■ Miscellaneous Revenues	\$200,000	■ Charges for Service	\$11,444,664
■ Licenses, Permits & Franchises	\$220,497		

OC Parks CSA 26 projected expenditures for fiscal year 2022–23 total \$144,938,614 and include the following key uses:

- **Salaries & Employee Benefits** – Administrative and operations staff costs.
- **Service and Supplies** –Procured/contracted costs to maintain and provide the services.
- **Other Charges** – Assessments and long-term lease costs.
- **Equipment** –Operations equipment costs.
- **Other Financing Uses (Fund 106, Fund 296, and 406)** – Fund expenditures to maintain facilities and vehicles replacements.
- **Other Financing Use (Subsidy to Fund 477)** – Funds to subsidize the operating costs for CSA 22.

FIGURE 5: OC PARKS CSA 26 EXPENDITURES FOR FY 2022-23

Total Funding Expenditures: \$144,938,614



Salaries & Employee Benefits	\$41,297,967	Services & Supplies	\$83,178,976
Other Financing Use (Fund 477)	\$125,000	Other Charges	\$133,344
Equipment	\$651,500	Other Financing Uses (Fund 106, 296, & 406)	\$19,462,327
Transfer to Reserves	\$89,500		

Reserves

The reserve fund for OC Parks CSA 26 includes \$34,315,300. OC Parks maintains reserves that align with the County’s Reserve Policy for general funds, including two months of operational expenditures. OC Parks projects that the level of reserves will be maintained at this level over the next five fiscal years. The following represent the three categories of the reserve fund:

- **Operating Reserves** – Two months of operational costs for future shortfalls or unexpected expenditures.
- **General Reserves** – Funding for natural disasters and other emergency needs.
- **Sunset Dredging Reserves** – Funding to minimize the County’s costs of dredging the Sunset Marina.

STATUS OF AND OPPORTUNITIES FOR SHARED FACILITIES, PROGRAMS AND SERVICES

OC Parks CSA 26 includes the participation of multiple joint agreements or arrangements with other local agencies. The collaborative arrangements include shared facilities, infrastructure, and services that create efficiencies in managing and maintaining the operations and infrastructure within CSA 26 service area jurisdictional boundary. Table 7 provides a summary of the agreements and arrangements. There were no shared opportunities identified during a review of this area for CSAs 13 and 22.

Table 7: OC Parks CSA 26 Shared Services and Facilities Agreements

Agency	Description
Orange County Public Libraries	Several Orange County Library facilities are located in OC Parks CSA 26 facilities and share the space. Some examples include the Library of the Canyons at Saddleback Gateway Park and Katie Wheeler Library at the Irvine Ranch Historic Park.
Orange County Community Resources Department	Orange County Community Resources performs administrative support services that are shared among its various programs . Some service category examples include Procurement and Purchasing, Budget, Finance and Safety.
Mile Square Regional Park	A portion of the park is leased to the City of Fountain Valley for its sports park - community center.
Yorba Linda Park	The softball fields located in the park are leased to the City of Anaheim.
Clark Regional Park	The OC Parks CSA 26 leases the park’s sports complex from the City of Buena Park.
Craig Regional Park & Carbon Canyon Regional Park	OC Parks CSA 26 leases the parks from the Army Corps of Engineers.
Laguna Coast Wilderness Park	OC Parks CSA 26 leases the parks from the City of Laguna Beach.
Mason Regional Park and Irvine Ranch Water District	A portion of the park and district are leased from the OC Parks CSA 26 and the District for the Strawberry Farms Golf Course.
Irvine Ranch Water District and Serrano Water District	A short-term license with the districts to allow the public shoreline fishing at the Irvine Lake.
Newport Beach - Orange County Sheriff Department Harbor Patrol Complex	Boat slips are allocated for use by the City of Newport Beach, California State Parks, and the US Coast Guard.
O'Neill Regional Park	A portion of the park is leased to Ladera Ranch Maintenance Corporation Homeowner Association.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

CSA 26’s recreational network, including all operations, facilities and programs, are managed by OC Parks. To ensure countywide accessibility and public participation in the CSA 26 systems and facilities, the BOS formed park commissions, committees, and groups to serve in advisory roles to the Board on issues related to the Count’s regional parks, beaches, harbors, historical places, archeological findings, archives, trails, and bikeways. Below is a description and composition of each advisory commission and committee and provides an opportunity for public engagement for activities funded by CSA 26.

Orange County Parks Commission:

Members of the Commission advise the BOS and the Director of OC Parks on matters related to the County's harbors, beaches, and regional parks. Each County Supervisor appoints a member to represent his/her respective supervisorial district, and the Mayors of Orange County's 34 cities appoint two members to represent inland or coastal cities. The Commission is composed of seven members and meets on the first Thursday of each month. The public may attend the meetings and address the Commission.

Table 8: Orange County Parks Commission	
District 1 - Supervisor Andrew Do	Bert Ashland
District 2 - Supervisor Katrina Foley	Michael Wellborn
District 3 - Supervisor Donald Wagner <i>Vice Chair</i>	David Hanson
District 4 - Supervisor Doug Chaffee <i>Chair</i>	John Koos
District 5 - Supervisor Lisa Bartlett	Vacant
City Selection Committee	Coastal Cities - Joe Muller Inland Cities - Dave Shawver

Orange County Historical Commission:

Members of the Commission advise the BOS and County agencies on matters involving County historic places, archeological and paleontological sites, archives/historical records, publications, special events, and other related items. Each Supervisor appoints three public members to the 15-member Commission that meets on the first Tuesday of each month and the public may participate through established meeting proceedings.

Table 9: Orange County Historical Commission			
District 1 - Supervisor Andrew Do	Philip Chinn	Steve Sarkis	Maribel Sevilla
District 2 - Supervisor Katrina Foley	Armando De La Libertad	Chris Epting	Wayne T. Osako
District 3 - Supervisor Donald Wagner <i>Vice-Chair</i>	Lynne Yauger <i>Vice Chair</i>	Marilyn Thoms	Pamela Harrell
District 4 - Supervisor Doug Chaffee <i>Chair</i>	Helen Myers	Kristina Senft	Vacant
District 5 - Supervisor Lisa Bartlett	Barbara Force Johannes <i>Chair</i>	Bob Bunyan	Bernie Svalstad

Orange County Parks Trails Subcommittee:

The Trails Subcommittee advises the Parks Commission on matters involving the County's trails and bikeways. The Subcommittee is composed of two Parks Commissioners and five public members selected by the OC Parks Commission. The Subcommittee meets quarterly, and the public may participate through established meeting proceedings.

Coastal Greenbelt Authority (CGA): The CGA functions as the management authority for Laguna Coast Wilderness Park and Aliso and Wood Canyons Wilderness Park. The CGA's members represent the parks' landowners, local environmental organizations, Laguna Canyon homeowners, and cities adjacent to the parkland. The authority meets bi-monthly on the first Wednesday of each month. Additional information, including meeting agendas, locations and times, minutes, budgets, projects, and events involving these groups may be found on OC Parks' website at www.ocparks.com.

MSR Statement of Determinations

In accordance with Government Code Section 56430, the following MSR Statement of Determinations as shown in Exhibit 3A has been prepared for CSA 26.

EXHIBIT 3A: MSR STATEMENT OF DETERMINATIONS for the OC Parks County Service Area (CSA 26)

DETERMINATION 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA.

The service boundary of CSA 26 is coterminous with the County's jurisdictional boundary which includes approximately 799.8 square miles and approximately 3.1 million residents. Population within the service boundary is expected to increase approximately five percent by year 2030 and an additional three percent by 2040. With these modest population increases, it is expected that CSA 26 will experience a commensurate increase in the use of the County's regional parks, facilities and other services funded through CSA 26.

DETERMINATION 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AFFECTED SPHERE OF INFLUENCE.

There are seven DUCs located within the service boundary of CSA 26. These DUCs are adjacent to and located within the spheres of influence of the cities of Anaheim, Stanton, and Westminster and include residential, commercial, industrial, and recreational land uses.

DETERMINATION 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES, ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AFFECTED SPHERE OF INFLUENCE.

The OC Parks CSA 26 service boundary is conterminous with the County's jurisdictional boundary, which encompasses an approximate population of 3,268,084 residents. OC Parks CSA 26 is responsible for the operation and maintenance of 60,000 acres of diverse regional parklands, wilderness, historic sites, and coastal areas. Specifically, the service area includes 30 urban and wilderness parks, seven miles of beaches, three marinas and harbors, over 150 miles of paved trails, and over 350 miles of off-road trails. OC Parks CSA 26 also funds the provision of law enforcement services by the Orange County Sheriff's Department Harbor Patrol along the Orange County coastline. OC Parks is currently conducting a competitive bidding process for the lifeguard services.

**EXHIBIT 3A: MSR STATEMENT OF DETERMINATIONS
for the OC Parks County Service Area (CSA 26)**

As the County's population modestly increases over the next 10 to 20 years, the demand for public services funded by CSA 26 is also expected to increase. The regional recreational system yearly serves over 16.2 million visitors that are residents of the County and visitors from the adjacent counties and other parts of the State. To address the expected increase in services provided, OC Parks updated its Strategic Plan in 2018. Updates to the Plan generally addresses the key areas of sustainable financial management and deliberate planning for needs and uses of the County's regional recreational system, including responsible park development and expansion.

DETERMINATION 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES.

On June 28, 2022, the BOS approved an annual budget of \$144,938,614 for OC Parks CSA 26. The budget provides for the funding of \$83,178,976 to support the operations and maintenance of the regional recreation system, \$41,297,967 for administrative management, \$19,462,327 to maintain facilities, and other funding areas. Key funding sources for the CSA include a portion of the ad valorem property tax, fees collected from park services, and renting of the park facilities. The CSA's regional recreation system includes beaches, community parks, historic sites, harbors, regional parks, regional trails, wilderness, and a zoo.

DETERMINATION 5: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES.

OC Parks participates in numerous joint agreements and arrangements with local agencies to share the facilities and services encompassed by the recreational system administered by the department. These collaborative efforts include sharing the Orange County Library facilities with other local agencies, leasing a portion of Mile Square Park to the City of Fountain Valley and a portion of the O'Neill Regional Park to the Ladera Ranch Maintenance Corporation Homeowners Association, and County leasing of parks from the Army Corps of Engineers.

OC Parks is currently working on an additional shared opportunity with Serrano Water District, Irvine Ranch Water District, and the Irvine Company on an agreement for long-term recreational use of Irvine Lake. Other efforts of OC Parks include potential sharing of dredging responsibilities and costs with the City of Huntington Beach for the Sunset Harbor and Huntington Beach Harbor and the transfer of the Harriett Wieder Nature Preserve to the City of Huntington Beach through annexation.

**EXHIBIT 3A: MSR STATEMENT OF DETERMINATIONS
for the OC Parks County Service Area (CSA 26)**

DETERMINATION 6: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.

As a dependent district, CSA 26 is governed by the BOS. CSA 26's recreational network, including all operations, facilities and programs, are managed by OC Parks. To ensure countywide accessibility and public participation in the CSA 26 systems and facilities, the BOS formed park commissions, committees and groups to serve in advisory roles to the Board on issues related to the County's regional parks, beaches, harbors, historical places, archeological findings, archives, trails, and bikeways. Additional information, including meeting agendas, locations and times, minutes, budgets, projects, and events involving these groups may be found on OC Parks' website at www.ocparks.com.

DETERMINATION 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.

No other matters for CSA 26 were identified during this MSR.

Sphere of Influence Review

The sphere of influence (SOI) for CSA 26 was established by the Commission in 1990. In accordance with Government Code Section 56425, the following SOI Statement of Determinations as shown in Exhibit 3B has been prepared for CSA 26 in part to this MSR. Additionally, the SOI map for CSA 26 is shown in Exhibit 3C.



EXHIBIT 3B: SOI STATEMENT OF DETERMINATIONS for the OC Parks County Service Area (CSA 26)

DETERMINATION 1: THE PRESENT AND PLANNED LAND USES IN THE AREA, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS.

The service and sphere of influence boundaries of CSA 26 are coterminous with Orange County's jurisdictional boundary. Land uses within the boundary include 60,000 acres of diverse regional parklands, wilderness, historic sites, and coastal areas. Specifically, there are over 30 urban and wilderness parks, beaches, marinas and harbors, trails, local community parks, and tidelands.

DETERMINATION 2: THE PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA.

Commensurate with an increase in Orange County's population over the next 20 years, there will be an increase in the use of the facilities, services and programs funded through CSA 26.

DETERMINATION 3: THE PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE.

The recreational system is administered and maintained by OC Parks, serves the County's population of approximately 3.1 million residents, and experiences over 16.2 million visitors annually. CSA 26's allocated budget provides for the funding necessary to maintain and operate the facilities and services of the regional system. OC Parks notes during this review the need to address the areas of park services within the aged and more urbanized parts of the County and the expansion of parks.

**EXHIBIT 3B: SOI STATEMENT OF DETERMINATIONS
for the OC Parks County Service Area (CSA 26)**

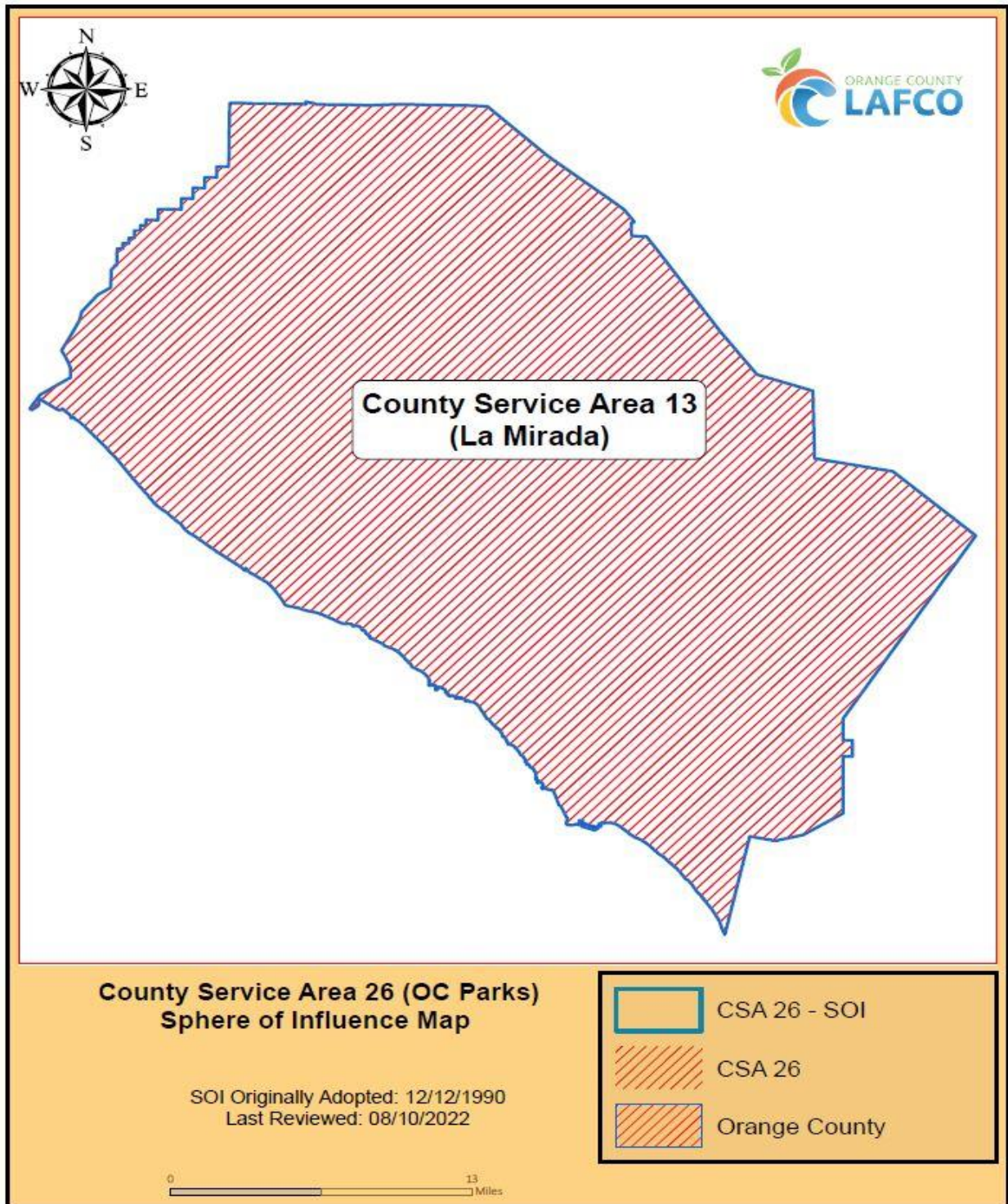
DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

The CSA's boundary includes 1,118,971 housing units, with a population of approximately 3,153,764 residents and an annual 16.2 million visitors. The service boundary includes 34 cities and unincorporated Orange County that benefit from the regional recreational system of 60,000 acres of diverse regional parklands, wilderness, historic sites, and coastal areas. Communities of interest includes Orange County's unincorporated areas and 34 cities.

DETERMINATION 5: IF A CITY OR SPECIAL DISTRICT PROVIDES PUBLIC FACILITIES OR SERVICES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, OR STRUCTURAL FIRE PROTECTION, THE PRESENT AND PROBABLE NEED FOR THOSE FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE.

There were seven disadvantaged unincorporated communities (DUCs) identified within the boundary of CSA 26 during this review. Residential and business communities located within these DUCs are provided the same access to the public facilities and services funded through the CSA 26 as other communities located within the CSA boundary.

EXHIBIT 3C



RECOMMENDED ACTION

Staff recommends the Commission adopt the MSR Determinations and SOI Statement of Determinations for CSA 26 and reaffirm the respective SOI.

CHAPTER THREE – “WHAT WE LEARNED”

During the conducting of the MSR for CSA 13, 22, and 26, there were many notable areas discovered:

- During the review of services funded by La Mirada County Service Area (CSA 13) and East Yorba Linda County Service Area (CSA 22), it was realized that the County of Orange has not established a reserve policy and fund for the CSAs. Specifically for CSA 22, OC Parks staff indicated that the unobligated fund balance would be depleted by FY 2021-22. OC LAFCO notes this area as both CSAs include infrastructure and facilities that must be maintained in order to provide the respective services effectively. Establishing a reserve fund and relative policy will guide the County on appropriately planning and funding future infrastructure repairs, deficiencies, replacements, and other unforeseen occurrences within these areas. Additionally, the County may also want to explore if adding the CSAs to its Capital Improvement Plan or other infrastructure planning documents is appropriate if it is the intent of the County to fund and manage services to these areas long-term.
- During the review of CSA 13, the OCPW staff’s interest in transitioning services funded by the CSA to the City of Buena Park through the annexation of the Andora Fairhope Island and concurrent dissolution of CSA 13 was realized.
- During the review of CSA 22, OC Parks department staff’s interest in transitioning services funded by the CSA to the City of Yorba Linda through the annexation of the Fairlynn Island and dissolution of CSA 22 was realized.
- In 2006, a review of CSA 26 revealed that the OC Parks department was exploring alternative funding for Harbor Patrol and the feasibility of transferring operational and funding responsibilities for Upper Newport Bay and Newport Harbor. During this review, OC Parks staff indicated that they are no longer exploring this option and that their fiscal year budgets since the 2006 review continue to include funding for Harbor Patrol services provided by the Orange County Sheriff Department. It was noted that funding is sufficient to cover the annual costs for Harbor Patrol.
- The OC Parks department has numerous joint agreements and arrangements with local agencies that include the Cities of Fountain Valley, Laguna Beach, Newport Beach, Irvine Ranch Water District, and Serrano Water District generally for sharing of a regional facility. The department’s staff is currently working on an additional opportunity with Serrano Water District, Irvine Ranch Water District, and the Irvine Company for long-term recreation use of Irvine Lake.
- OC Parks is exploring contracting with a third party to provide lifeguards services on County-owned beaches within the city limits of Dana Point, Huntington Beach, San Clemente, Newport Beach, and Laguna Beach. In March 2022, the County began a competitive bid process for this effort, and it was ultimately decided that OC Parks will move forward with contracting with a third party. At the time of publishing this report the selection process was underway.

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