

LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY

REGULAR MEETING AGENDA

**Wednesday, August 10, 2022
8:15 a.m.**

**County Conference Center (CCC) Multipurpose Room
601 North Ross Street
Room 104, Santa Ana, CA 92701**

Any member of the public may request to speak on any agenda item at the time the Commission is considering the item.

- 1. CALL THE MEETING TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. BOARD APPOINTMENT – COMMISSIONER HUANG**
- 4. ROLL CALL**
- 5. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION
(Communication received after agenda distribution for agenda items.)**
- 6. PUBLIC COMMENT**

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken by the Commission on off-agenda items unless authorized by law.

7. CONSENT CALENDAR

a.) July 13, 2022 – Strategic Planning Workshop Minutes

The Commission will consider approval of the July 13, 2022 workshop minutes.

b.) Nominations for 2022-2023 CALAFCO Board of Directors

The Commission will receive a report on the upcoming nomination and election process for the CALAFCO Board of Directors and consider nomination of Commissioner McGregor to continue serving on the board.

c.) Fiscal Year 2021-2022 Year-End Comprehensive Report

The Commission will receive the year-end comprehensive report for Fiscal Year 2021-22.

d.) Legislative Report (August 2022)

The Commission will receive a report on legislation of LAFCO-interest reviewed by the Commission during the 2022 legislative session.

8. PUBLIC HEARING

a.) OCSD Annexation Areas (Anaheim, Yorba Linda, and Villa Park) (DA 21-05)

The Commission will consider the proposed annexation of areas located within the cities of Anaheim, Villa Park, and Yorba Linda to the Orange County Sanitation District. As the responsible agency, the Commission will also consider the Notice of Exemption prepared in accordance with the California Environmental Quality Act (CEQA) for the proposed annexation.

b.) Municipal Service Review and Sphere of Influence Review for County Service Areas 13, 22 and 26 (MSR 21-13 and SOI 21-14)

The Commission will consider the municipal service review and sphere of influence reviews for County Service Areas 13, 22 and 26 prepared in accordance with Government Code Sections 56425 and 56430. As the lead agency, the Commission will consider the Notices of Exemption prepared for the municipal service review and sphere of influence reviews in compliance with the California Environmental Quality Act (CEQA).

9. COMMISSION DISCUSSION AND ACTION

a.) Three-Year Strategic Plan (2022-2025)

The Commission will consider adoption of the agency's three-year strategic plan.

b.) Alternate Members – Meeting Attendance

The Commission will discuss documentation in the minutes of the alternate members' attendance at the regular monthly meetings and direct staff accordingly.

10. COMMISSIONER COMMENTS

This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No discussion or action may occur or be taken except to place the item on a future agenda if approved by the Commission majority.

11. EXECUTIVE OFFICER'S REPORT

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

12. INFORMATIONAL ITEMS & ANNOUNCEMENTS

No informational items and announcements.

13. CLOSED SESSION

No closed session items scheduled.

14. ADJOURNMENT OF REGULAR COMMISSION MEETING

The Commission will adjourn to the next Regular Commission Meeting on Wednesday, September 14, 2022 at 8:15 a.m. at the County Administration South (CAS) Multipurpose Room, 601 North Ross Street, Room 103, Santa Ana, CA 92701.

PUBLIC PARTICIPATION:

The Local Agency Formation Commission of Orange County welcomes your participation. The public may share general comments or comments on agenda items through the following options:

- 1) **In-person** comments may be provided during the general comment period on off-agenda items and during the hearing of a specific agenda item. In accordance with the OC LAFCO guidelines, each speaker's comments may not exceed three (3) minutes for the respective item. If you have documents for the Commission, please bring 15 copies and submit to the Commission Clerk for distribution.
- 2) **Written** general comments or comments on specific agenda items may be submitted by email to the Commission Clerk at ccarter-benjamin@oclafco.org. Comments received no less than twenty-four (24) hours prior to the regular meeting will be distributed to the Commission and included in the record.

Pursuant to Government Code Section 54957.5, public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be made available to the public on the OC LAFCO website at www.oclafco.org.

State law requires that a participant in an OC LAFCO proceeding who has a financial interest in a decision and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the hearing.

AMERICANS WITH DISABILITIES ACT (ADA)

All regular meeting agendas and associated reports are available at www.oclafco.org. Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or associated reports upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, to participate in a public meeting. Requests for copies of meeting documents and accommodations shall be made with OC LAFCO staff at (714) 640-5100 at least three business days prior to the respective meeting.

2022 MEETING AND EVENTS CALENDAR

Approved February 9, 2022

2022



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- OC LAFCO Regular Meeting (*begins at 8:15 a.m.*)
Location: County Conference Center (CCC) Multipurpose Room, 601 North Ross Street, Room 104, Santa Ana, CA 92701.
- Strategic Planning Workshop (*8:30 a.m. to 12:00 p.m.*)
Location: County Administration South (CSA) Multipurpose Room, 601 North Ross Street, Santa Ana, CA 92701.
- Office closure due to legal holidays and flexible work schedule.
- CALAFCO Annual Conference - October 19 - 21, 2022 at Hyatt Regency Newport Beach John Wayne Airport.

August 10, 2022

3 | Board
Appointment

REGULAR MEMBERS

CHAIR

Douglass Davert

Special District Member

VICE CHAIR

Donald P. Wagner

County Member

IMMEDIATE PAST CHAIR

Derek J. McGregor

Public Member

Lisa Bartlett

County Member

Wendy Bucknum

City Member

James Fisler

Special District Member

Peggy Huang

City Member

ALTERNATES

Andrew Do

County Member

Kathryn Freshley

Special District Member

Lou Penrose

Public Member

Vacant

City Member

STAFF

Carolyn Emery

Executive Officer

Scott Smith

General Counsel

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer
Commission Clerk

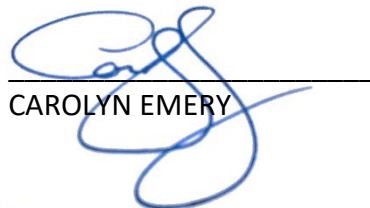
SUBJECT: Board Appointment

The following appointment of the OC LAFCO member was made for the term beginning July 1, 2022:

- Peggy Huang, Regular City Member (*Appointed by the City Selection Committee on May 19, 2022*).

The Oath of Office for the appointment will be administered at the August 10 Regular Commission Meeting.

Respectfully submitted,



CAROLYN EMERY



CHERYL CARTER-BENJAMIN

DRAFT MINUTES

OC LAFCO STRATEGIC PLANNING WORKSHOP

Wednesday, July 13, 2022
8:30 a.m. – 12:00 p.m. (*adjourned at 10:20 a.m.*)

County Conference Center (CCC) Multipurpose Room
601 North Ross Street, Room - 104
Santa Ana, CA 92701

1. CALL TO ORDER

Chair Davert called the strategic planning workshop of the Local Agency Formation Commission of Orange County (OC LAFCO) to order at 8:30 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Bucknum led the Pledge of Allegiance.

3. BOARD APPOINTMENTS – COMMISSIONERS DAVERT, FRESHLEY, MCGREGOR AND WAGNER

Chair Davert announced new terms that began on July 1, 2022 and the respective oaths were administered by the Commission Clerk Cheryl Carter-Benjamin. Administering of the oath to **Vice Chair Wagner** was performed following Agenda Item 5.

4. ROLL CALL

The following Commissioners and Alternates were present:

- **Chair Douglass Davert**
- **Vice Chair Donald Wagner (arrived at 8:36 a.m.)**
- **Commissioner Lisa Bartlett**
- **Commissioner Wendy Bucknum**
- **Commissioner James Fisler**
- **Commissioner Derek J. McGregor**
- **Alternate Commissioner Kathryn Freshley**
- **Alternate Commissioner Lou Penrose**

The following Commissioners were absent:

- **Commissioner Peggy Huang**
- **Alternate Commissioner Andrew Do**

The following staff members and general counsel were present:

- Executive Officer Carolyn Emery
- Policy Analyst Luis Tapia
- Policy Analyst Gavin Centeno
- Commission Clerk Cheryl Carter-Benjamin
- General Counsel Paula de Sousa Mills

5. CONSENT CALENDAR

5a. – Approval of Minutes – June 8, 2022, Regular Commission Meeting

Chair Davert called for a motion on the consent calendar. There was no discussion from Commissioners and the Commission Clerk noted no request from the public to speak on the item. **Commissioner Bucknum** motioned for approval of the consent calendar and **Commissioner McGregor** seconded the motion.

MOTION: Approve the Consent Calendar. (Wendy Bucknum)
SECOND: Derek J. McGregor
FOR: Wendy Bucknum, Derek J. McGregor, Lisa Bartlett,
James Fisler, Douglass Davert
AGAINST: None
ABSTAIN: None

MOTION PASSED: 5-0

6. INTRODUCTION TO WORKSHOP

Chair Davert welcomed the public to the Strategic Planning Workshop and introduced the workshop facilitator, William Kelly, President and CEO of Kelly Associates Management Group LLC (KAMG).

7. PUBLIC COMMENT

Chair Davert opened the item for hearing or receiving public comments. Commission Clerk Cheryl Carter-Benjamin noted receipt of one speaker card.

Stacy Taylor of Mesa Water District made general comments on Agenda Item 8.

Chair Davert closed the hearing of public comments.

8. STRATEGIC PLANNING WORKSHOP

Consultant Bill Kelly facilitated discussion of the following:

- **Strengths:** The Commission and staff identification of 43 agency characteristics that allow OC LAFCO to pursue the agency's goals and be successful.
- **Weaknesses:** The Commission and staff identification of 23 agency characteristics that may hinder OC LAFCO's ability to achieve the agency's goals.
- **Opportunities:** The Commission and staff identification of 24 factors in the environment that can help OC LAFCO to achieve the agency's goals.
- **Threats:** The Commission and staff identification of 23 potential pitfalls looming in the environment that could create roadblocks or otherwise keep OC LAFCO from achieving the agency's goals.

Following general discussion led by the facilitator on the S.W.O.T responses, five opportunities were identified by Commission consensus. Executive Officer Emery summarized the next steps that included bringing back the Strategic Plan which will incorporate the goals and objectives, refined by the facilitator and staff, for Commission consideration at the August 10 meeting.

9. NOTICE OF ADJOURNMENT OF THE ANNUAL STRATEGIC PLANNING WORKSHOP

Chair Davert adjourned with workshop at 10:20 a.m., noting that the next Regular Commission Meeting would take place on August 10, 2022 at 8:15 a.m. in the County Conference Center (CCC) Multipurpose Room, 601 North Ross Street, Room 104, Santa Ana, CA 92701.

Douglass Davert, Chair
Local Agency Formation Commission of Orange County

By: _____
Cheryl Carter-Benjamin
Commission Clerk

August 10, 2022

7b | Consent
Calendar

REGULAR MEMBERS

CHAIR
Douglass Davert
Special District Member

VICE CHAIR
Donald P. Wagner
County Member

IMMEDIATE PAST CHAIR
Derek J. McGregor
Public Member

Lisa Bartlett
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Wendy Bucknum
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James Fisler
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Peggy Huang
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ALTERNATES

Andrew Do
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Kathryn Freshley
Special District Member

Lou Penrose
Public Member

Vacant
City Member

STAFF

Carolyn Emery
Executive Officer

Scott Smith
General Counsel

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer

SUBJECT: Nominations for 2022-2023 CALAFCO Board of Directors

BACKGROUND

On June 1, 2022, the California Association of Local Agency Formation Commissions (CALAFCO) Election Committee opened the nomination period for seats on the Board of Directors with upcoming expiring terms (**Attachment 1**). Each region (Southern, Central, Coastal, and Northern) is allocated four CALAFCO Board seats (County, City, Special District, and Public). For the Southern Region, nominations are open for two seats, the city and public members. The nomination period closes on **Monday, September 19, 2022**. Nominations received by this deadline will be included in the Committee's report and on the ballot. Ballots will be made available to each LAFCO's voting delegates at the Annual Conference. In accordance with local policy, the current OC LAFCO Chair (Douglass Davert) and Vice Chair (Donald Wagner) or the Immediate Past Chair (Derek McGregor) serve as the Commission's primary and secondary voting delegates for CALAFCO Board elections.

The current board members and terms for the Southern Region are shown in the table below. The term of office is two years and begins officially at the Annual Membership Meeting. OC LAFCO's Immediate Past Chair Derek McGregor and Aquanetta Warren of San Bernardino LAFCO have expressed interest in continuing on the board. At the June 27 regional meeting of the southern LAFCOs, there was group consensus indicating support of Commissioners McGregor and Warren's continued representation of the Southern Region on the CALAFCO Board of Directors.

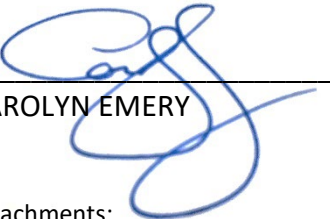
CALAFCO Southern Region Board Members			
Director	LAFCO	Category	Term
Michael Kelley	Imperial	County	2021-2023
Jo Mackenzie	San Diego	Special District	2021-2023
Derek McGregor	Orange	Public	2020-2022
Aquanetta Warren	San Bernardino	City	2020-2022

RECOMMENDED ACTIONS

Staff recommends that the Commission:

1. Nominate Commissioner McGregor for the CALAFCO Board of Directors public member seat, representing the Southern Region.
2. Direct staff to submit required nomination documents to CALAFCO.

Respectfully submitted,



CAROLYN EMERY

Attachments:

1. CALAFCO Board of Directors Nominations for 2022/2023
2. OC LAFCO Resolution No. CP 22-05 (Nomination of Commissioner McGregor)



June 1, 2022

To: Local Agency Formation Commission
Members and Alternate Members

From: Jo MacKenzie, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors



RE: Nominations for 2022/2023 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors for the following seats:

CENTRAL REGION	SOUTHERN REGION	NORTHERN REGION	COASTAL REGION
County Member District Member	City Member Public Member	City Member Public Member	County Member District Member

Please inform your Commission that the CALAFCO Election Committee will be accepting nominations for the above-cited seats until:

MONDAY, SEPTEMBER 19, 2022 at 5:00 PM

Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal, and operational issues that affect us all. The Board meets four to five times each year, with half of the meetings currently being held virtually and the rest being held at alternate sites around the state.

Board seats are for a two-year term, with no term limits, and any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat. The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 20, 2022 at the Hyatt Regency John Wayne Airport in Newport Beach, California.

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Résumé Form or provide the specified information in another format other than a résumé.



Please note that completed nomination forms and all materials must be RECEIVED by the CALAFCO Executive Director no later than Monday, September 19, 2022 at 5:00 p.m.

Returning the nomination form prior to that deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Forms and materials may either be emailed to info@calafco.org or mailed to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1020 12th Street, Suite 222
Sacramento, California 95814

Nominations received by the September 19th deadline will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than October 4, 2022, with ballots made available to Voting Delegates at the Annual Conference.

Nominations received after the deadline will be returned; however, nominations may be made from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting, an electronic ballot will be made available *if requested in advance*. **Ballot requests must also be received no later than 5:00 pm on Monday, September 19, 2022, with completed absentee ballots returned by 5:00 p.m. on Friday, October 14, 2022.**

NOMINATION/ELECTION PROCESS DEADLINES AND TIMELINES

- **June 1** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 19** – Completed Nomination packet due
- **September 19** – Request for an absentee/electronic ballot due
- **September 19** – Voting delegate name due to CALAFCO
- **October 4** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 4** – Distribution of requested absentee/electronic ballots.
- **October 14** – Absentee ballots due to CALAFCO
- **October 20** - Elections

If you have any questions about the election process, please contact me at jmackenzie@calafco.org or by calling 760-743-7969. You may also contact CALAFCO Executive Director René LaRoche at rlaroche@calafco.org or by calling 916-442-6536.

Members of the 2022/2023 CALAFCO Election Committee are:

Jo MacKenzie, Chair
jmackenzie@calafco.org

San Diego LAFCo (Southern Region)
760-743-7969

Bill Connelly
bconnelly@calafco.org

Butte LAFCo (Northern Region)
530-538-6834

Margie Mohler
mmohler@calafco.org

Napa LAFCo (Coastal Region)
707-287-6911

Daniel Parra
dparra@calafco.org

Fresno LAFCo (Central Region)
559-834-3113

Additionally, you will also find attached for your reference a copy of the CALAFCO Board of Directors Nomination and Election Procedures, as well as the current listing of Board Members and corresponding terms of office.

I sincerely hope that you will consider joining us!

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.
- b. The Board Chair shall appoint one of the members of the Election Committee to serve as Committee Chair. The CALAFCO Executive Director shall either serve as staff to the Election Committee or appoint a CALAFCO regional officer to serve as staff in cooperation with the Executive Director.
- c. Each regional officer shall serve as staff liaison to the Election Committee specifically to assist in conducting the election as directed by the Executive Director and Committee.
- d. Goals of the Committee are to encourage and solicit candidates by region who represent member LAFcos across the spectrum of geography, size, and urban-suburban-rural population, and to provide oversight of the elections process.

2. ANNOUNCEMENT TO ALL MEMBER LAFcos:

- a. No later than four months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFco for distribution to each commissioner and alternate. The announcement shall include the following:
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFcos listed by region.
 - iii. The specific date by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFco marked "Received too late for Election Committee action."
 - iv. The names of the Election Committee members and the name of their LAFco, regional representation, email address and phone number. The name, email address and phone number of the Executive Director shall also be included.
 - v. The email address and physical address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
 - vii. The specific date by which all voting delegate names are due.
 - viii. The specific date by which absentee ballots must be requested, the date CALAFCO will

Key Timeframes for Nominations Process

<u>Days*</u>	
120	Nomination announcement
30	Nomination deadline
14	Committee report released

*Days prior to annual membership meeting

distribute the absentee ballots, and the date by which they must be received by the Executive Director.

- b. A copy of these procedures shall be posted on the web site.

3. THE ELECTION COMMITTEE:

- a. The Election Committee and the Executive Director have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.
- b. At the close of the nomination period, the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated representatives. Caucus elections must be held prior to the annual membership meeting at the Conference. The assigned regional officers along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the regional officer and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference. Only the designated Voting Delegate, or the designated Alternate Voting Delegate shall be allowed to pick up the ballot packet at the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.
- f. Advise the Executive Director to provide "VOTING DELEGATE" ribbons to all voting delegates attending the Annual Conference.
- g. Post the candidate statements/resumes organized by region on a bulletin board or other easily accessible location near the registration desk.
- h. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election and shall be assisted by a regional officer from a region other than their own, as assigned by the Executive Director
- i. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING

Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCOs requesting an electronic ballot shall do so in writing to the Executive Director no later than 30 days prior to the annual meeting.

- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the Executive Director no later than three working days prior to the annual meeting.
- e. LAFCOs voting by electronic ballot may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCOs voting under this provision may only vote for the candidates nominated by the Election Committee as noted on the ballot and may not vote in any run-off elections.

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:

- a. The Presiding Officer shall:
 - i. Review the election procedure with the membership of their region.
 - ii. Present the Election Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 - 1. For city member.
 - 2. For county member.
 - 3. For public member.
 - 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy. If a candidate is absent from the regional caucus, they may ask someone in their region to make a brief statement on their behalf.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 - 1. Name the nominees and offices for which they are nominated.
 - 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.
 - ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
 - 1. Poll the LAFCOs in good standing by written ballot.
 - 2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.

3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.
 4. With assistance from the regional officer, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
1. A majority of the total number of LAFcos in a given region are required for a quorum. Returned absentee ballots shall count towards the total required for a quorum.
 2. The nominee receiving the majority of votes cast is elected.
 3. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).
 4. In case of tie votes:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names shall be listed on the ballot in the order the nomination was received and deemed complete.
- b. The Election Committee Chair shall announce and introduce all Board Members elected during the Regional Caucuses at the annual business meeting.
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFco may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new Board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFco

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

CALAFCO's Four Regions



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas
Butte LAFCo
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Gary Thompson
Riverside LAFCo
gthompson@lafco.org

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Dawn Longoria
Napa LAFCo
dlongori@napa.lafco.ca.gov

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: José Henriquez
Sacramento LAFCo
henriquezj@saccounty.net

CURRENT BOARD MEMBERS AND TERMS

NAME	REGION	TYPE & TERM
Bill Connelly, Vice Chair	Butte <i>Northern</i>	County (2023)
Blake Inscore	Del Norte <i>North</i>	City (2022)
Gay Jones	Sacramento <i>Central</i>	District (2022)
Michael Kelley	Imperial <i>Southern</i>	County (2023)
Debra Lake	Humboldt <i>Northern</i>	District (2023)
Chris Lopez	Monterey <i>Coastal</i>	County (2022)
Daron McDaniel	Merced <i>Central</i>	County (2022)
Michael McGill	Contra Costa <i>Coastal</i>	District (2022)
Derek McGregor	Orange <i>Southern</i>	Public (2022)
Jo MacKenzie	San Diego <i>Southern</i>	District (2023)
Margie Mohler, Treasurer	Napa <i>Coastal</i>	City (2023)
Anita Paque, Chair	Calaveras <i>Central</i>	Public (2023)
Daniel Parra	Fresno <i>Central</i>	City (2023)
Shane Stark	Santa Barbara <i>Coastal</i>	Public (2023)
Josh Susman	Nevada <i>Northern</i>	Public (2022)
Acquanetta Warren, Secretary	San Bernardino <i>Southern</i>	City (2022)

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION
COMMISSIONS



Board of Directors 2022/2023 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) ☐ City ☐ County ☐ Special District ☐ Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

_____ LAFCo Chair

_____ Date

NOTICE OF DEADLINE

Nominations must be received by **September 19, 2022 at 5:00 p.m.** to be considered by the Election Committee.

Send completed nominations to:

CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Or email to: info@calafco.org

Date Received
_____CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION
COMMISSIONS

Board of Directors
2022/2023 Candidate Résumé Form
(Complete both pages)

Nominated By: _____ LAFCo Date: _____

Region (please check one): ☐ Northern ☐ Coastal ☐ Central ☐ SouthernCategory (please check one): ☐ City ☐ County ☐ Special District ☐ Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:LAFCo Experience:CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by **September 19, 2022 at 5:00 p.m.** to be considered by the Election Committee.

Send completed nominations to:

CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Or email to: info@calafco.org

CP 22-05

**RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION OF ORANGE COUNTY, CALIFORNIA
NOMINATING COMMISSIONER DEREK J. MCGREGOR TO
THE BOARD OF DIRECTORS OF THE CALIFORNIA
ASSOCIATION OF LOCAL AGENCY FORMATION
COMMISSIONS**

August 10, 2022

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

WHEREAS, on June 1, 2022, the Board Election Committee of the California Association of Local Agency Formation Commissions (“CALAFCO”) announced that nominations are open for the fall elections of the CALAFCO Board of Directors; and

WHEREAS, the Orange County Local Agency Formation Commission (“OC LAFCO”) has been and continues to be an active member of CALAFCO, providing leadership in reinforcing the importance of LAFCO’s role in shaping the future growth and development of the State of California; and

WHEREAS, over the years, a number of past and current OC LAFCO Commissioners have served on the CALAFCO Board of Directors, providing guidance in shaping CALAFCO policies and legislative positions, and providing important policy perspectives from the Southern Region of the state; and

WHEREAS, Commissioner Derek J. McGregor currently serves as the Southern Region Public Member on the CALAFCO Board of Directors and member of the annual conference planning committee, has served as a panelist for the CALAFCO annual conference breakout sessions, represents OC LAFCO at the annual CALAFCO conferences, and has expressed interest in continuing to represent the Southern Region on the CALAFCO Board of Directors.

NOW, THEREFORE, the Local Agency Formation Commission of Orange County DOES HEREBY RESOLVE as follows:

Section 1. Commissioner Derek J. McGregor is hereby nominated for the open Public Member seat on the CALAFCO Board of Directors, representing the Southern Region.

Section 2. The Executive Officer is hereby directed to transmit this resolution and the required nomination forms to the CALAFCO Board Election Committee.

AYES:

NOES:

[illegible]

I, Douglass Davert, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 10th day of August, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of August, 2022.

DOUGLASS DAVERT
Chair of the Local Agency Formation
Commission of Orange County

By: _____
Douglass Davert

REGULAR MEMBERS

CHAIR

Douglass Davert
Special District Member

VICE CHAIR

Donald P. Wagner
County Member

IMMEDIATE PAST CHAIR

Derek J. McGregor
Public Member**Lisa Bartlett**
County Member**Wendy Bucknum**
City Member**James Fisler**
Special District Member**Peggy Huang**
City Member**ALTERNATES****Andrew Do**
County Member**Kathryn Freshley**
Special District Member**Lou Penrose**
Public Member**Vacant**
City Member**STAFF****Carolyn Emery**
Executive Officer**Scott Smith**
General Counsel

August 10, 2022

TO: Local Agency Formation Commission
of Orange County**FROM:** Executive Officer**SUBJECT:** Fiscal Year 2021-2022 Year-End Comprehensive Report

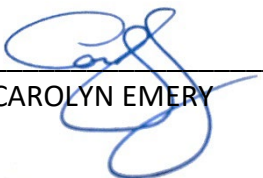
Throughout the fiscal year, the Commission receives quarterly financial reports and mid-year and year-end reports on the agency's annual work plan. The attached comprehensive report combines the review of the accomplishments of the Fiscal Year 2021-2022 Work Plan and an assessment of the agency's budget and investment portfolio for the period ending June 30, 2022. Additional details on the Work Plan projects and activities may also be reviewed in Attachment 2 to this report.

RECOMMENDED ACTION

Staff recommends that the Commission:

1. Receive and file the Year-End Comprehensive Report for Fiscal Year 2021-2022.

Respectfully submitted,



CAROLYN EMERY

Attachments:

1. Fiscal Year 2021-2022 Year-End Comprehensive Report
2. Fiscal Year 2021-22 OC LAFCO Work Plan



Year-End Comprehensive Report

Fiscal Year 2021-22

Prepared: August 10, 2022

HIGHLIGHTS:

FY 2021-22 Work Plan Wrap-Up – Pages 2-5

FY 2021-22 Budget Year-End Assessment – Pages 5-7

Balance Sheet & Reserves Analysis – Pages 8-9

INTRODUCTION

The Year-End Comprehensive Report presents an overview of the Commission's work plan accomplishments and the agency's budget and investment portfolio performance for Fiscal Year 2021-22.

FY 2021-22 WORK PLAN WRAP-UP

This section highlights the accomplishments of the agency's Fiscal Year 2021-22 Work Plan. The Work Plan is divided into five strategic focus areas: (1) Project Applications; (2) the Fourth Cycle – Sphere of Influence (SOI) Reviews and Updates & Municipal Service Reviews (MSRs); (3) the OC LAFCO Unincorporated Areas Program; (4) South Orange County Future Governance, and (5) Outreach and External Relations.

Strategic Area One: Project Applications

The recently closed fiscal year was yet another busy one for project applications with the Commission processing eight applications: five (5) city annexations and detachments; two (2) special district annexations; and one (1) request for activation of a latent power. At year-end, five proposals have been approved by the Commission and two additional applications are expected to be considered by the board by end of summer. Below is the year-end status and accomplishments of this strategic area:

Completed:

- Hamer Island Annexation to City of Placentia – *Approved June 2022*
- Pomeroy Property Detachment from the City of Tustin – *Approved June 2022*
- Santa Ana River Reorganization to the City of Anaheim – *Approved October 2021*
- Annexation of the City of San Juan Capistrano Water and Wastewater Systems to the Santa Margarita Water District – *Approved August 2021*
- Tonner Hills Annexation Extension to the City Brea – *Approved August 2021*

Underway:

- Capistrano Bay Community Services District Activation of Latent Powers
Application currently incomplete. Future hearing date unknown.
- Orange County Sanitation District Annexations
To be considered by the Commission on August 10, 2022.
- Santa Ana River Reorganization to the City of Anaheim – Areas 1, 1A, 2, 3, and Remaining Area
Application currently incomplete. Anticipated hearing date – September 2022.

Strategic Area Two: 4th Cycle of Sphere of Influence Updates and Municipal Service Reviews

The 2021-22 Work Plan identifies the following activities to support completion of this legislative mandate and strategic focus area: 1) Preparation of four MSRs and SOI Reviews/Updates, and 2) Integration of the Municipal Services Dashboard and Fiscal Indicators web-based programs into the agency website. Below is a summary of the accomplishments of these projects.

- **Preparation of MSRs** – Two MSRs (County Service Areas (CSAs) and Orange County Cemetery District (OCCD)) are near completion. The CSAs MSR will be considered by the Commission on August 10 and the OCCD MSR is scheduled for consideration on September 14. The MSR process for the Southwest and West MSR regions that includes 24 agencies and one joint powers authority was started this past Spring and is expected to be completed by mid-year in 2023.
- **Fiscal Indicators Program** – The refinement of the fiscal indicators program is being used in part to the Southwest and West MSR process. The MSR process provides an opportunity to discuss with the affected agencies the use of the fiscal indicators and to receive feedback. Once populated in concert with the MSR preparation, the indicators will be presented to the Commission and ultimately integrated into the website.
- **Integration of the MSR Dashboard** – The MSR Dashboard now has a home on the agency's website and provides a plethora of information on the municipal services delivered by the local agencies within OC LAFCO's purview.

In addition to the approved work plan activities for this Strategic Focus Area, data was gathered through a survey sent to other LAFCOs involving their respective MSR processes and presented to the Commission earlier this year. The data demonstrated similar processes for those LAFCOs to OC LAFCO's process for conducting MSRs.

Strategic Area Three: OC LAFCO Unincorporated Areas Program

Continuing to work with cities interested in annexing unincorporated islands within their respective sphere of influence was identified in the Fiscal Year 2021-22 Work Plan. This activity was accomplished through meetings and providing key information on respective unincorporated areas to the cities of Fountain Valley, Placentia and Stanton.

As a result of the collaboration involving OC LAFCO, the City of Placentia and the County, the Commission approved an island annexation, and the residents of the Hamer Island officially became a part of the City on July 11, 2022. Annexation of the Hamer Island brings the total remaining unincorporated areas in Orange County to 23, not including the South Orange County unincorporated areas.

Strategic Area Four: South Orange County Unincorporated Communities (SOCUC)

During the 2021-22 fiscal cycle, the Commission published the "South Orange County Governance Options." The document includes discussions on the potential governance options for the region and respective processes within OC LAFCO's purview and was distributed to the affected agencies and communities of South Orange County and published on the OC LAFCO website. An invitation was also extended to the agencies and community representatives for presentation of the document by OC LAFCO staff. At year-end, no presentation requests had been received.

Additionally, staff participated in quarterly meetings with representatives of Rancho Mission Viejo to remain apprised of the progress of the six-phase development that will be the future home to approximately 34,000 Orange County residents.

Strategic Area Five: Outreach and External Relations

During the past fiscal cycle, the Commission continued the optimization of the agency's external communication efforts through the following accomplishments:



- Launched new agency website in October 2021
 - ❖ **Google Analytics** (as of July 2022):
 - ❖ 22,300 views (5,200 new visitors since Feb. 2022).
 - ❖ On average, 200 views every month since the website's launch.
 - ❖ Most visitors arrive to the website through googling the agency's name.
 - ❖ Most commonly viewed pages: home page, agency meetings, unincorporated areas, and municipal service reviews.
- Published first bi-annual news
- Bi-annual visits to OC Legislators
- Development of agency media kit (includes LAFCO introduction letter, bi-annual news, and brochure)
- Continued Commissioner Monthly Updates
- Continued social media engagement (Twitter and Facebook)

Administrative Projects

The FY 2021-22 Work Plan included six administrative projects to support the Commission's efficient and cost-effective operational management practices. Below is a comprehensive list of the achievements made on this front:

- ✓ **Annual Budget** – Expenditures for FY 2021-22 maintained within overall approved budget. Adopted final budget for FY 2022-23 with an overall increase of six percent to the agency apportionment.

- ✓ **Annual Audit** - Financial statements for FY 2020-21 resulted in no material (significant) issues noted.
- ✓ **OC LAFCO Policies and Procedures Update** – Completed annual review and updated, as warranted, the agency's personnel, accounting and legislative guidelines and policies.

YEAR-END BUDGET OVERVIEW

This report provides an update on the agency's budget and investment portfolio performance for the period of July 1, 2021, through June 30, 2022.¹ The Fiscal Year 2021-22 budget of approximately \$1.3 million supports the operations of the Commission and the resources needed to accomplish the work plan.

Revenues

The OC LAFCO revenues (agency apportionments and interest earnings) were at approximately 85% at the end of the fiscal cycle. The year-to-date agency revenues received include \$1,158,240 in agency apportionments and \$8,145 in interest earnings received from the Commission's investment accounts. A total of \$1,855 of the projected interest earnings was not realized by the end of the fiscal year.

Another source of LAFCO revenue is application filing fees. These filing fees are not used for budgeting purposes as they are used to offset the costs associated with processing the respective applications. During the 2021-2022 fiscal year, the agency had filing fees for seven applications on deposit as shown in the financial overview as revenue within the Special Fund column. At year-end of the same fiscal cycle, three applications were completed, and fees reconciled. The Special Fund column in the chart on page seven includes year-to-date accounting of all application fees and expenses incurred during the current fiscal year.

Expenditures

The General Fund expenditures as of June 30, 2022 are at approximately 87 percent of the overall budget of approximately \$1.368 million. The following table provides a comparison of the percentage of actual funds used and the target levels for the 2021-2022 budget cycle.²

Total Funds Used (as of June 30, 2022)				
	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Target	25%	50%	75%	100%
Actual	22.5%	46.8%	69.2%	87%

¹ All financial statements contained in this report are on an accrual accounting basis.

² Actual expenditures for the year-end reporting are unaudited and subject to change.

Year-end expenditures are generally within target levels with most expenses attributed to operational costs, such as salaries, benefits, and professional services. All areas are within or below budgeted levels, except legal services. Exceeding costs for this line item are generally attributed to unanticipated costs that include voluminous public records requests, updates to COVID related policy and procedures, and anticipated applications that were not filed. However, the additional costs in this area are offset by other line items that ended below their budgeted levels, keeping the overall budget within the approved level.

Balances and Investment Report

The following table illustrates the balance of LAFCO's bank accounts as of June 30, 2022:

As of 06/30/22	Balance
770-Payroll Account	\$254,832
Wells Fargo Checking	\$154,049
Wells Fargo Savings	\$213,198
Total	<u>\$622,079</u>

To maximize the interest accrued on the agency's revenues, apportionment fees are deposited in the Local Agency Investment Fund (LAIF) and OC Fund accounts. Throughout the fiscal year, funds are transferred from the investment accounts to the bank accounts to cover the agency's operational expenses. Additionally, at fiscal year-end, the agency's Section 115 Public Agencies Post-Employment Benefits Trust (Trust) experienced a loss of \$7,968 to the investment earnings, leaving the current balance at \$54,032 as of June 30, 2022.

The following table illustrates the balance of LAFCO's investment portfolio as of June 30, 2022.

As of 06/30/22	Balance
OC Fund	\$500,574
LAIF	\$291,920
PARS Trust	\$ 54,032
Total	<u>\$846,526</u>

Orange County Local Agency Formation Commission
Quarter Budget Overview
July 1, 2021 - June 30, 2022

	1st Qtr. General Fund	2nd Qtr. General Fund	3rd Qtr General Fund	4th Qtr General Fund	YTD General Fund	YTD Special Revenue Funds	TOTAL FY 21/22 Budget	General Fund %
Revenue:								
Addition/(Use) of Unreserved Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,010	0.0%
LAFCO Apportionment	1,153,958	4,282	-	-	1,158,240	-	1,158,240	100.0%
Filing Fees	-	-	-	-	-	152,109	-	0.0%
Misc Revenue	464	107	2,316	76	2,964	-	-	0.0%
Interest & Dividends	899	2,428	1,720	3,099	8,145	-	10,000	81.5%
PARS Trust Investment Gain/Loss	-	914	(3,383)	(5,499)	(7,968)	-	-	0.0%
Total Revenue	\$ 1,155,320	\$ 7,731	\$ 653	\$ (2,324)	\$ 1,161,381	\$ 152,109	\$ 1,368,250	84.9%
Expenditures:								
Salaries	\$ 134,491	\$ 143,128	\$ 128,324	\$ 88,244	\$ 494,186	\$ 20,829	\$ 552,330	89.5%
Hourly Employees	4,038	1,771	3,879	345	10,034	-	18,000	55.7%
Benefits & Insurance								
Optional Benefit Plan	-	18,500	-	-	18,500	-	18,500	100.0%
Deferred Compensation	4,030	4,203	3,653	2,938	14,825	-	16,800	88.2%
Retirement Benefits	57,376	58,851	52,697	40,083	209,008	-	218,650	95.6%
Health Insurance	15,558	15,719	14,300	12,780	58,356	-	67,230	86.8%
Retiree Health Benefits	4,957	5,054	4,553	3,279	17,844	-	19,040	93.7%
Dental Insurance	702	706	627	502	2,537	-	5,320	47.7%
Life Insurance	104	104	86	72	365	-	500	73.0%
Workers Compensation	-	-	-	-	-	-	2,460	0.0%
Medicare	2,108	2,401	1,940	1,348	7,797	-	8,540	91.3%
Unemployment Insurance	150	153	138	97	538	-	550	97.8%
Salary Continuance	358	367	330	238	1,294	-	1,450	89.2%
Accidental Death Insurance	25	25	21	18	90	-	150	59.7%
Executive Car Allowance	2,400	1,800	1,800	1,200	7,200	-	7,200	100.0%
Total - Benefits & Insurance	87,769	107,884	80,145	62,555	338,353	-	366,390	92.3%
Information Technology	2,801	3,021	2,322	2,950	11,094	-	12,700	87.4%
Telephone & Internet	2,241	4,100	2,249	4,288	12,878	-	14,500	88.8%
County of Orange	1,037	625	1,573	2,330	5,564	-	11,000	50.6%
General Liability Insurance	1,826	1,826	1,826	1,913	7,390	-	7,400	99.9%
Memberships	8,762	8,782	8,968	8,868	35,380	-	35,600	99.4%
Office Equipment/Supplies	2,535	6,950	5,828	2,923	18,237	-	19,400	94.0%
Professional Services:								
Legal	9,684	5,960	8,874	5,805	30,324	16,115	25,000	121.3%
Accounting/Audit	14,000	11,405	9,000	9,000	43,405	-	43,500	99.8%
Human Resources	-	7,500	-	2,000	9,500	-	9,500	100.0%
Mapping/Archiving	850	850	850	850	3,400	-	7,300	46.6%
Other Professional Services	13,688	1,611	2,250	27,190	44,739	-	85,000	52.6%
Total - Professional Services	38,222	27,326	20,974	44,845	131,367	16,115	170,300	77.1%
Investment Admin Fees	163	180	241	222	805	-	830	97.0%
CEQA Filings	-	-	-	-	-	50	-	0.0%
SBE	-	-	-	-	-	3,500	-	0.0%
Public Noticing	-	-	1,850	2,369	4,219	5,693	11,500	36.7%
Unincorporated Areas Program	-	137	-	-	137	2,604	3,000	4.6%
Rents/Maintenance	32,640	25,278	25,774	15,319	99,012	-	100,600	98.4%
Equipment Leases	1,409	1,592	1,409	1,520	5,931	-	7,700	77.0%
Comm. & Staff Expense	85	402	-	78	565	-	7,000	8.1%
Comm. Stipends & Taxes/Fees	3,400	2,254	3,830	3,266	12,751	-	15,500	82.3%
Professional Development	-	-	-	150	150	-	5,000	3.0%
Transportation/Travel	-	620	23	-	644	-	3,000	21.5%
Commission Meeting Expense	397	287	590	533	1,808	-	6,500	27.8%
Refund of Deposit	-	-	-	-	-	90,182	-	0.0%
Total Expenditures	321,817	336,164	289,806	242,718	1,190,505	138,973	1,368,250	87.0%
Total Net Income (Loss)	\$ 833,504	\$ (328,432)	\$ (289,153)	\$ (245,043)	\$ (29,124)	\$ 13,136	\$ -	

* Financial data represents pre-audited amounts, which does not include all year end adjustments.

Balance Sheet and Reserves Balance Analysis

This report includes the balance sheet to provide an understanding of OC LAFCO's financial status. The financial document in this year-end report summarizes the agency's assets and liabilities as of June 30, 2022. Additionally, an analysis of the agency's reserve balances is provided on page 9.

OC Local Agency Formation Commission Balance Sheet As of June 30, 2022

	Jun 30, 22
ASSETS	
Current Assets	
Cash and Investments	
PARS Trust	\$ 54,032
County Acct-Payroll	254,832
Wells Fargo Checking	154,049
Wells Fargo Savings	213,198
OC Fund	500,574
Investment Acct - LAIF	291,920
Fair Market Value Adjustments	1,080
Total Cash and Investments	1,469,685
Other Current Asset	
Interest Receivable - Other	967
Prepaid Expenses - Other	23,019
Retirement Prepaid Expense	41,270
Total Other Current Asset	65,257
Total Current Assets	1,534,942
Fixed Assets	24,484
Other Assets	
Def. Outflows Pension Related	450,602
Pension Deposit	166,162
Deferred OPEB Contributions	8,474
Deferred Outflows OPEB Related	7,222
Security Deposit	10,235
Total Other Assets	642,694
TOTAL ASSETS	2,202,120
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	36,125
Salaries Payable	29,484
Compensated Absences	32,212
Total Current Liabilities	97,822
Long Term Liabilities	
Deferred Inflows OPEB Related	16,237
Net OPEB Liability	109,593
Net Pension Liability	1,248,133
Def. Inflows Pension Related	561,923
Deferred Lease Incentive	42,872
Total Long Term Liabilities	1,978,758
Total Liabilities	2,076,580
Equity	125,540
TOTAL LIABILITIES & EQUITY	\$ 2,202,120

*Figures are subject to change as they have been projected through June 30, 2022 and represent pre-audited amounts.

**OC Local Agency Formation Commission
Reserves Balance Analysis**

Cash & Investments Description	Jun 30, 2022 Balance	Commission Approved Balances	Balance Excess / (Deficiency)
County Payroll	\$ 254,832	\$ 222,488 ¹	\$ 32,344
Checking - Wells Fargo	154,049	113,833 ¹	40,216
Savings - Wells Fargo	213,198	205,000 ¹	8,198
OC Fund Investment	500,574	-	500,574
LAIF Investment	291,920	-	291,920
PARS Trust	54,032	-	54,032
Total	\$ 1,468,605	\$ 541,321	\$ 927,285 ²

Footnotes:

1 - Per the Cash and Cash Management Policy, the Commission must maintain \$541,321 during fiscal year 2021/22 in order to cover three months of payroll costs (County Payroll), 3 months of operational expenses (Checking - Wells Fargo) and a minimum of \$205,000 (Savings - Wells Fargo) to cover contingency, litigation and unfunded liabilities.

2 - Remaining Available Cash to fund Operations and Reserves.

**2021-2022 OC LAFCO
WORK PLAN**

ATTACHMENT 2

(Approved: July 14, 2021)

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
Capistrano Bay Community Services District Activation of Latent Powers	Status: Application filed in May 2021. Proposed activation of a Latent Power for flood control protection services.	Complex	Plan for Service requirements currently pending from the District. Anticipated date of consideration by the Commission is currently unknown.
Hamer Island Annexation to City of Placentia	Status: Complete Proposed annexation of small unincorporated area located within Placentia's sphere of influence.	Complex	Approved by the Commission on June 8, 2022.
Orange County Sanitation District Annexations	Status: Application filed in June 2021. Proposed annexation of properties located in the Cities of Anaheim, Villa Park and Yorba Linda.	Complex	Application incomplete and pending requirements. To be considered by the Commission on August 10, 2022.
Pomeroy Property Detachment from the City of Tustin	Status: Complete Proposed detachment from the City to align jurisdictional boundaries of parcels proposed for development.	Routine	Approved by the Commission on June 8, 2022.

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
Santa Ana River Reorganization – Areas 1, 1A, 2, and 3	<p>Status: Application Filed in January 2021.</p> <p>Proposed reorganization of recreational and open space areas located along the Santa Ana River involving boundaries of the cities of Anaheim and Orange.</p>	Routine	Application incomplete and pending requirements. Anticipated to be considered by the Commission in Summer 2022.
Santa Ana River Reorganization – Area 2A	<p>Status: Complete</p> <p>Proposed reorganization of small area adjacent to Angels Stadium involving the boundaries of cities of Anaheim and Orange.</p>	Routine	Approved by the Commission on October 13, 2021.
Sphere of Influence Update/Annexation of the City of San Juan Capistrano Water and Wastewater Systems to the Santa Margarita Water District	<p>Status: Complete</p> <p>Proposed sphere of influence update and annexation of the City's water and wastewater systems to the District.</p>	Complex	Approved by the Commission on August 19, 2021.
Tonner Hills Annexation Extension	<p>Status: Complete</p> <p>Proposed extension of recordation of the annexation to City of Brea.</p>	Routine	Approved by the Commission on August 19, 2021.

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	Description	Project Status	Project Milestone
4 th 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 34 special districts and other service providers.	<p>Multi-year Project</p> <p>Underway</p> <p>Complete Complete Underway</p>	<p>Staff will complete the following work program components:</p> <ol style="list-style-type: none"> 1. Prepare MSRs for the following regions and agencies: <ol style="list-style-type: none"> a. CSA 13, 22, and 26 b. Orange County Cemetery District c. Southwest d. West 2. Integrate into agency website <ol style="list-style-type: none"> a. MSR Dashboard b. Shared Services c. Fiscal Indicators

¹ The 2018-2022 SOI/MSR Program is referenced as Exhibit 1A, and MSR region timelines may be adjusted as needed by OC LAFCO staff.

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.²

Project	Description	Project Status	Project Milestone
County Unincorporated Areas	Facilitate annexation process on unincorporated areas of high interest.	Multi-year Project	Work with County and cities of Fountain Valley, Orange, Placentia and Stanton on the annexation process and resources.

STRATEGIC AREA FOUR

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

Project	Description	Project Status	Project Milestone
South Orange County Future Governance	Engage and serve as resource to South Orange County unincorporated communities.	Ongoing Complete No requests received.	<ul style="list-style-type: none"> Participate in quarterly meetings with Rancho Mission Viejo representatives to discuss development timeline and future governance. Prepare document that outlines processes for potential governance options for the South Orange County unincorporated communities. Present the governance options document to the communities upon request.

² The current inventory of the Orange County Unincorporated Areas is referenced as Exhibit 1B.

STRATEGIC AREA FIVE

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

Project	Description	Project Status	Project Milestone
Outreach and External Relations	Continued Implementation of Communication Plan, Tools and Resources		Continued use of the following to enhance communication with Commissioners, agencies, and communities:
		Complete	1. Bi-annual visits and distribution of media kits to OC legislators.
		Ongoing	2. Monthly Commissioner Updates.
		Complete	3. Quarterly Financial Reports.
		Complete	4. Bi-Annual publishing of "The Pulse" to Agencies/Interested Parties.
		Complete	5. Social Media Calendar of Events (Twitter and Facebook).
		Underway	6. Develop Video FAQs for website integration.

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	Project Milestone
Annual Budget	Preparation of OC LAFCO annual budget for 2022-2023	Complete	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.	Complete	Annual audited statements presented to the Commission on November 10, 2021 by Davis Farr.
Agency Website	Redesign of the Commission Website	Complete	Agency website launched on October 15, 2021
OC LAFCO Policies and Procedures Update	Annual review of policies subject to changes in state and federal laws and requiring other updates.	Complete	Review and update, if necessary, the following: <ol style="list-style-type: none"> 1. Accounting & Financial Policies 2. Administrative and Personnel Policies and Procedures. 3. Legislative Policy and Guidelines.
CALAFCO	Continue membership with CALAFCO, attend staff workshops and conferences, and participate in CALAFCO's Legislative Committee. Continue to attend and participate in quarterly meetings of LAFCOs from the Southern Region of CALAFCO.	Ongoing	Participation in the following: <ol style="list-style-type: none"> 1. CALAFCO Legislative Committee. 2. Southern Region Quarterly Meetings.

August 10, 2022

7d | **Consent**
Calendar**REGULAR MEMBERS****CHAIR**
Douglass Davert
Special District Member**VICE CHAIR**
Donald P. Wagner
County Member**IMMEDIATE PAST CHAIR**
Derek J. McGregor
Public Member**Lisa Bartlett**
County Member**Wendy Bucknum**
City Member**James Fisler**
Special District Member**Peggy Huang**
City Member**ALTERNATES****Andrew Do**
County Member**Kathryn Freshley**
Special District Member**Lou Penrose**
Public Member**Vacant**
City Member**STAFF****Carolyn Emery**
Executive Officer**Scott Smith**
General Counsel**TO:** Local Agency Formation Commission
of Orange County**FROM:** Executive Officer
Assistant Executive Officer**SUBJECT:** Legislative Report (August 2022)**BACKGROUND**

The Legislature reconvened from Summer Recess on July 31, 2022 to complete the last quarter of the 2022 legislative session. Proposed legislation is moving through both houses to meet the critical deadlines of the Legislature's calendars and proceeding to Governor Newsom's desk for consideration. This report provides a brief update on the status of legislation previously reviewed by the Commission.

UPDATE TO PREVIOUSLY REVIEWED LEGISLATION

During the current legislative session, the Commission adopted positions on 10 bills of LAFCO interest. Key topics of the proposed legislation include: technical corrections to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), the extension of water service to Indian tribes, amendments to the protest provisions within the CKH Act, funding for annexations of inhabited unincorporated islands, and the Validating Acts. The following table provides an update on each bill since the Commission's legislative report given on June 8, 2022.

2022 Proposed Legislation			
Bill	Description	Commission's Adopted Position	Status
AB 1944	Proposes to allow a legislative body to decide by a majority vote if the body's public meetings will provide the opportunity for its members to attend by teleconference and not require its members to identify the address of any private location from which the member elects to participate.	Watch	Died in the Senate Governance and Finance Committee.
AB 2081	Proposes to extend the sunset date to allow some Indian tribes contiguous to a special district to request water services. The district is mandated to provide the services without the local LAFCO conducting a thorough review of the extension of service.	Oppose	AB 2081 is scheduled for hearing by the Senate Governance and Finance Committee. The hearing date had not been identified as of August 2, 2022.
AB 2449	Proposes to allow a member of a legislative body to use teleconferencing without identifying the teleconference location in the notice and agenda of the meeting if at least a quorum of the members of the legislative body participates in person from a singular location.	Watch	AB 2449 is scheduled for hearing by the Senate Appropriations Committee. The hearing date had not been identified as of August 2, 2022.
AB 2647	Proposes that a local agency that receives written communication for members of its legislative body in less than 72 hours before an open meeting to promptly post the communication. The transmission must be posted at a public office or designated location by the local agency.	Support	AB 2647 is scheduled for hearing by the Senate Governance and Finance Committee. The hearing date had not been identified as of August 2, 2022.

Bill	Description	Commission's Adopted Position	Status
AB 2957	Makes minor and/or non-substantive changes to the CKH Act and provides consistency in how the Act is applied throughout the State.	Support	Signed by the Governor on June 21, 2022.
SB 938	Proposes to amend the protest provisions included in the CKH Act by consolidating and reorganizing the provisions and modifying the protest threshold for LAFCO-initiated dissolutions of special districts.	Support	Signed by the Governor on July 1, 2022.
SB 1449	Proposes a grant program to support the annexation of unincorporated islands substantially surrounded by a city.	Support	SB 1449 is scheduled for hearing by the Assembly Appropriations Committee on August 3.
SB 1490 SB 1491 SB 1492	Yearly Validating Acts are meant to retroactively fix typographical, grammatical, and procedural errors that might invalidate boundary changes or bond issues.	Support	Signed by the Governor on July 1, 2022.

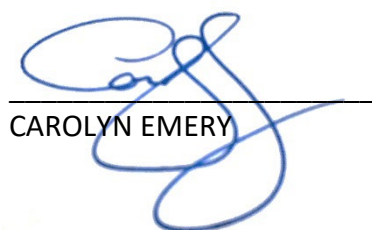
The next legislative report is scheduled for October 12, 2022 and will include a wrap-up of bills signed or vetoed by the Governor and a summary of legislation anticipated for the next legislative session that begins in December 2022.

RECOMMENDED ACTIONS

Staff recommends that the Commission:

1. Receive and file the August 10, 2022 Legislative Report.

Respectfully submitted,



CAROLYN EMERY



LUIS TAPIA

August 10, 2022

8a | Public
Hearing**REGULAR MEMBERS****CHAIR**
Douglass Davert
Special District Member**VICE CHAIR**
Donald P. Wagner
County Member**IMMEDIATE PAST CHAIR**
Derek J. McGregor
Public Member**Lisa Bartlett**
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Public Member**Vacant**
City Member**STAFF****Carolyn Emery**
Executive Officer**Scott Smith**
General Counsel**TO:** Local Agency Formation Commission
of Orange County**FROM:** Executive Officer
Assistant Executive Officer**SUBJECT:** Proposed "OCSD Annexation Areas (Anaheim/Yorba
Linda/Villa Park) (DA 21-05)"**BACKGROUND**

The Local Agency Formation Commission of Orange County (OC LAFCO) will consider a change of organization application filed by the Orange County Sanitation District (OCSD) for the annexation of approximately 1,300 parcels located within the cities of Anaheim, Villa Park, and Yorba Linda. The purpose of the annexation is to include the parcels within OCSD's jurisdictional service boundary, allowing the District to collect appropriate fees to continue or begin providing regional wastewater services within the subject areas.

Staff recommends approval of the proposal, and the following sections of this staff report provide additional background on the application and staff's analysis of the proposal.

PROJECT APPLICATION

OCSD has operated as the successor agency to the former county sanitation districts since the consolidation of the districts in 1998. Formed under the County Sanitation District Act, OCSD was established to provide regional wastewater services within the boundaries of 20 cities and four special districts. On September 9, 2020, OC LAFCO adopted Municipal Service Review (MSR) and Sphere of Influence Review (SOI) determinations for OCSD that revealed several parcels within the cities of Anaheim, Villa Park, and Yorba Linda are receiving regional wastewater services from OCSD but are not within the District's jurisdictional boundary, preventing the District from collecting appropriate fees for this service. In part to the MSR, OC LAFCO recommended that the District initiate annexation of these areas to reconcile this issue.

Subsequently, OCSD filed an application by board resolution to annex approximately 1,300 parcels located within the Cities of Anaheim, Villa Park, and Yorba Linda. If approved, the parcels will be included within

OCSD's jurisdictional boundary and appropriate fees collected from the respective landowners.

Location and Land Use

The general locations and land use designations for the subject areas are referenced in the table below and depicted in the vicinity map (**Attachment 1**):

Area	City	General Location	Land Use Designation
1	Anaheim	Fairmont Blvd. & Santa Ana Canyon Rd.	Estate Density (RH-1 and RH-2)
2	Anaheim	Stage Coach Rd. & Nohl Ranch Rd.	Low Medium Hillside (RS-3, RS-4, and RM-S)
3	Villa Park	Adams Ranch Rd. & Center Dr.	Estate Low Density Residential (SFR)
4	Yorba Linda	Yorba Linda Blvd. & Yorba Ranch Road	Residential Medium (RM)
5	Yorba Linda	Esperanza Rd. & Yorba Linda Blvd.	Residential Medium High (RM) and Commercial (C)

ANALYSIS

The purpose of the proposed annexation is to align OCSD's service boundary to include the subject areas within the District's service boundary. A tool provided by State law to LAFCOs is the authority to establish SOIs for cities and special districts. An SOI identifies the probable jurisdictional boundary and service area for cities and special districts, indicating the most logical service providers. The District's SOI was most recently reconfirmed by the Commission on September 9, 2020, and the SOI determinations confirmed that the five areas noted above are within the District's SOI, indicating OCSD as the most logical provider of regional wastewater services to the residents within these areas.

Through the MSR process and discussions with staff from OCSD, it was noted that the District is currently providing regional wastewater services to the residents within the areas without collecting an assessment for the services. In order for OCSD to continue providing effective and efficient regional wastewater services within these areas, the District needs to collect the appropriate service fees that are assessed to all parcels within OCSD's boundary for the same service. The assessment would provide the necessary funding to support OCSD's maintenance of the wastewater infrastructure and treatment facilities that collect the wastewater flows from the subject areas. In addition to OCSD's continuing to serve the residents already receiving regional wastewater service, the annexation would allow the opportunity for residents who are not currently connected to the District's system to connect their properties in the future without paying required annexation fees. If approved, the proposed annexation will align OCSD's jurisdictional and service boundaries appropriately.

Additionally, State law requires the Commission to review and consider several factors related to the proposed annexation. The details of those factors are presented in **Attachment 2**.

Other Statutory Requirements

Exchange of Property Tax Revenues

On August 18, 1998, the County of Orange Board of Supervisors adopted a Master Property Tax Agreement (Resolution No. 98-484) for enterprise special district changes of organization and reorganization. Pursuant to the Master Tax Agreement, no property tax exchange will occur as a result of this proposal.

Environmental Review

On April 30, 2021, OCSD, as the lead agency under the California Environment Quality Act (CEQA) for the proposal, filed a Notice of Exemption with the Orange County Clerk-Recorder. As a responsible agency, OC LAFCO reviews the environmental documentation prepared by the District in its consideration of the proposed annexation. A Notice of Exemption concurring with the District's findings for the proposed annexation is included within this report for the Commission's consideration.

Protest Proceedings

An approval of the proposed annexation by OC LAFCO would require protest proceedings under Government Code Section 57000. In accordance with State law and following the closing of the required 30-day reconsideration period, the Commission shall set a protest period of no less than 21 days or more than 60 days, during which registered voters and landowners within the proposed annexation area may submit written protests against the proposed annexation. Staff is recommending the Commission set a 21-day protest period for the proposal. If the annexation is approved, the protest proceedings, including the hearing and receipt of written protests will be conducted by the OC LAFCO Executive Officer in accordance with the Commission's "Policy & Procedural Guidelines for Conducting Protest Hearings."

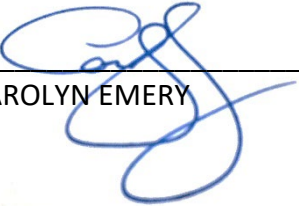
RECOMMENDED ACTIONS

Staff recommends that the Commission take the following actions:

1. Confirm that OC LAFCO has reviewed the information contained within the Notice of Exemption prepared by OCSD and filed with the Orange County Clerk-Recorder.
2. As a responsible agency, direct the Executive Officer to file the Notice of Exemption for the "OCSD Annexation Areas (Anaheim/Yorba Linda/Villa Park) (DA 21-05)" with the Orange County Clerk-Recorder. (Attachment 3, **Exhibit A**)
3. Adopt OC LAFCO Resolution No. DA 21-05 approving the "OCSD Annexation Areas (Anaheim/Yorba Linda/Villa Park) (DA 21-05)." (**Attachment 3**)
4. Authorize and direct the Executive Officer to conduct protest proceedings pursuant to Government Code Section 57000 et seq. and set a 21-day protest period following

the 30-day reconsideration period that is required pursuant to Government Code Section 56895.

Respectfully submitted,

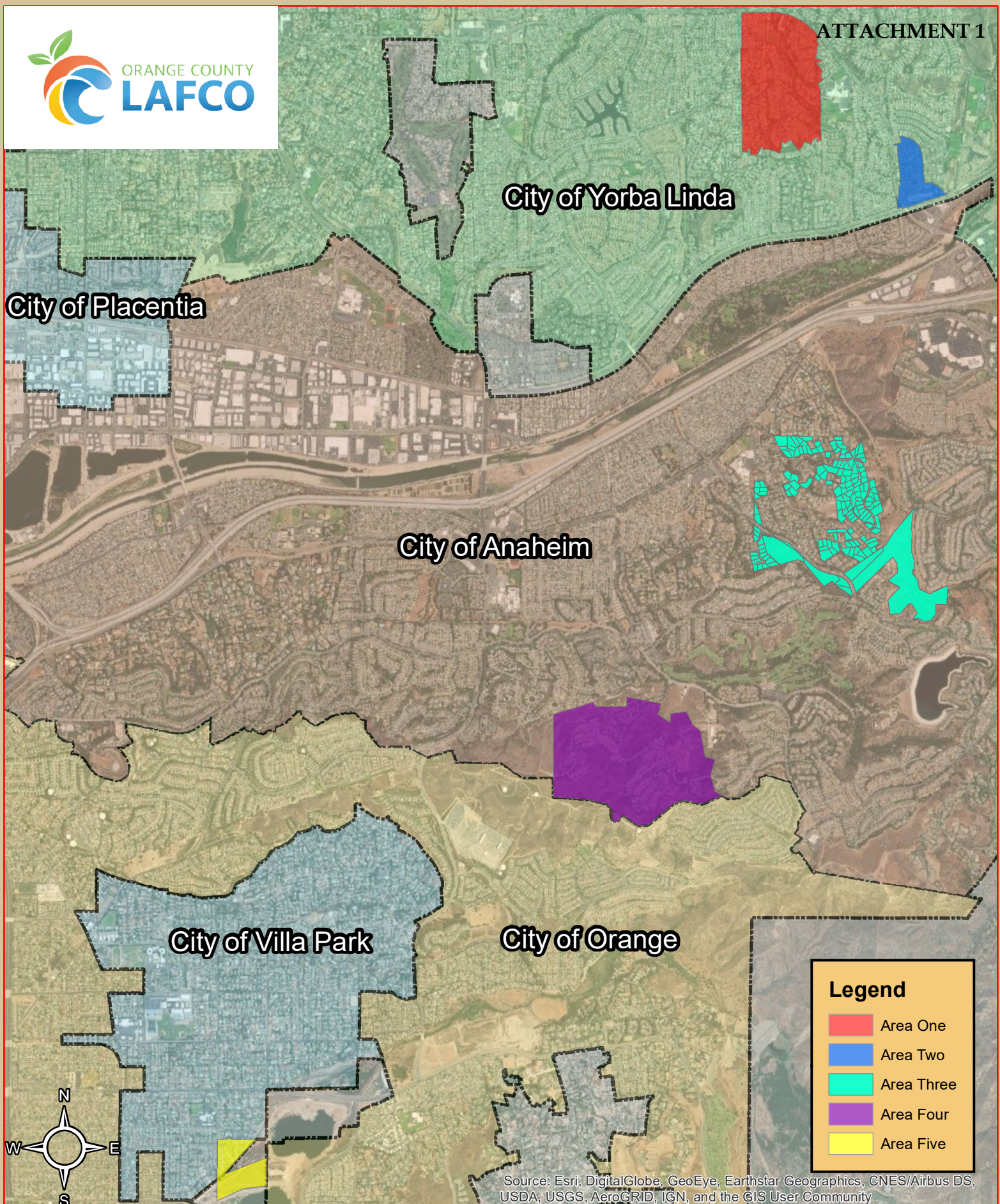


CAROLYN EMERY

LUIS TAPIA

Attachments:

1. Vicinity Map
2. 56663 Factors of Consideration
3. OC LAFCO Resolution No. DA 21-05



FACTORS CONSIDERED IN REVIEW OF PROPOSAL

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

- The general location and land use designations for the subject areas of the proposed annexation are referenced in the chart below:

Area	City	General Location	Land Use Designation
1	Yorba Linda	Yorba Linda Blvd. & Yorba Ranch Road	Residential Medium (RM)
2	Yorba Linda	Esperanza Rd. & Yorba Linda Blvd.	Residential Medium High (RM) and Commercial (C)
3	Anaheim	Fairmont Blvd. & Santa Ana Canyon Rd.	Estate Density (RH-1 and RH-2)
4	Anaheim	Stage Coach Rd. & Nohl Ranch Rd.	Low Medium Hillside (RS-3, RS-4, and RM-S)
5	Villa Park	Adams Ranch Rd. & Center Dr.	Estate Low Density Residential (SFR)

- The subject areas are within Tax Rate areas 0-011, 01-013, 01-014, 01-019, 01-058, 01-078, 01-100, 01-102, 01-103, 01-183, 01-205, 01-255, 24-002, 25-048, 25-067, 25-068, 25-075, 76-052.
- The total assessed valuation of the proposed annexation territory is \$809,632,009.

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

- The cities of Anaheim, Yorba Linda, and Villa Park provide most of the municipal services within the subject areas. Yorba Linda Water District provides retail water and wastewater services to the areas within the City of Yorba Linda. Serrano Water District provides retail water service to the area within the City of Villa Park.
- OCSD is the regional wastewater service provider to the subject areas.
- If the Commission approves the proposed annexation, it would align OCSD's service boundary to include the five areas and allow the District to collect an annual assessment for the regional wastewater services from property owners already receiving the services. The assessment provides the necessary funding to support OCSD's maintenance of the wastewater infrastructure and treatment facilities that collect the regional wastewater flows from the subject areas. Additionally, properties within the areas that are not currently connected to the regional wastewater system would have the ability to connect and receive regional wastewater services.

III. Effect on adjacent areas, mutual social and economic interests, local government structure

Government Code § 56375 (a)(1) Allows the Commission the authority to "review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission."

- Approval of the proposed annexation will not have an effect on adjacent areas.

- The proposed annexation will result in the alignment of OCSD's service boundary that will allow the District to collect a service fee from the properties receiving the services that is assessed to all parcels within OCSD for the same service.

IV. The conformity of both the proposal and its anticipated effects 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 annexation does not include open space lands.
- The proposed annexation 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 subject areas.

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 annexation of the territory is consistent with the Cities' General Plans and will not impact the Regional Transportation Plan and Sustainable Communities Strategy that have been adopted for the region by the Southern California Association of Governments.

VIII. Sphere of Influence of Local Agencies

- The subject areas are located within the SOIs of the following agencies: OCSD, Yorba Linda Water District, Serrano Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Mosquito and Vector Control District, and Orange County Water District.

IX. The proposal's consistency with city or county general and specific plan.

- Land uses for the subject areas are designated within the cities of Anaheim, Villa Park, and Yorba Linda general plans.

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

- In accordance with Government Code Section 56658(b), on April 12, 2022, all affected agencies were notified of the proposal. During the comment period, no comments on the proposed annexation were received.

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

- OCSD can provide adequate regional wastewater services to the subject territory.

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

- The proposed annexation to Orange County Sanitation District will not interrupt or alter current service provisions or the timely availability of water supplies adequate for the projected needs of the area. Upon annexation, the provision of retail water will continue to be adequately provided by the City of Anaheim, Yorba Linda Water District, and Serrano Water District.

XIII. Extent to which the proposal will affect a city(ies) and the County in achieving their respective fair shares of the regional housing needs

- Approval of the proposed annexation will not affect the cities of Anaheim, Villa Park, and Yorba Linda ability in achieving their respective fair shares of the regional housing needs.

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

- In accordance with Government Code Section 56157, a notice of public hearing was published in the Orange County Register on Wednesday, July 19, 2022. At the date of the agenda distribution on August 2, 2022, no written comments had been received.

XV. Information relating to existing land use designation

- The existing land use designation for the subject areas are: City of Anaheim (Estate Density and Low Medium Hillside), City of Villa Park (Estate Low Density Residential), and City of Yorba Linda (Residential Medium, Residential Medium High and Commercial).

XVI. 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 incomes with respect to the location of public facilities and the provision of public services

- Upon annexation, residents of the subject areas will receive the same wastewater services as other properties located within OCSD's service boundary.

XVII. 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 Resources Code

- The cities of Anaheim, Villa Park, and Yorba Linda have adopted Fire Severity Zone maps and included them within their respective hazard mitigation plans.

DA 21-05

**RESOLUTION OF THE LOCAL AGENCY
FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA
MAKING DETERMINATIONS AND APPROVING THE “OCSD ANNEXATION
AREAS (ANAHEIM/YORBA LINDA/VILLA PARK) (DA 21-05)”**

August 10, 2022

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

WHEREAS, the proposed annexation, designated as “OCSD Annexation Areas (Anaheim/Yorba Linda/ Villa Park) (DA 21-05)” was hereto filed with and accepted for filing on July 29, 2022 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 August 10, 2022 as the hearing date for this proposal; and

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

WHEREAS, the proposed annexation, consists of the annexation of approximately 652 acres of inhabited territory to the Orange County Sanitation District (OCSD); and

WHEREAS, OCSD served as lead agency for the environmental review and analysis for the proposal, 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 April 30, 2021, the OCSD adopted a Notice of Exemption (“NOE”) for the proposal; and

WHEREAS, OC LAFCO has been asked to approve the proposed “OCSD Annexation Areas (Anaheim, Yorba Linda, Villa Park) (DA 21-05)”; and

WHEREAS, OC LAFCO is the “responsible agency” for the proposal under CEQA because it has limited approval and implementing authority over the proposal; and

WHEREAS, OC LAFCO, at its agendized public hearing on August 10, 2022, independently reviewed and considered the NOE and other related documents in the record before it; and

WHEREAS, as contained herein, 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 August 10, 2022, and at the public 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

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, OC LAFCO does hereby resolve as follows:

Section 1. LAFCO FINDINGS

The subject territory is found to be inhabited, is within the cities of Anaheim, Villa Park, and Yorba Linda, and is assigned the following distinctive short-form designation, “OCSD Annexation Areas (Anaheim/Yorba Linda/Villa Park) (DA

Resolution (DA 21-05)

21-05).” The proposal consists of the annexation of approximately 652 acres generally located within the cities of Anaheim, Villa Park, and Yorba Linda (Exhibit B).

Section 2. 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 NOE, and all supporting documentation, copies of which are on file at OC LAFCO’s office and are incorporated by reference as though set forth fully herein. Based on this review, the Commission concurs with OCSD’s conclusion that the proposal is exempt from CEQA, as set forth in greater detail in the District’s NOE, which was filed with the Orange County Clerk-Recorder on April 28, 2021. Specifically, the Commission finds that each of the following grounds is independently and sufficient to exempt the whole of the action from CEQA: Code Section 15320, Class 20, Changes in Organization of Local Agencies.

Section 3. The proposal is approved subject to the following terms and conditions.

- a) Payment by the applicant of County Clerk-Recorder and State Board of Equalization fees is a condition of approval.
- b) The applicant (OCSD) agrees to defend, hold harmless and indemnify OC LAFCO and/or its agents, officers, and employees from claim, action or proceedings 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.
- c) The effective date shall be the date of recordation.

Section 4. Notice of Exemption.

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

Section 5. Conducting Authority Proceedings.

The Commission authorizes and directs the Executive Officer to conduct protest proceedings pursuant to Government Code Sections 57000 et seq. and set a 21-day protest period to begin after the 30-day reconsideration period required by Government Code Section 56895.

Section 6. 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 the Local Agency Formation Commission of Orange County, 2677 North Main Street, Suite 1050, Santa Ana, California 92705.

AYES:

NOES:

[illegible]

I, Douglass Davert, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above forgoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 10th day of August, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th of August, 2022.

DOUGLASS DAVERT
Chair of the Local Agency Formation
Commission of Orange County

By: _____
Douglass Davert

NOTICE OF EXEMPTION

TO:	FROM:	Local Agency Formation Commission of Orange County (Responsible Agency)
<input type="checkbox"/> Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044	(Public Agency)	
<input checked="" type="checkbox"/> Clerk of the Board of Supervisors or County Clerk County of: Orange Address: 601 N Ross St Santa Ana, CA 92701	Address:	2677 North Main Street Suite 1050 Santa Ana, CA 92705

1.	Project Title:	“OCSD Annexation Areas (Anaheim/Yorba Lind/Villa Park) (DA 21-05)”
2.	Project Applicant:	Orange County Sanitation District 10844 Ellis Avenue Fountain Valley, CA 92708 (714) 962-2411
3.	Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15’ or 7 1/2’ topographical map identified by quadrangle name):	The proposed annexation areas are generally located within the cities of Anaheim, Villa Park, and Yorba Linda. (see map attached)
4.	(a) Project Location – City	Anaheim, Villa Park, and Yorba Linda.
	(b) Project Location – County	Orange
5.	Description of nature, purpose, and beneficiaries of Project:	This project consists of the annexation of five areas located within the cities of Anaheim, Villa Park, and Yorba Linda, to the Orange County Sanitation District (OCSD). The purpose of the annexation is to include the areas within OCSD’s jurisdictional boundary to allow the District to collect the appropriate fees to continue providing regional wastewater services within the subject areas.
6.	Name of Public Agency approving project:	Local Agency Formation Commission of Orange County
7.	Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Orange County Sanitation District

EXHIBIT A

8. Exempt status: (check one)	
(a) <input type="checkbox"/>	Ministerial project. (Pub. Res. Code § 21080(b)(1); State CEQA Guidelines § 15268)
(b) <input type="checkbox"/>	Not a project.
(c) <input type="checkbox"/>	Emergency Project. (Pub. Res. Code § 21080(b)(4); State CEQA Guidelines § 15269(b),(c))
(d) <input checked="" type="checkbox"/>	Categorical Exemption. State type and section number: Change of Organization of Local Agencies Class 20 § 15320
(e) <input type="checkbox"/>	Declared Emergency. (Pub. Res. Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
(f) <input type="checkbox"/>	Statutory Exemption. State Code section number: CEQA Guidelines §15262 (Feasibility and Planning Studies)
(g) <input type="checkbox"/>	Other. Explanation:
9. Reason why project was exempt:	The change in the organization of a local agency does not change the geographical area.
10. Lead Agency Contact Person:	
Telephone:	
11. If filed by applicant: Attach Preliminary Exemption Assessment (Form "A") before filing.	
12. Has a Notice of Exemption been filed by the public agency approving the project? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
13. Was a public hearing held by the Lead Agency to consider the exemption? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, the date of the public hearing was: April 28, 2021	

Signature: _____ Date: _____ Title: Executive Officer

Name:

☒ Signed by Responsible Agency ☐ Signed by Applicant

Date Received for Filing: _____

(Clerk Stamp Here)

August 10, 2022

8b | Public
Hearing**REGULAR MEMBERS****CHAIR**
Douglass Davert
Special District Member**VICE CHAIR**
Donald P. Wagner
County Member**IMMEDIATE PAST CHAIR**
Derek J. McGregor
Public Member**Lisa Bartlett**
County Member**Wendy Bucknum**
City Member**James Fisler**
Special District Member**Peggy Huang**
City Member**ALTERNATES****Andrew Do**
County Member**Kathryn Freshley**
Special District Member**Lou Penrose**
Public Member**Vacant**
City Member**STAFF****Carolyn Emery**
Executive Officer**Scott Smith**
General Counsel**TO:** Local Agency Formation Commission
of Orange County**FROM:** Executive Officer
Assistant Executive Officer**SUBJECT:** Municipal Service Review and Sphere of Influence Review
for County Service Areas 13, 22, and 26 (MSR 21-13 and SOI
21-14)**BACKGROUND**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) was amended 22 years ago to include Municipal Service Reviews (MSR). The mandate (Government Code Section 56430) by the State Legislature requires LAFCOs to conduct comprehensive, regional studies on future growth and how local agencies are planning for their municipal services and infrastructure systems. To meet this mandate, OC LAFCO is required to conduct MSRs for 34 cities and 34 independent and dependent special districts providing services throughout Orange County. In conjunction with conducting MSRs, the Commission is required to review each agency's sphere of influence (SOI) every five years. An SOI is a tool used by LAFCOs to determine the probable physical boundaries and service area for a city or a special district.

Since 2000, OC LAFCO has completed and prepared three cycles of MSRs and SOI reviews. The Commission has streamlined this process by establishing regional study areas to include multiple agencies and the clustering of municipal services. Each cycle has incorporated the collaborative participation of representatives from the County, cities, special districts, and community members, as appropriate, and involved the review of how Orange County agencies deliver and plan to deliver municipal services effectively and efficiently.

An MSR timeline was previously established for completing the fourth MSR cycle and an MSR reviewing all of the County Service Areas including La Mirada County Service Area (CSA 13), East Yorba Linda County Service Area (CSA 22), and Orange County Parks County Service Area (OC Parks CSA 26) has been prepared in line with that timeline. The MSR addresses each of the areas required in accordance with State law and is attached to

this staff report. A summary of the MSR and SOI determinations and staff recommendations for each CSA are discussed in the next section of this report.

La Mirada County Service Area (CSA 13)

MSR Summary

CSA 13 includes approximately 39 acres and 127 parcels located within unincorporated Orange County referenced as the Andora Fairhope Island and adjacent to 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 funding of wastewater services was authorized by OC LAFCO and responsibility was assumed through CSA 13 from the former Third Sewer Maintenance District. The discontinuation of street services through the CSA occurred in 1986, and today, CSA 13 continues to fund the provision of wastewater services and is managed by the Orange County Public Works Department.

The most recent MSR for CSA 13 was conducted by OC LAFCO in 2013 and did not identify any noted service issues. However, the 2022 MSR review notes an issue regarding the CSA's ability to address future infrastructure repairs, deficiencies, replacements, and other unforeseen occurrences relative to the provision of wastewater services within its boundary. The MSR suggests that a reserve fund and policy should be established to address this concern to ensure that the CSA is able to fund wastewater services efficiently long term. Additionally, the MSR notes that the County should explore the potential annexation of CSA 13's service area, which is coterminous with the Andora Fairhope small unincorporated island with the City of Buena Park and concurrent dissolution of CSA 13.

SOI Summary

The Commission first established an SOI for CSA 13 in 1979 and was last reviewed and reconfirmed by the Commission in 2013. CSA 13's SOI boundary is coterminous with the boundary of the Andora Fairhope small unincorporated island located within the City of Buena Park's SOI. Staff is recommending that the sphere be reaffirmed at this time. However, it is recommended that Commission staff work with the County and the City of Buena Park on exploring the feasibility of annexation of the Andora Fairhope Island to the City of Buena Park and concurrent dissolution of CSA 13.

East Yorba Linda County Service Area (CSA 22)

MSR Summary

CSA 22 includes approximately 41 acres and 235 parcels located within the Woodgate Community within unincorporated Orange County referenced as the Fairlynn Island and adjacent to the City of Yorba Linda. OC LAFCO approved the establishment of CSA 22 in 1973 to fund the Woodgate Park operations and maintenance, and today, the CSA continues to fund this service and is managed by the Orange County Parks Department.

The most recent MSR for CSA 22 was conducted by OC LAFCO in 2013 and did not identify any noted service issues. However, the 2022 MSR review notes an issue regarding the CSA's ability

to address future funding of the Woodgate Park operations and maintenance. The MSR suggests that a reserve fund and policy should be established to address this concern to ensure that the CSA is able to fund the infrastructure repairs, deficiencies, and unforeseen situations and operations of the park. Additionally, the MSR notes the County should explore the potential annexation of the Fairlynn Island to transfer the responsibilities of CSA 22 with the City of Yorba Linda and concurrent dissolution of the CSA.

SOI Summary

The Commission first established an SOI for CSA 22 in 1980 and was last reviewed and reconfirmed by the Commission in 2013. CSA 22's SOI boundary includes a portion of the Fairlynn small unincorporated island located within the City of Yorba Linda's SOI. Staff is recommending that the sphere be reaffirmed at this time. However, it is recommended that Commission staff work with the County and the City of Yorba Linda on exploring the feasibility of annexation of the Fairlynn Island to the City of Yorba Linda to transfer the responsibilities of CSA 22 and concurrent dissolution of the CSA.

Orange County Parks County Service Area (OC Parks CSA 26)

MSR Summary

OC Parks CSA 26 includes 799.8 square miles and 3.176 million residents, and its boundary is coterminous with the County of Orange's boundary. The CSA was established in 1935 by a vote from the residents. In 1990, OC LAFCO established the Harbors, Beaches, and Parks County Service Area (CSA 26), and in 2007, the CSA was renamed by the Board of Supervisors to OC Parks CSA 26. The CSA funds the management and maintenance of 60,000 acres of diverse regional parklands, wilderness, historic sites, and coastal areas. Additionally, the CSA includes 30 urban and wilderness parks, seven miles of beaches, three marinas and harbors, over 150 miles of paved trails, and 350 miles of off-road trails.

Two MSRs previously completed for CSA 26 by OC LAFCO in 2006 and 2013, revealed that the OC Parks Department was exploring alternative funding for Harbor Patrol services and the feasibility of transferring operational and funding responsibilities for Upper Newport Bay and Newport Harbor. However, the 2022 MSR review identified that the OC Parks department is no longer exploring these options and their fiscal year budgets since 2006 continue to include funding for Harbor Patrol services provided by the Orange County Sheriff Department.

SOI Summary

The Commission first established an SOI for CSA 26 in 1990 and was last reviewed and reconfirmed by the Commission in 2013. CSA 26's SOI is coterminous with the County of Orange's boundary. Staff is recommending that the sphere be reaffirmed at this time.

AGENCY/PUBLIC COMMENTS

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 of the MSR that has been incorporated in the report accordingly.

ENVIRONMENTAL REVIEW

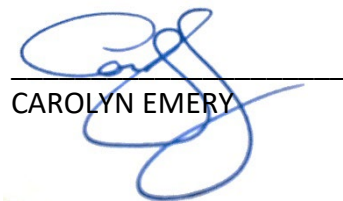
OC LAFCO is the lead agency under the California Environmental Quality Act (CEQA) for the MSR and SOI reviews for CSA 13, CSA 22, and OC Parks CSA 26. Staff reviewed the CEQA Guidelines and recommends that the Commission find the MSR, and SOI reviews exempt from CEQA under CEQA Guidelines § 15262 (Feasibility and Planning Studies).

RECOMMENDED ACTIONS

Staff recommends that the Commission:

1. Receive and file Municipal Service Review for County Service Areas 13, 22, and 26 (**Attachment 1**).
2. Approve OC LAFCO Resolution No. MSR 21-13 adopting the Municipal Service Review Statements of Determinations for County Service Areas 13, 22, and 26 (**Attachment 2**).
3. Approve OC LAFCO Resolution No. SOI 21-14 adopting the Sphere of Influence Statements of Determinations and reaffirming the spheres of influence for County Service Areas 13, 22, and 26 (**Attachment 3**).
4. Approve the Notices of Exemption for MSR 21-13 and SOI 21-14 (*respectively*, **Attachment 2, Exhibit 1** and **Attachment 3, Exhibit 1**).

Respectfully Submitted,



CAROLYN EMERY



LUIS TAPIA

Attachments:

- Attachment 1: Municipal Service Review for the County Service Areas 13, 22, and 26
- Attachment 2: OC LAFCO Resolution No. MSR 21-13 -- County Service Areas 13, 22, and 26
- Attachment 3: OC LAFCO Resolution No. SOI 21-14 -- County Service Areas 13, 22, and 26

2022

PUBLIC DRAFT MUNICIPAL SERVICE REVIEW

COUNTY SERVICE AREAS

CSA
13

CSA
22

CSA
26



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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 , <i>Chair</i> Special District Member	Independent Special District Selection Committee	2022–2026
Donald P. Wagner , <i>Vice Chair</i> County Member	Board of Supervisors	2022–2026
Derek J. McGregor , <i>Immediate Past Chair</i> Public Member	Commission	2022–2026
Lisa Bartlett , County Member	Board of Supervisors	2019–2023
Wendy Bucknum , City Member	City Selection Committee	2020–2024
James Fisler , 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</i> , Alternate City Member	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.

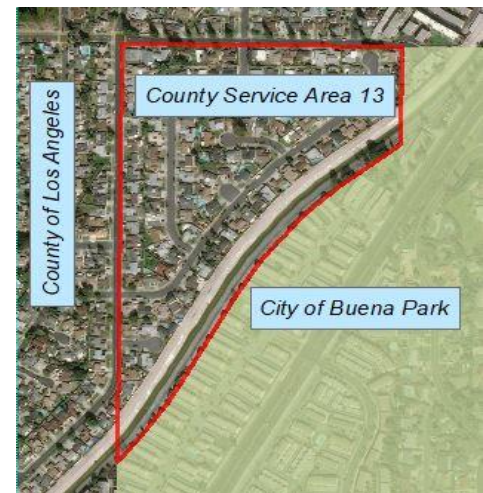
CHAPTER TWO – MUNICIPAL SERVICE REVIEW

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 (OCSD) and the City of Buena Park. In part to these discussions with OCSD and the City, it was realized that due to the area's topography, the costs associated with transitioning the service and infrastructure to OCSD or the City make these options infeasible.

FINANCIAL ABILITY TO PROVIDE WASTEWATER SERVICE

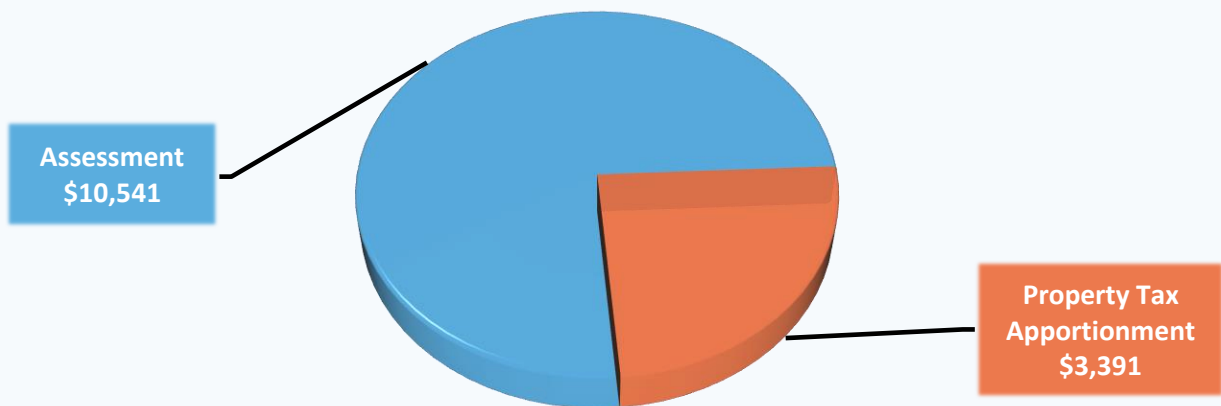
The OCPW Department administers CSA 13 and annually develops a budget that is provided to the BOS for review and approval. The budget for the CSA includes the cost generated from the collection of

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.

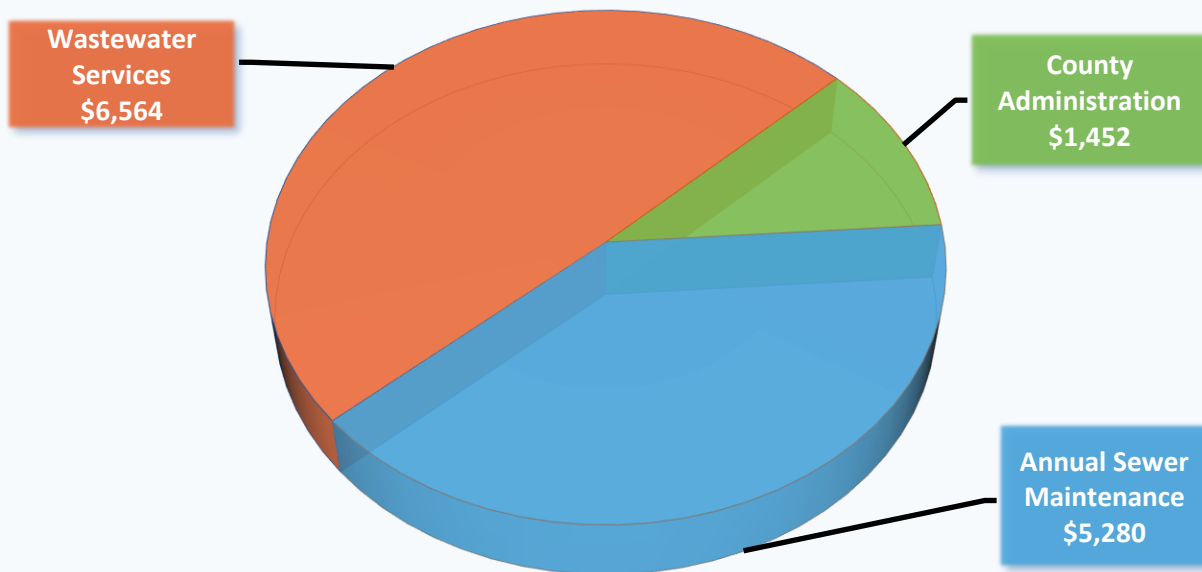
FIGURE 1: CSA 13 FUND SOURCES FY 2022-23



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.

FIGURE 2: CSA 13 EXPENDITURES FOR FY 2022-23



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.

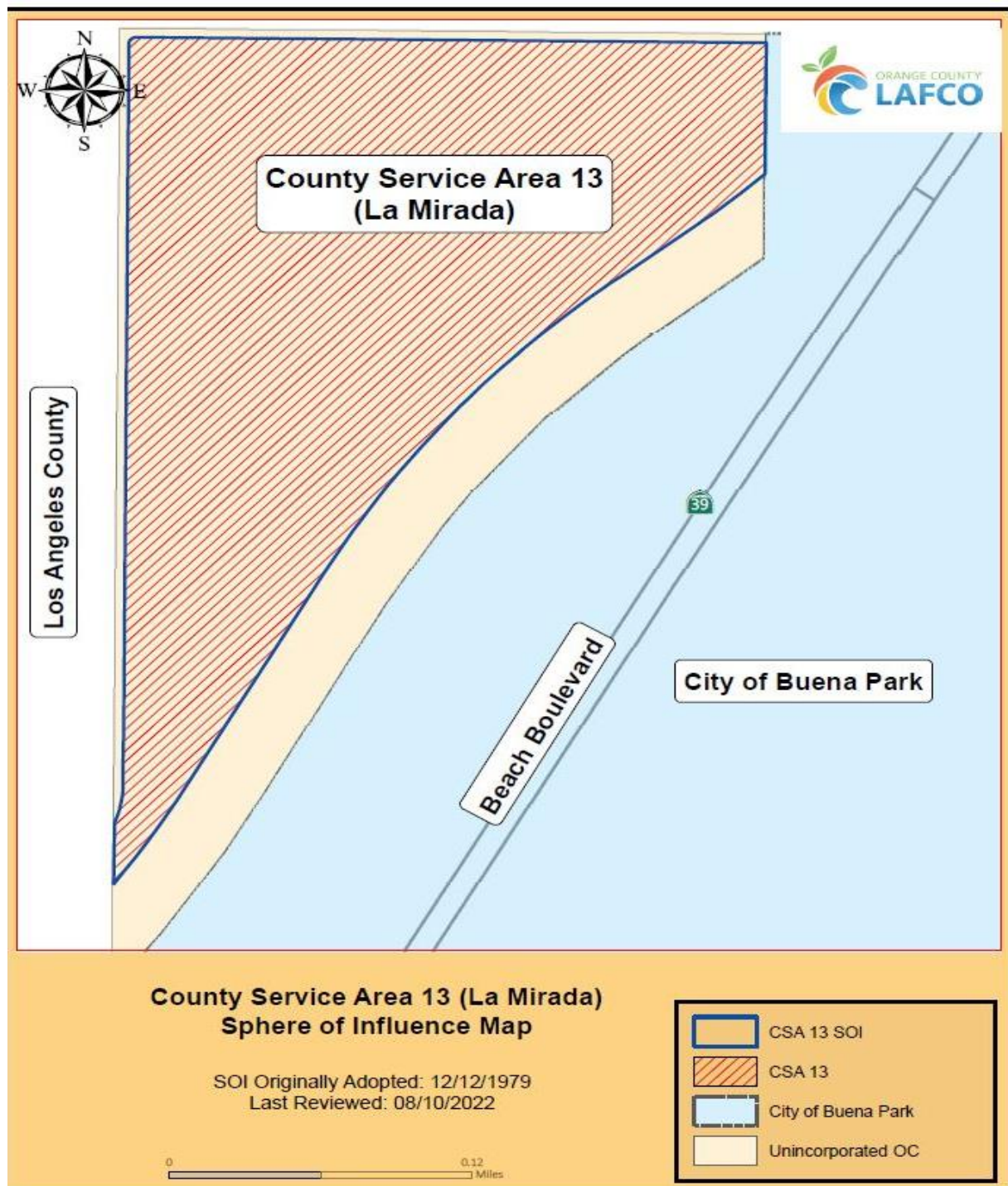
DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

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.

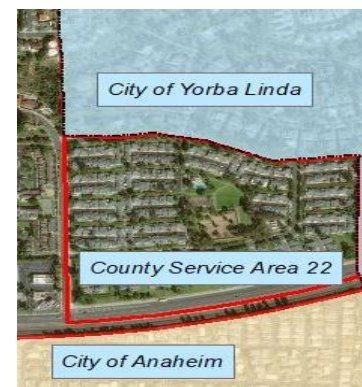


Table 3: East Yorba Linda County Service Area (CSA 22) Profile

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.

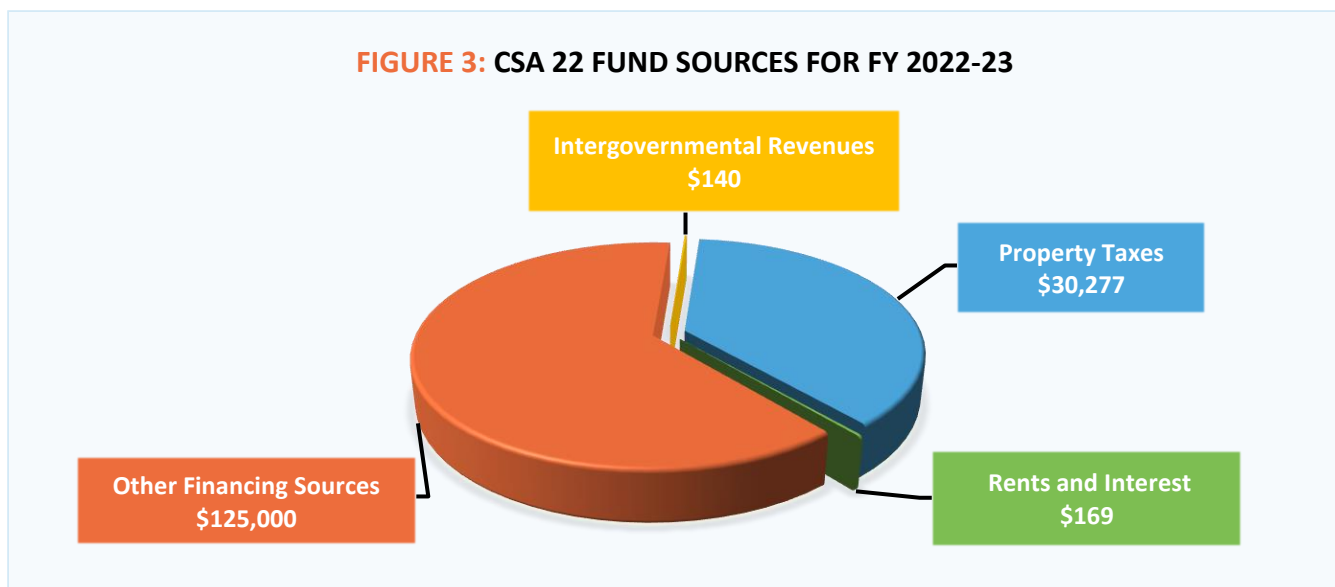
During the preparation of this MSR, OC Parks made mention of the potential transitioning of services funded by the CSA to the City of Yorba Linda, as the CSA's service boundary is located within the Fairlynn Island and the City's sphere of influence. The City was not engaged on potential annexation of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

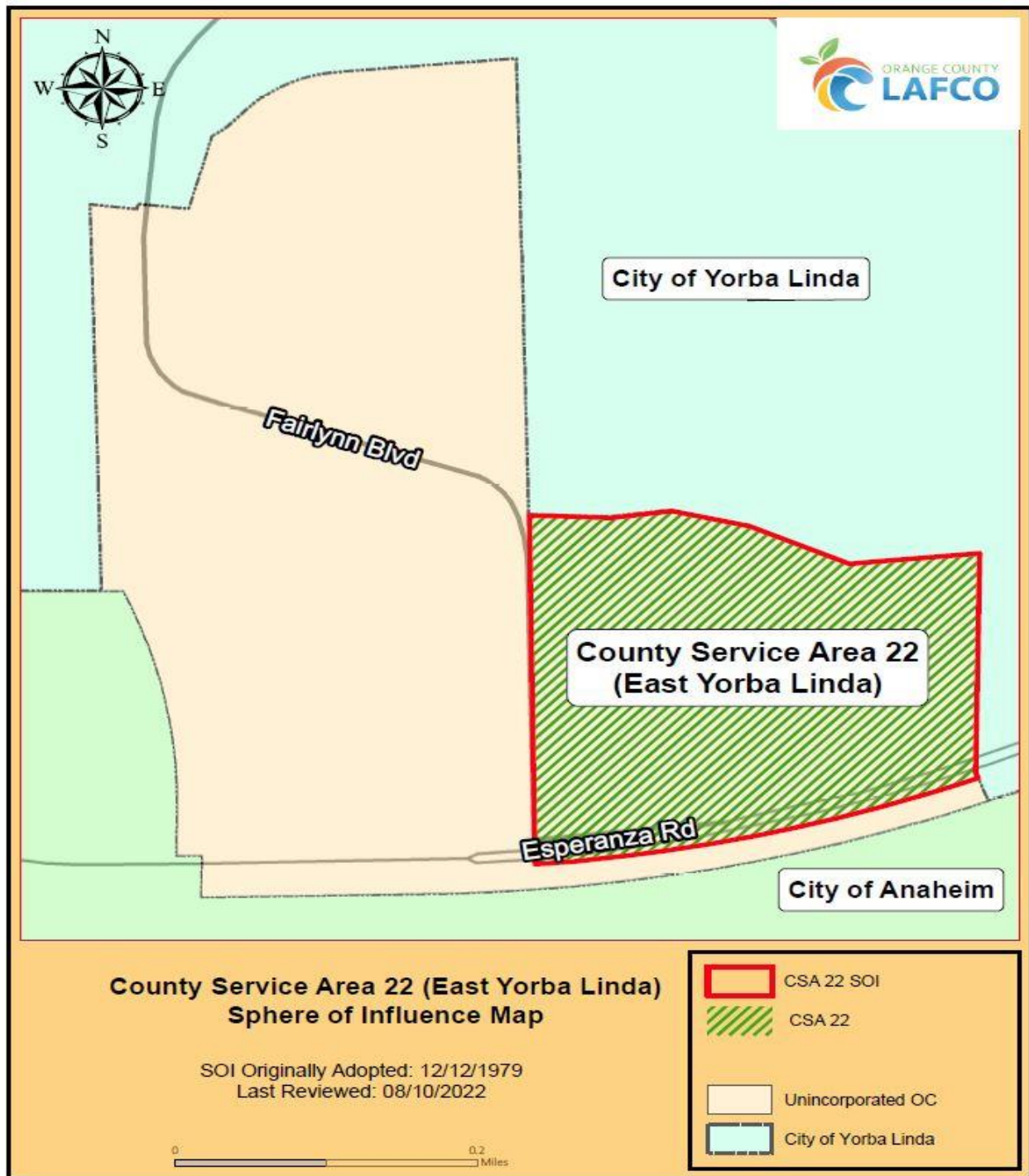
DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

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

Beaches	<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
Community Parks	<ul style="list-style-type: none"> Badlands Bent Tree Holderman 	<ul style="list-style-type: none"> Roger Stanton Seaview Woodgate
Historic Sites	<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
Harbors /Marinas	<ul style="list-style-type: none"> Dana Point Harbor Newport Harbor 	<ul style="list-style-type: none"> Sunset Harbor
Regional Parks	<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
Regional Trails	<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
Specialties	<ul style="list-style-type: none"> Haster Basin Recreational Area OC Zoo Irvine Lake Saddleback Getaway 	
Wilderness	<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

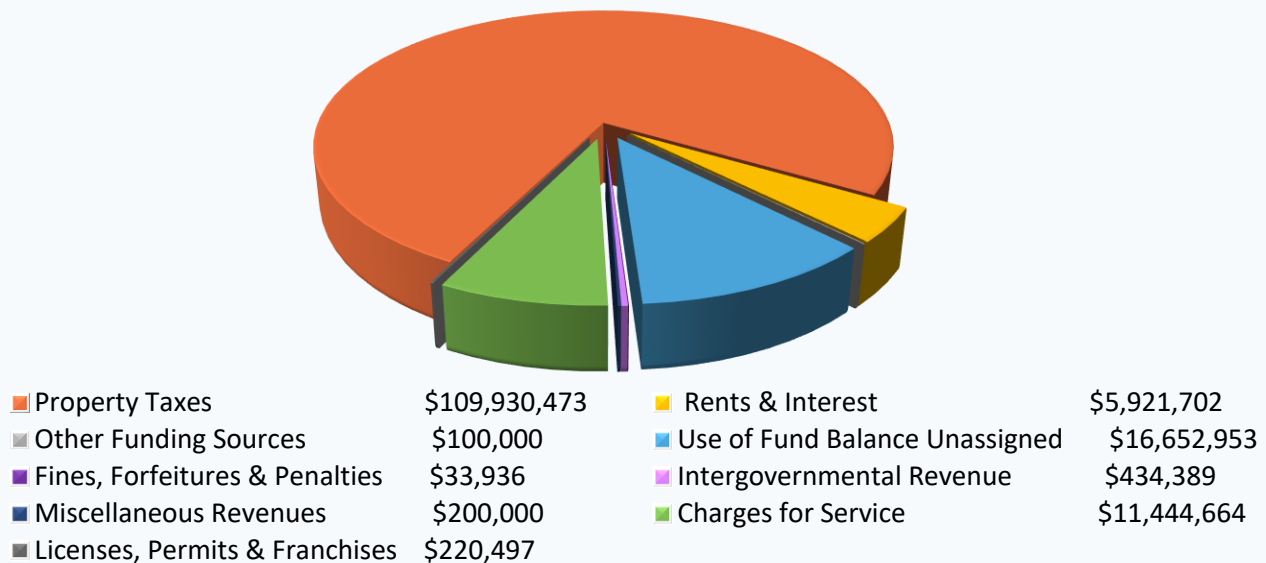
Amenities	<ul style="list-style-type: none"> • Concessions • Children's train • Equestrian center • Paddle boats • Bike rentals 	<ul style="list-style-type: none"> • Restaurants • Hotel • Campsites • Picnic Areas
Facilities	<ul style="list-style-type: none"> • Picnic shelters • Restrooms • Sailing center • 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

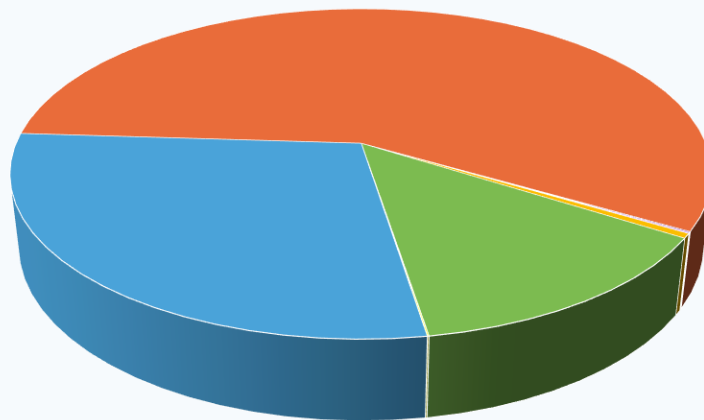


OC Parks CSA 26 projected expenditures for fiscal year 2022–23 total \$144,938,614 and include the following key uses:

- **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 County'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.

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.

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.

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

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

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)**

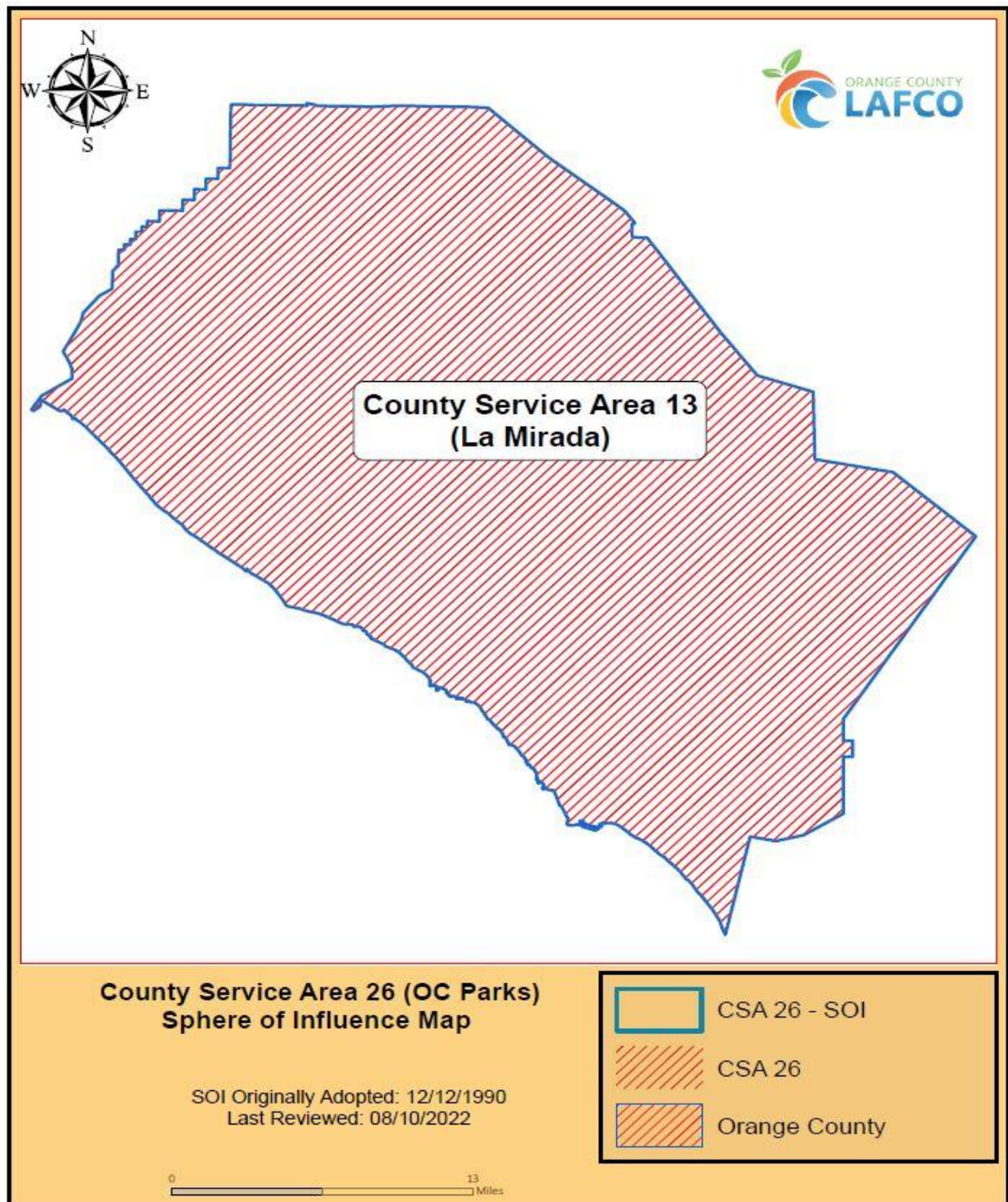
DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

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.

WORKS REFERENCED

California State University, Fullerton Center for Demographics Research. (February 2022). 2022 Orange County Progress Report.

July 16, 2019 OC LAFCO Staff Report. Approve La Mirada County Service Area No. 13 Assessment for Sewer Services. (July 2019).

July 14, 2020 OC LAFCO Staff Report. Approve La Mirada County Service Area No. 13 Assessment for Sewer Services. (July 2020).

Board of Supervisors Agenda Item No. 83. County Service Area 22 – Set Annual Assessment Levy. (June 2013).

Board of Supervisors Agenda Item No. 87. County Service Area 22 – Set Annual Assessment Levy. (June 2014).

Orange County Local Agency Formation Commission. (2006) Municipal Service & Sphere of Influence Review Report for the Harbors, Beaches, & Parks CSA 26 (MSR 05-62 & SOI 05-63).

Orange County Local Agency Formation Commission. 2013-2018 Municipal Service Review and Sphere of Influence Updates for Orange County Cities and Special Districts.

Orange County Public Works CSA 13. Annual Adopted Budget FY 2022-2023.

Orange County Parks CSA 22 and 26. Annual Adopted Budget FY 2022-2023.

Orange County. Retrieved April-May 2022 online from www.ocgov.com.

OC Parks. Retrieved April – May 2022 online from www.ocparks.com.

December 28, 1979 OC LAFCO Staff Report. Proposed Sphere of Influence for County Service Area No. 22 (Yorba Linda).

December 5, 1979 OC LAFCO Staff Report. Proposed Sphere of Influence for County Service Area No. 13 (La Mirada).

2021 OC Parks 5-Year Strategic Financial Plan.

Orange County LAFCO. MSR Survey 2019.



2677 North Main Street, Suite 1050
Santa Ana, CA 92705

OCLAFCO.ORG

MSR 21-13

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF ORANGE COUNTY, CALIFORNIA**

**MAKING DETERMINATIONS AND APPROVING THE
MUNICIPAL SERVICE REVIEW FOR
COUNTY SERVICE AREAS 13, 22, AND 26**

AUGUST 10, 2022

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

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence, the Commission shall conduct Municipal Service Reviews (MSRs) prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Local Agency Formation Commission of Orange County (OC LAFCO) has completed one MSR cycle for La Mirada County Service Area (CSA 13) and East Yorba Linda County Service Area (CSA 22) in 2013, and two previous cycles of MSRs for Orange County Parks County Service Area (OC Parks CSA 26) in 2006 and 2013 to address the seven MSR determinations; and

WHEREAS, the 2022 MSR identified in this Resolution (MSR 21-13) contains statements of determinations as required by California Government Code Section 56430 for the municipal services funded through the establishment of CSA 13, CSA 22, and OC Parks CSA 26; and

WHEREAS, copies of the 2022 MSR and Statements of Determinations in this resolution are available for public review in the OC LAFCO offices and on the OC LAFCO website; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set August 10, 2022 as the hearing date on the 2022 MSR and Statements of Determinations and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56430, has prepared a report, including her recommendations thereon, and has provided a copy of this report to each affected agency entitled to a copy; and

WHEREAS, the report consists of the adoption of the MSR Statements of Determinations for CSA 13, CSA 22, and OC Parks CSA 26; and

WHEREAS, this Commission called for and held a public hearing on the 2022 MSR on August 10, 2022, and at the hearing this Commission received all written comments submitted with respect to this MSR and the report of the Executive Officer; and

WHEREAS, pursuant to the California Environmental Quality Act, the 2022 MSR for CSA 13, CSA 22, and OC Parks CSA 26 was determined to be exempt from CEQA under State CEQA Guidelines §15262, Feasibility and Planning Studies.

NOW, THEREFORE, the Local Agency Formation Commission of Orange County DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The “Municipal Service Review for County Service Areas 13, 22, and 26 (MSR 21-13)” together with the written Statements of Determinations are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15262, shown as “Exhibit 1”.

Section 2. This review is assigned the following distinctive short-form designation: “Municipal Service Review for the County Service Areas 13, 22, and 26 (MSR 21-13).”

Section 3. Determinations

- a) The Executive Officer’s staff report and recommendation for the approval of the MSR for CSA 13, CSA 22, and OC Parks CSA 26, dated August 10, 2022, are hereby approved.
- b) The Commission has adopted the accompanying Statements of Determinations for CSA 13, CSA 22, and OC Parks CSA 26, shown as “Exhibits 1A, 2A, and 3A.”

Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:

NOES:

[illegible]

I, Douglass Davert, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 10th day of August 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of August 2022.

DOUGLASS DAVERT
Chair of the Local Agency Formation
Commission of Orange County

By: _____
Douglass Davert

EXHIBIT: 1

NOTICE OF EXEMPTION

TO: <input type="checkbox"/> Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044	FROM: Local Agency Formation Commission of (Public Orange County (Lead Agency) Agency)
<input checked="" type="checkbox"/> Clerk of the Board of Supervisors or County Clerk County of: Orange Address: 601 N. Ross Street Santa Ana, CA 92701	Address 2677 North Main Street Suite 1050 Santa Ana, CA 92705

1. Project Title:	"Municipal Service Review for County Service Areas 13, 22, and 26 (MSR 21-13)"
2. Project Applicant:	Local Agency Formation Commission of Orange County
3. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	<p>The Municipal Service Review includes the boundaries of La Mirada County Service Area (CSA 13), East Yorba Linda County Service Area (CSA 22), and Orange County Parks Service Area (OC Parks CSA 26).</p> <ul style="list-style-type: none"> • CSA 13 service boundary includes the unincorporated Orange County referenced as the Andora Fairhope Island. • The CSA 22 service boundary includes a portion of the unincorporated Orange County referenced as the Fairlynn Island. • The CSA 26 service boundary is coterminous with the County of Orange's boundary encompassing 799.8 square miles and 3.176 million residents.
4. (a) Project Location – District	CSA 13, CSA 22, and OC Parks CSA 26.
(b) Project Location – County	Orange
5. Description of nature, purpose, and beneficiaries of Project:	Conduct a review of the municipal services funded through the establishment of CSA 13, CSA 22, and OC Parks CSA 26 and adopt respective MSR Statements of Determinations.
6. Name of Public Agency approving project:	Local Agency Formation Commission of Orange County
7. Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Local Agency Formation Commission of Orange County

8.	Exempt status: (check one)	
(a)	<input type="checkbox"/>	Ministerial project. (Pub. Res. Code § 21080(b)(1); State CEQA Guidelines § 15268)
(b)	<input type="checkbox"/>	Not a project.
(c)	<input type="checkbox"/>	Emergency Project. (Pub. Res. Code § 21080(b)(4); State CEQA Guidelines § 15269(b), (c))
(d)	<input type="checkbox"/>	Categorical Exemption. State type and section number: One single-family residence, or second dwelling unit in residential zone. Class 3 § 15303(a)
(e)	<input type="checkbox"/>	Declared Emergency. (Pub. Res. Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
(f)	<input checked="" type="checkbox"/>	Statutory Exemption. State Code section number: CEQA Guidelines §15262 (Feasibility and Planning Studies)
(g)	<input type="checkbox"/>	Other. Explanation:
9.	Reason why project was exempt: The Municipal Service Review and Statements of Determinations are exempt from CEQA under CEQA Guidelines Section 15262: Feasibility and Planning Studies. A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration.	
10.	Lead Agency Contact Person:	Luis Tapia, Assistant Executive Officer
	Telephone:	(714) 640-5100
11.	If filed by applicant: Attach Preliminary Exemption Assessment (Form "A") before filing.	
12.	Has a Notice of Exemption been filed by the public agency approving the project? Yes <input type="checkbox"/> No <input type="checkbox"/>	
13.	Was a public hearing held by the Lead Agency to consider the exemption? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, the date of the public hearing was: August 10, 2022	

Signature: _____ Date: _____ Title: Executive Officer

Name:

☒ Signed by Responsible Agency ☐ Signed by Applicant

Date Received for Filing: _____

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

**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.

**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.

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.

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

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.

**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.

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.

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

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.

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.

SOI 21-14

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF
ORANGE COUNTY, CALIFORNIA
MAKING DETERMINATIONS AND REAFFIRMING THE
SPHERES OF INFLUENCE FOR
COUNTY SERVICE AREAS 13, 22, AND 26
AUGUST 10, 2022**

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

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission (LAFCO) adopt Spheres of Influence (SOI) for all agencies in its jurisdiction and to review, and update as necessary, those spheres every five years; and

WHEREAS, the SOI is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of an SOI are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Section 56000 et seq. of the Government Code; and

WHEREAS, the California Government Code Section 56430 requires that in order to prepare and to update an SOI, the Commission shall conduct Municipal Service Reviews (MSRs) prior to or in conjunction with action to update or adopt an SOI; and

WHEREAS, the Local Agency Formation Commission of Orange County (OC LAFCO) has previously reviewed and adopted SOIs as required by Government Code Section 56425 for La Mirada County Service Area (CSA 13), East Yorba Linda County Service Area (CSA 22) in 2013 as part of the third MSR/SOI cycle, and Orange County Parks County Service Area (OC Parks CSA 26) in 2006 and 2013 as part of the second and third MSR/SOI cycles respectively; and

WHEREAS, on August 10, 2022, OC LAFCO adopted new Statements of Determinations for the SOI reviews conducted for CSA 13, CSA 22, and OC Parks CSA 26 as part of the fourth MSR/SOI review cycle; and

WHEREAS, the information and findings contained in the SOI reviews for CSA 13, CSA 22, and OC Parks CSA 26 identified in this Resolution are current and do not raise any significant boundary issues; and

ATTACHMENT 3

WHEREAS, copies of the MSR and SOI reports, SOI maps, and Statements of Determinations for CSA 13, CSA 22, and OC Parks CSA 26 identified in this Resolution have been reviewed by the Commission and are available for public review in the OC LAFCO offices and on the OC LAFCO website; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set August 10, 2022 as the hearing date of the SOI reviews and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56425, has prepared a report, including her recommendations thereon, and has provided this report to each affected agency entitled to a copy; and

WHEREAS, the review consists of the reaffirming of the SOIs for CSA 13, CSA 22, and OC Parks CSA 26; and

WHEREAS, this Commission called for and held a public hearing on the SOI reviews for CSA 13, CSA 22, and OC Parks CSA 26 on August 10, 2022, and at the hearing this Commission received all written comments submitted with respect to these SOI reviews and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this review, including factors specified in Government Code Sections 56425 and 56430; and

WHEREAS, pursuant to the California Environmental Quality Act, the SOI reviews and reaffirming of the SOIs for CSA 13, CSA 22, and OC Parks CSA 26 were determined to be exempt from CEQA under State CEQA Guidelines §15262, Feasibility and Planning Studies.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The “Sphere of Influence Review for County Service Areas 13, 22, and 26 (SOI 21-14)” together with the written Statements of Determinations are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15262, shown as Exhibit 1.

ATTACHMENT 3

Section 2. This review is assigned the following distinctive short-form designation: “Sphere of Influence Review for the County Service Areas 13, 22, and 26 (SOI 21-14).”

Section 3. Determinations

- a) The Executive Officer's staff report and recommendation to reaffirm the SOIs, including the SOI maps attached as Exhibits 1C, 2C, and 3C hereto for CSA 13, CSA 22, and OC Parks CSA 26, dated August 10, 2022, are hereby approved.
- b) The Commission has adopted the accompanying Statements of Determinations for CSA 13, CSA 22, and OC Parks CSA 26, shown as Exhibits 1B, 2B, and 3B.

Section 4. The Executive Officer is hereby authorized and directed to provide copies of this resolution as provided in Government Code Section 56882.

AYES:

NOES:

[illegible]

I, Douglass Davert, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 10th day of August 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of August 2022.

DOUGLASS DAVERT
Chair of the Local Agency Formation
Commission of Orange County

By: _____
Douglass Davert

EXHIBIT: 1

NOTICE OF EXEMPTION

TO:	FROM:	Local Agency Formation Commission of Orange County (Lead Agency)
<input type="checkbox"/> Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044	(Public Agency)	
<input checked="" type="checkbox"/> Clerk of the Board of Supervisors or County Clerk County of: Orange Address: 601 N. Ross Street Santa Ana, CA 92701	Address	2677 North Main Street Suite 1050 Santa Ana, CA 92705

1.	Project Title:	"Sphere of Influence Review for the County Service Areas 13, 22, and 26 (SOI 21-14)"
2.	Project Applicant:	Local Agency Formation Commission of Orange County
3.	Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	<p>The Municipal Service Review includes the boundaries of La Mirada County Service Area (CSA 13), East Yorba Linda County Service Area (CSA 22), and Orange County Parks Service Area (OC Parks CSA 26).</p> <ul style="list-style-type: none"> • CSA 13 service boundary includes the unincorporated Orange County referenced as the Andora Fairhope Island. • The CSA 22 service boundary includes a portion of the unincorporated Orange County referenced as the Fairlynn Island. • The CSA 26 service boundary is coterminous with the County of Orange's boundary encompassing 799.8 square miles and 3.176 million residents.
4.	(a) Project Location – District	CSA 13, CSA 22, and OC Parks CSA 26.
	(b) Project Location – County	Orange
5.	Description of nature, purpose, and beneficiaries of Project:	Conduct a review of the municipal services funded through the establishment of CSA 13, CSA 22, and OC Parks CSA 26 and adopt respective MSR Statements of Determinations.
6.	Name of Public Agency approving project:	Local Agency Formation Commission of Orange County
7.	Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Local Agency Formation Commission of Orange County

ATTACHMENT 3

8.	Exempt status: (check one)	
	<input type="checkbox"/> Ministerial project.	(Pub. Res. Code § 21080(b)(1); State CEQA Guidelines § 15268)
	<input type="checkbox"/> Not a project.	
	<input type="checkbox"/> Emergency Project.	(Pub. Res. Code § 21080(b)(4); State CEQA Guidelines § 15269(b), (c))
	<input type="checkbox"/> Categorical Exemption. State type and section number:	One single-family residence, or second dwelling unit in residential zone. Class 3 § 15303(a)
	<input type="checkbox"/> Declared Emergency.	(Pub. Res. Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
	<input checked="" type="checkbox"/> Statutory Exemption. State Code section number:	CEQA Guidelines §15262 (Feasibility and Planning Studies)
	<input type="checkbox"/> Other. Explanation:	
9.	Reason why project was exempt:	The Municipal Service Review and Statements of Determinations are exempt from CEQA under CEQA Guidelines Section 15262: Feasibility and Planning Studies. A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration.
10.	Lead Agency Contact Person:	Luis Tapia, Assistant Executive Officer
	Telephone:	(714) 640-5100
11.	If filed by applicant: Attach Preliminary Exemption Assessment (Form "A") before filing.	
12.	Has a Notice of Exemption been filed by the public agency approving the project? Yes <input type="checkbox"/> No <input type="checkbox"/>	
13.	Was a public hearing held by the Lead Agency to consider the exemption? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, the date of the public hearing was: August 10, 2022	

Signature: _____ Date: _____ Title: Executive Officer

Name:

☒ Signed by Responsible Agency ☐ Signed by Applicant

Date Received for Filing: _____

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

EXHIBIT 1B

**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

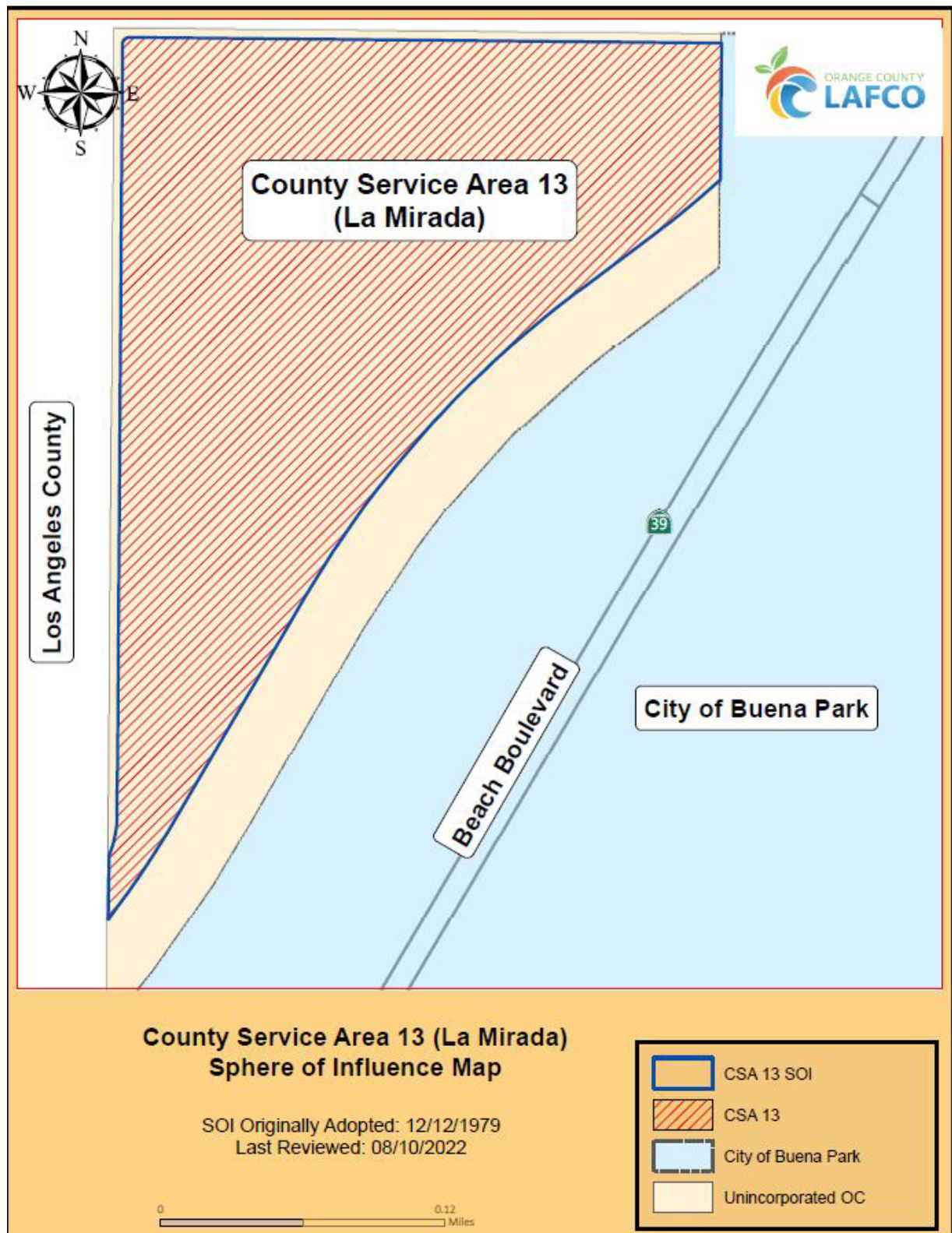


EXHIBIT 2B

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

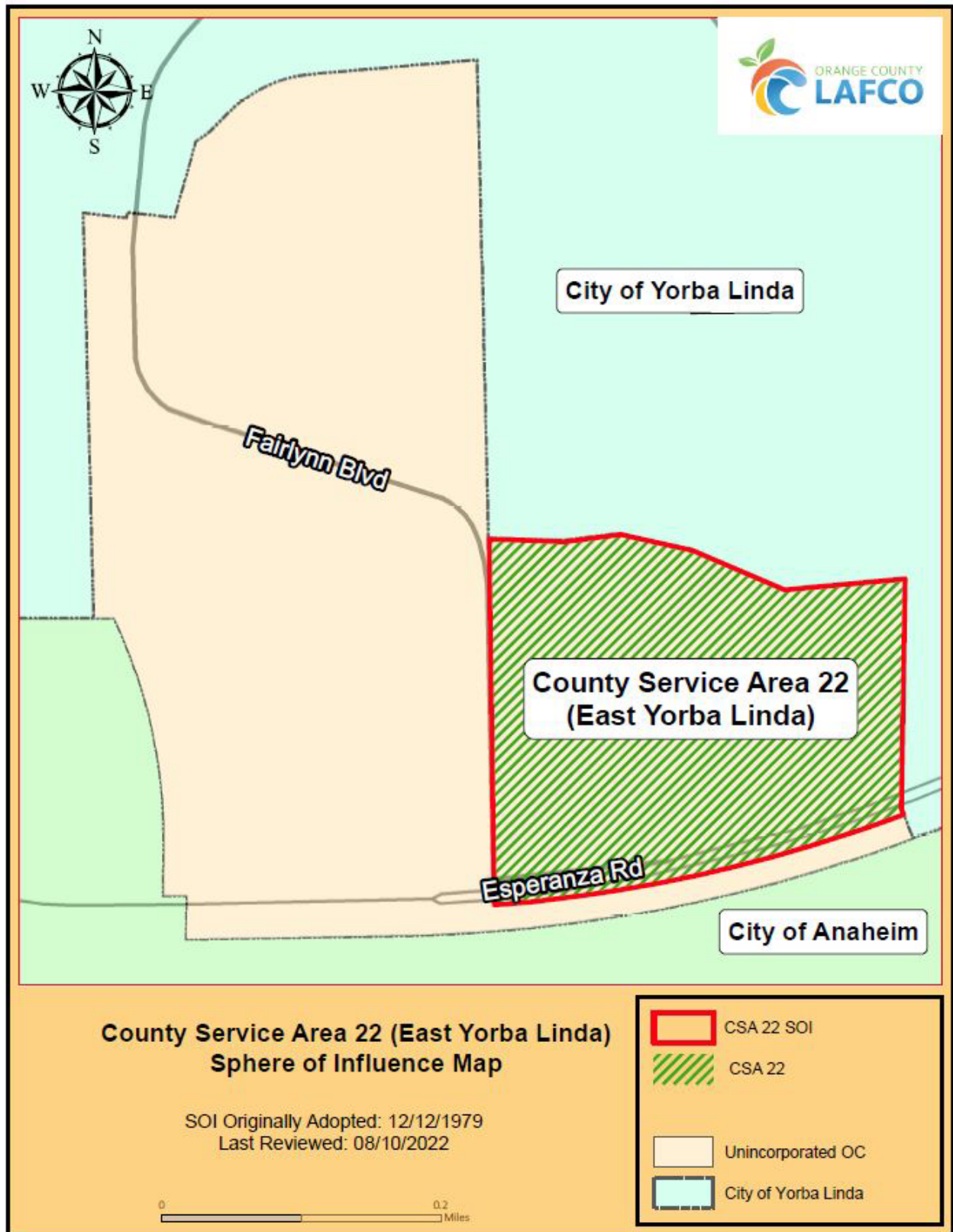


EXHIBIT 3B

**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.

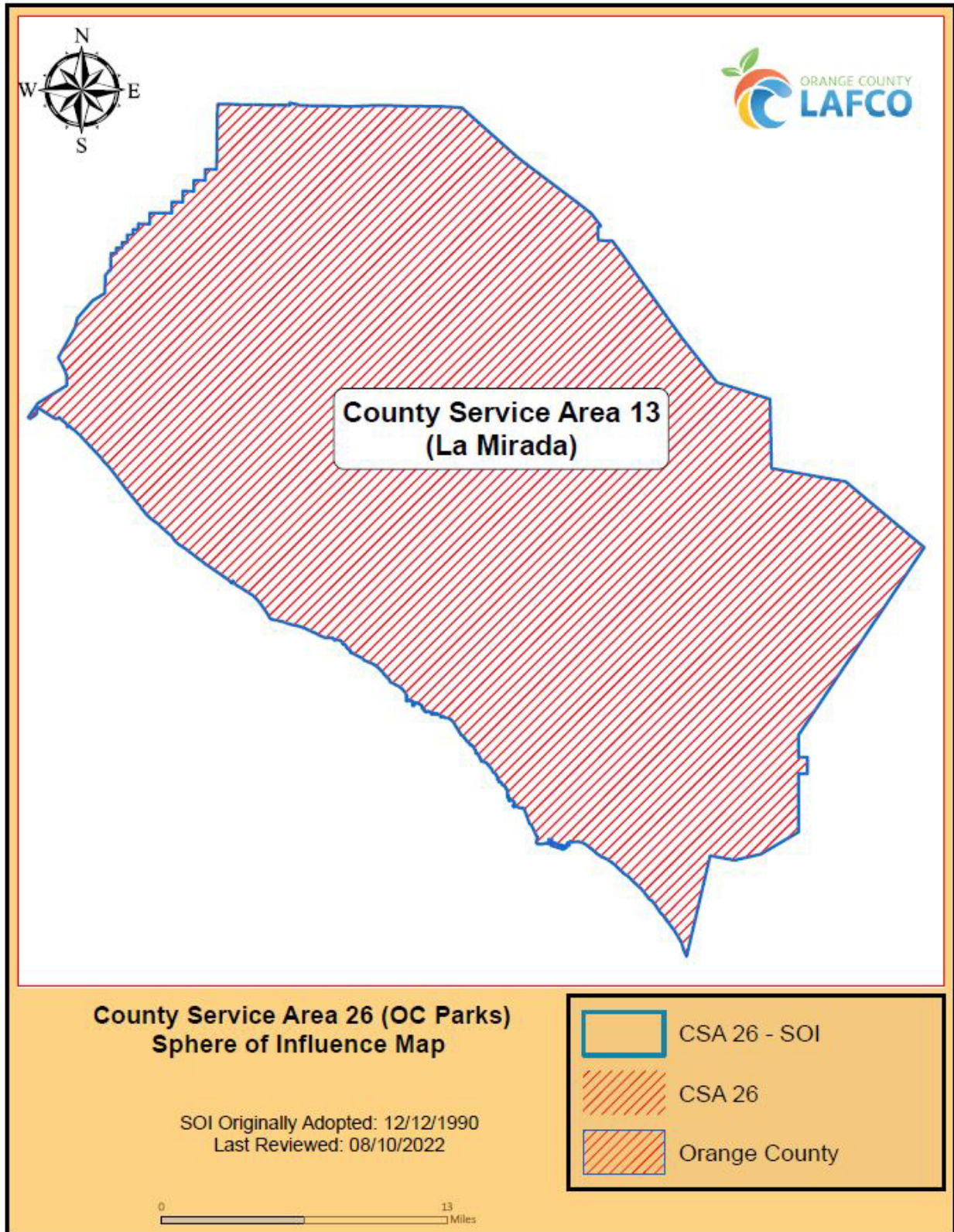
DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

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



9a | Commission
Discussion**REGULAR MEMBERS**

CHAIR

Douglass Davert

Special District Member

VICE CHAIR

Donald P. Wagner

County Member

IMMEDIATE PAST CHAIR

Derek J. McGregor

Public Member

Lisa Bartlett

County Member

Wendy Bucknum

City Member

James Fisler

Special District Member

Peggy Huang

City Member

ALTERNATES**Andrew Do**

County Member

Kathryn Freshley

Special District Member

Lou Penrose

Public Member

Vacant

City Member

STAFF**Carolyn Emery**

Executive Officer

Scott Smith

General Counsel

August 10, 2022

TO: Local Agency Formation Commission
of Orange County**FROM:** Executive Officer
Consultant**SUBJECT:** Three-Year Strategic Plan (2022-2025)**BACKGROUND**

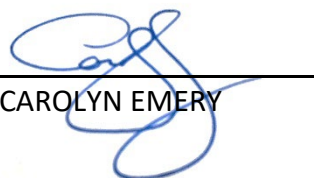
At the July 13 Strategic Planning Workshop, the Commission identified three-year goals for the agency and directed the Executive Officer and OC LAFCO Consultant William Kelly to bring back the Strategic Plan at the August 10 Regular Commission Meeting. The Three-Year Strategic Plan (2022-2025) incorporates the goal-setting of the Commission and has been further refined by staff and the consultant. The Plan also includes the objectives to facilitate the implementation of the goals and is attached to this report for consideration by the Commission. Additionally, the document has been made available to the County, cities, and special districts encouraging feedback.

RECOMMENDED ACTIONS

Staff recommends that the Commission:

1. Adopt the Three-Year Strategic Plan (2022-2025).
(Attachment 1)
2. Provide additional direction to staff, if warranted.

Respectfully submitted,


CAROLYN EMERY/s/ William Kelly
WILLIAM KELLY

Attachment 1: Three-Year Strategic Plan (2022-2025)



Three-Year **STRATEGIC PLAN**

2022-2025



IN CONSULTATION WITH
KELLY ASSOCIATES MANAGEMENT GROUP



OC LAFCO 2022-2025 Strategic Plan

August 10, 2022

The Commission

Douglass Davert, Chair

Donald P. Wagner, Vice Chair

Derek J. McGregor, Immediate Past Chair

Lisa Bartlett, County Member

Wendy Bucknum, City Member

James Fisler, Special District Member

Peggy Huang, City Member

Andrew Do, Alternate County Member

Kathryn Freshley, Alternate Special District Member

Lou Penrose, Alternate Public Member

Commission Staff

Carolyn Emery, Executive Officer

Consulting Staff

Kelly Associates Management Group LLC

William R. Kelly, President/CEO

Introduction

The Orange County Local Agency Formation Commission (OCLAFCO) on November 10, 2021 adopted the 2021 Strategic Plan. The process to prepare the 2021 plan included the following:

- Identification of the agency's strengths, weaknesses, opportunities and threats (S.W.O.T process)
- Adoption of new mission statement:
"OC LAFCO serves Orange County cities, special districts, and the county to ensure effective and efficient delivery of municipal services."
- Established Three Year 2021-2024 Goals:
 - ▣ Optimize external communication.
 - ▣ Facilitate a continuing dialogue of South County governance options.
 - ▣ Refine and enhance the MSR process.

As of June 30, 2022, the goals and most objectives had been completed.

The Process

With an updated mission statement and substantial completion of the three-year goals and objectives identified in 2021, the Commission retained Kelly Associates Management Group (KAMG) to facilitate the process for the preparation of a new three-year plan 2022-2025. KAMG began the process by introducing the "Steps in the Strategic Planning Process" outlined as follows:

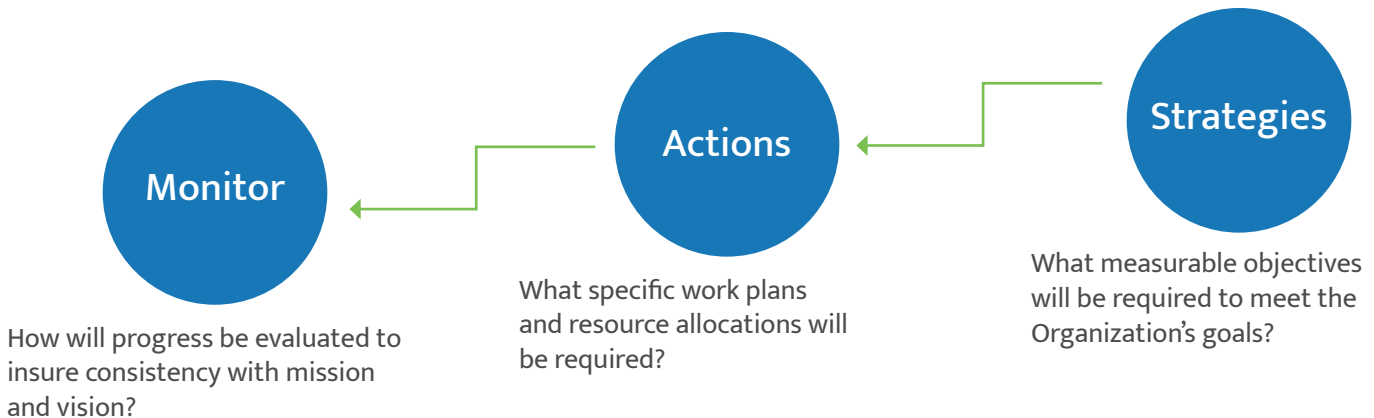
Why does the organization exist and how does it meet community needs?

What does the future of the community and organization look like?

What needs to be accomplished in order to fulfill the mission and achieve the vision?

POLICY
OC LAFCO Commissioners

IMPLEMENTATION
OC LAFCO Staff



Goal-Setting and Identification

The initial step in OC LAFCO's most recent strategic planning process included an update to the agency's S.W.O.T responses. This was done by KAMG circulating a S.W.O.T questionnaire to Commissioners and staff to assist in the preparation of the new strategic plan. The cumulative summary of the S.W.O.T exercise responses is appended to this document.

At the strategic planning workshop conducted on July 13, 2022 the S.W.O.T responses were displayed for review and discussion by OC LAFCO Commissioners and staff. During the meeting, each commissioner was asked to identify his/her top five out of 24 goals of the agency over the next three years. Based on this exercise, the following five goals were identified (not in priority order):

- 1: Succession Planning.
- 2: Further refine Municipal Service Reviews (MSRs) to develop an abbreviated document for future cycles.
- 3: Legislative Engagement – build coalitions with CALAFCO, CSAC, CSDA, cities, League of California Cities and LAFCOs statewide on policy issues of mutual interest.
- 4: Increased Communication with all interest groups – on agenda for organizations such as OCCOG, ACCOC, Special Districts, Regional Chamber/business groups etc.
- 5: Commission can create more analytics or performance standards for quantifying MSRs.

2022-2025 Work Plan

As directed by the Commission, the five goals identified by the Board have been refined by staff and KAMG to allow for implementation of respective objectives to effectively accomplish each goal. As a note, goals #2 and #5 were combined for efficiency as both are relative to the Commission's goal to improve the MSR process.

The 2022-2025 Work Plan depicted in the following section clearly defines the agency's goals, objectives, and schedules over the next three years. As a note, the multi-year work plan may be amended, if warranted, by the Commission.

GOAL 1:

Staff Development, Retention and Recruitment

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
1.1	EO	Conduct Classification, Compensation and Benefits Assessment.	Consultant	2023-2024	
1.2	EO/AEO/CC	Complete staff assessment and conduct recruitment for vacancy(ies).	Consultant	2022-2023	
1.3	EO/CC	Complete cross-training of staff in budgeting and auditing areas.		2022-2023	

GOAL 2:

Improve Municipal Service Review (MSR) Process For Future MSRs

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
2.1	All	Create MSR schedule that eliminates the MSR cycles and identifies the next scheduled comprehensive MSR as five years from last date of agency MSR and SOI review.		2022-2025	
2.2	EO/AEO/ Analyst	Develop criteria for conducting the following MSR and SOI review processes for future reviews: <ol style="list-style-type: none"> 1. Comprehensive 2. Reconfirm 3. Update 	Consultant	2022-2023	
2.3	AEO/Analyst	Develop and distribute the following MSR questionnaires: <ol style="list-style-type: none"> 1. Pre-MSR/SOI – to assess which process will be conducted. 2. Post-MSR/SOI process – to receive feedback on the MSR/SOI process. 		2023-2025 2022	
2.4	AEO/Analyst	Continued use of web-based programs (fiscal indicators, shared services, and MS dashboard) to maintain agency data for MSR determinations.		2022-2025	
2.5	AEO/Analyst/CC	Present year-end report to the Commission that provides analytics on MSR agency feedback and the use of the agency's web-based programs.		2023-2025	

GOAL 3:

Promote Legislative Engagement

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
3.1	Commissioners/ EO/AEO	Establish a legislative ad-hoc committee to develop engagement principles and guidelines involving external organizations (CSDA, CSAC, League of CA Cities, OC League of CA Cities).		2022-2023	
3.2	EO/AEO	Monitor key legislation of LAFCO-interest through participation on CALAFCO legislative and advisory committees.		2022-2025	

GOAL 4:

Optimize External Communication

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
4.1	All	Conduct annual OC LAFCO 101 sessions (virtual) to engage agencies and public to inform of OC LAFCO activities.		2023-2025	
4.2	Analyst/CC	Conduct visits and disseminate media kits to OC legislators and stakeholders.		2023-2025	
4.3	Analyst	Deploy video FAQs on website to inform OC LAFCO stakeholders.	Consultant	2022	
4.4	EO/Analyst	Distribute bi-annual news to inform of OC LAFCO activities.	Consultant	2022-2025	

S.W.O.T ANALYSIS

Strengths | Weaknesses | Opportunities | Threats



STRENGTHS

Characteristics of the agency that will allow OC LAFCO to pursue the agency's goals and be successful.

1. Experienced Staff.
2. Strong Legal Counsel.
3. Very competent executive director with significant experience in LAFCO.
4. The LAFCO staff seemed to have been well trained and competent in their roles within the agency.
5. Knowledgeable and forward-thinking staff.
6. Objective and thorough reports.
7. Legislative Updates to Commissioners.
8. The commitment of staff to uphold the OC LAFCO mission and provide reports that serve the Commission to make well informed decisions.
9. Commission updates.
10. Leadership.
11. Camaraderie among Commissioners.
12. Commissioners come prepared to meetings.
13. Consistent outcomes due to application of standardized approach between staff and the Commissioners.
14. Open door policy between staff and Commissioners enhances communication, collaboration and sets a high bar for productivity and creativity in the decision-making process.
15. Experienced and diverse Board.
16. Governance is strong.
17. We can be an independent/third party oversight aiding with efficiency and fiscal status.
18. We have a diverse commission that represents all public agencies.
19. Diverse Commission and ability to make countywide decisions.
20. Independent and objective agency.
21. Unincorporated Islands program – waiver of application fees.
22. Diverse Commission and ability to make countywide decisions.
23. Independent and objective agency.
24. Provide an unbiased analysis of the level of municipal services provided by local agencies located within the County through municipal service reviews.
25. A Commission committed to uphold the CKH Act and making decisions on what is best for the County and its residents.
26. OC LAFCO is a forward-thinking agency that provides reports and programs to further assist the agencies.
27. Engaged Commissioners who are policy focused in decision making process.
28. Good relationship with County and clients we serve.
29. OC LAFCO has no competitors as an organization.
30. Increased stakeholder outreach has been successful (i.e., Website).
31. Outreach to stakeholders has improved (e.g., OCLAFCO.org).
32. Success achieved when process is proceeded by thorough outreach.
33. Implementation of the new communication plan.
34. Customer Service – Staff assistance with public inquiries, representatives from agencies, and application processing.

STRENGTHS (continued)

STRENGTHS (continued)

- 35. Communication and External outreach to agencies and unincorporated communities.
- 36. OC LAFCO's ability to collaborate with agencies to find solutions that will meet the requirements provided within the CKH Act.
- 37. Community outreach.
- 38. Budget is dependable.
- 39. Revenues are guaranteed.
- 40. Both staff and Commissioners partake in continued education to learn the latest best practices and organizational development techniques.
- 41. Records Management has significantly improved (digitized).
- 42. New web site has provided more information to elected officials and the community at-large.
- 43. Innovative tools (shared services, MSR dashboard, fiscal indicators) to assess agencies and keep data relevant.

WEAKNESSES

Characteristics of the agency that hinder OC LAFCO's ability to achieve the agency's goals.

- 1. Succession planning.
- 2. At times, less than market rate compensation has led to staff turnover.
- 3. Small employee team limits upward mobility in the organization and reduces the overall bandwidth of taking on additional MSR and other types of work.
- 4. We need to provide a greater level for personal growth and career enhancement for the Executive Director and staff members.
- 5. Milestones delayed (i.e., MSRs).
- 6. Commissioners could be more collaborative with each other and stakeholders.
- 7. The ability to discuss other agencies' effectiveness.
- 8. Competing mandated applications – Limited staffing directs office focus to applications.
- 9. Misconception that LAFCOs are proactively seeking to dissolve and consolidate agencies.
- 10. Misunderstanding the purpose and mandates associated with municipal service reviews.
- 11. LAFCOs have a bigger role than just processing application.
- 12. Political influences.
- 13. Lack of knowledge of what LAFCO does/our role.
- 14. Letting social media influence our decisions.
- 15. Historically, poor communication with the public. Improvements have been made the past year with revised web site and monthly report to elected officials.
- 16. The public at-large does not know or understand the existence and role of the commission.
- 17. Not clear understanding by external stakeholders of LAFCO's purpose and authority.
- 18. Difficult to inform and make aware 3M resident of LAFCO's existence, resources and value.
- 19. Unincorporated areas don't understand fiscal impacts of incorporation.
- 20. Need to spend more time with special districts so they understand the LAFCO laws and procedures.
- 21. We need to be more proactive in promoting the work and services of OC LAFCO.
- 22. Reliance on consultants.
- 23. Budget is very modest.
- 24. Resources – Consider studying internal and external resources to improve OC LAFCO's economical, effective, and efficient performance... particularly related to the cost, quality, and timeliness of MSRs.
- 25. Limited staff and budget resources.
- 26. Limitations in OC LAFCO fees changes to member agencies has a domino effect in not being able to attract and retain more senior employees with significant LAFCO experience.
- 27. Website Analytics – Provide monthly updates during Commission meetings.

OPPORTUNITIES

Factors that are available in the environment that can help OC LAFCO achieve the agency's goals.

1. Succession plan.
2. We will have new commissioners with new perspectives.
3. Further streamline MSRs to develop an abbreviated document for future cycles.
4. Improving on the accuracy of the fiscal trends program.
5. Making sure everyone in the commission is using the communication plan.
6. Assist agencies that are fiscally challenged through studies or exploring opportunities.
7. Agencies use of the Shared Services and Fiscal Indicators to assist with fiscal challenges.
8. OC LAFCO has the opportunity to provide assistance to agencies by performing studies that can assist an agency to find solutions to problems.
9. Assist agencies and residents with organizations and reorganizations in the areas where there are illogical boundaries.
10. The MSRs can provide agencies with the information required to make decisions on the delivery of services.
11. Homelessness.
12. If OC LAFCO can attract new business, it will be able to augment the financial capacity and allow for more variety in its service provider model and gives staff an opportunity to expand the learning curve.
13. Legislative Engagement – Build coalitions with Cal LAFCO, CSAC, CSDA, cities, League of California Cities and LAFCOs statewide, on policy issues of mutual interest.
14. Increased Communication with all interest groups – on agenda for organizations such as OCCOG, ACCOC, Special Districts, Regional Chamber/ business groups, etc.
15. Assist stakeholder entities on their implementation/interest in Shared Services to the extent that OC LAFCO needs to be involved.
16. Stakeholder Engagement and Transparency – Study and learn from other LAFCOs and stakeholders statewide to implement more effective strategies and tactics for reporting OC LAFCO performance.
17. Continued rebranding of LAFCO resources to keep stakeholders engaged.
18. Commission can facilitate better communication about the differences of county services versus city services to unincorporated area or county islands.
19. Commission can create more analytics or performance standards for quantifying MSRs.
20. Hybrid zoom meetings.
21. Use social media wisely to the advantage of the commission.
22. Continued use of technology as it continues to evolve.
23. Seeking out the latest technology to utilize is good for staff and can expand beyond the basic service model of the organization.
24. Enhancing the website and messaging out to current and potential clients reminds people of what we do and how we can help them in their decision-making process by providing analytical data.

THREATS

Pitfalls looming in the environment that could throw up roadblocks or otherwise keep the OC LAFCO from achieving the agency's goals.

1. Executive Office retirement or movement to another organization.
2. Lack of upward mobility with such a small team means that talented employees will ultimately get hired away elsewhere.
3. Noncompetitive compensation means that we will continue to lose good employees to others in the market.
4. If there is a lack in variation in the day to day work employees will get stagnant and seek out other job opportunities elsewhere.
5. Leadership and staffing changes leave a void in the overall organization.
6. South OC issue will be a politically challenging process due to varied interests.
7. The commission is split on which direction the commission should proceed in.
8. Not every commissioner is using the communication plan.
9. If agency input is not balanced, the perception of LAFCO's mission and authority may be misunderstood.
10. Economic impacts on cities and special districts.
11. Environmental threats on the delivery of municipal services.
12. Rising gas prices.
13. State laws or mandates that omit LAFCOs from a local government reorganization process.
14. The major threat to the commission is any legislation that requires the commission to operate differently or being required to become involved with government agencies more broadly than currently required.
15. Ill-informed entities.
16. Misperception that LAFCO is a "rubber stamp" agency.
17. The perception agencies have of OC LAFCO.
18. The perception of what an MSR is intended to provide for the Public, Local Agencies, and Legislature.
19. Meeting space availability.
20. Fiscal instability.
21. Remote work – future pandemic.
22. Cybersecurity and Information Technology – Like many government entities today, OC LAFCO should protect the organization – and its stakeholders – from online vulnerability.
23. Misuse of social media.

9b | Commission
Discussion

August 10, 2022

REGULAR MEMBERS

CHAIR
Douglass Davert
Special District Member

VICE CHAIR
Donald P. Wagner
County Member

IMMEDIATE PAST CHAIR
Derek J. McGregor
Public Member

Lisa Bartlett
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City Member

ALTERNATES

Andrew Do
County Member

Kathryn Freshley
Special District Member

Lou Penrose
Public Member

Vacant
City Member

STAFF

Carolyn Emery
Executive Officer

Scott Smith
General Counsel

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer

SUBJECT: Alternate Members – Meeting Attendance

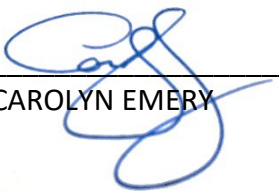
BACKGROUND

During the June 8 Regular Commission Meeting, the Commission directed staff to agendize for discussion the documentation in the minutes of alternate members' attendance at the regular meetings. To assist in this discussion, attached to this report are the "Bylaws of the Orange County Local Agency Formation Commission." As a note, key references relative to this matter may be found in Sections 1.17 (page 9) and 1.28 (pages 15-16) of the bylaws.

COMMISSION ACTION

1. Discussion of the item and provide direction to staff accordingly, if applicable.

Respectfully submitted,



CAROLYN EMERY

Attachment 1: "Bylaws of the Orange County Local Agency Formation Commission"

SECTION 1: Orange County LAFCO Bylaws

Bylaws of the Orange County Local Agency Formation Commission

ARTICLE - GENERAL¹

1.1 TITLE

This Commission shall be entitled and known as the Orange County Local Agency Formation Commission ("Orange County LAFCO"), hereinafter referred to as the "Commission."

1.2 MISSION

Adopted November 10, 2021, the mission of Orange County LAFCO is as follows: "OC LAFCO serves Orange County cities, special districts, and the county to ensure effective and efficient delivery of municipal services.."

Orange County LAFCO ensures logical and timely changes in governmental boundaries (§56001); conducts special studies which review ways to reorganize, simplify and streamline governmental structures (§56301); and prepares spheres of influence for each city and special district within the county (§56425). The Commission promotes the provision of efficient and economical services while encouraging the protection of agricultural and open space lands (§56001 and §53000). Further efforts include discouraging urban sprawl and encouraging orderly formation and development of local agencies based upon local conditions and circumstances (§56301).

Local Agency Formation Commissions are independent commissions that are not a part of county government. While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division. Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section of the Government. Commissioners are not required to abstain on any matter, nor does Each commissioner is independent when weighing and reviewing information and when making determinations (§56325.1).

¹ Note: All code notations in the Bylaws refer to California Government Code unless otherwise noted.

1.3 AUTHORITY

The conduct of Orange County LAFCO is governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et seq. of the California Government Code, as amended, and hereinafter referred to as the “CKH Act.” The provisions of these bylaws are not intended to preempt state law. In the event of a conflict between the provisions set forth in these bylaws and those set forth in the CKH Act, the provisions of the CKH Act shall prevail.

1.4 FUNDING

LAFCO annually adopts a budget in accordance with the provisions of the CKH Act. The County Auditor-Controller, in consultation with LAFCO staff, is responsible for apportioning the Commission’s net operational costs to the County, the cities, and the independent special districts according to formulas established under Section 56381 of the CKH Act.

ARTICLE 2 - DEFINITIONS

- 1.5 Alternate Member: The person appointed to serve and vote in place of a regular member under any of the circumstances set forth in Section 1.15, below.
- 1.6 Board of Supervisors: The Orange County Board of Supervisors.
- 1.7 Chair: The person appointed annually by majority vote of the Commission to maintain order and decorum of Commission regular and special meetings and responsible for the appointment of members to agency subcommittees.
- 1.8 Vice Chair: The person appointed annually by majority vote of the Commission to perform the duties of the Chair if the Chair is absent or disabled.
- 1.9 Commission: The Orange County Local Agency Formation Commission.
- 1.10 Commissioners: All members of the Commission, both regular and alternate.
- 1.11 County: The County of Orange, California.
- 1.12 LAFCO: The Orange County Local Agency Formation Commission.
- 1.13 Members: All regular and alternate members of the Orange County Local Agency Formation Commission.

ARTICLE 3 - ORGANIZATION**1.14 COMPOSITION**

The Commission shall consist of seven regular members and four alternate members (§56352, §56332). All commissioners must be residents of Orange County.

1.15 SELECTION/APPOINTMENT OF MEMBERS

- A. County: The County Board of Supervisors shall appoint two regular commissioners and one alternate commissioner from the Board's membership to serve on the Commission (§56325).
- B. City: The City Selection Committee shall appoint two regular commissioners and one alternate commissioner to serve on the Commission, each of whom shall be a mayor or city council member from one of the County's incorporated communities (§56325). Such appointments shall be made in accordance with the procedure established by the City Selection Committee and described in the rules and regulations of that body.
- C. Special Districts: The Special Districts Selection Committee shall appoint two regular commissioners and one alternate commissioner from the special districts within the County (§56332). Such appointments shall be made in accordance with the procedure established by the Special Districts Selection Committee and described in the rules and regulations of that body.
- D. Public Member: The public member and one alternate public member are appointed by a majority vote of the Commission in accordance with §56325(d) and in the manner detailed in the policy and procedures adopted by the Commission.

1.16 TERMS OF OFFICE

- A. The term of office of each Commission member shall be four years, expiring on June 30 in the year in which the term of the member expires.
- B. Any member may be removed at any time without cause by the body appointing that member. If a member who is a city, County, or special district officer ceases to hold that position during his or her term, that member's seat on the Commission shall become vacant.
- C. Any vacancy in the membership of the Commission shall be filled for the unexpired term by appointment by the body that originally appointed the member whose office has become vacant. If a regular member seat becomes

vacant, the alternate member in that category shall serve in his/her place until such time as a new regular member has been appointed.

1.17 ROLE OF ALTERNATE MEMBERS

- A. In each member category, the alternate commissioner shall serve and vote in place of a regular member who is absent or disqualifies/recuses him/herself from voting on a specific matter before the Commission (§56331).
- B. All alternate members are expected to attend all Commission meetings, even if the regular member(s) is (are) present. As a matter of policy, because alternate members may at any time be called upon to vote in place of a regular member, Orange County LAFCO encourages alternate members to participate in discussion of issues before the Commission. Alternate members are expected to be qualified to vote when called upon and to be briefed as to the potential litigation. Therefore, alternate members are considered covered by the attorney-client privilege and are expected to attend closed sessions.
- C. Orange County LAFCO further encourages alternate members to attend CALAFCO conferences and university courses.

1.18 COMMISSION OFFICERS

A Chair and a Vice Chair shall be the officers of the Commission, chosen by current regular members of the Commission.

- I. The Chair and the Vice Chair shall be appointed by a majority vote of the Commission each year at the January meeting, or the next regular meeting thereafter, and shall take office immediately. If a vacancy occurs of a Commission officer during the year, it shall be filled by majority vote of the Commission at the next regular meeting following occurrence of the officer vacancy.
- II. The term of office for the Chair and Vice Chair shall normally be twelve months or until the officer's membership on the Commission terminates, whichever occurs sooner. However, if either the Chair or Vice Chair rotates into an alternate position, he or she may serve on a pro tempore basis until the Commission appoints a successor.
- III. The Chair shall preside at all meetings of the Commission and shall conduct the business of the Commission pursuant to, and in compliance with, the procedures prescribed by these rules. The Chair shall preserve order and decorum at all meetings and shall decide all questions of order and procedure, subject to the action of the majority of the Commission.

- IV. The Chair has the authority to act outside a meeting, in consultation with the Executive Officer, on procedural and administrative matters that cannot reasonably be deferred to the next Commission meeting. The Chair's authority shall include the signing of the contracts for urgently needed goods and services if the Executive Officer is unavailable.
- V. The Chair, with the exception of the Executive Committee, shall appoint members to all committees of the Commission, including the authority to create special-purpose committees not named in these Bylaws.
- VI. The Executive Committee of the Commission shall generally be comprised of the current Chair, the Vice Chair, and immediate past Chair. The Executive Committee meets as needed to discuss preliminary agency budgets and other agency issues and serves in an advisory role to the full Commission.
- VII. In the event of the Chair's absence, or inability to act as the Chair, the Vice Chair shall have all the powers and duties of the Chair.
- VIII. In the event both the Chair and the Vice Chair are absent from a Commission meeting at which a quorum is present, the Immediate Past Chair shall act as Chair pro tempore for that meeting.
- IX. In the event that the Chair, Vice Chair and Immediate Past Chair are absent from a Commission meeting at which a quorum is present, the voting members present shall appoint a member to act as Chair pro tempore for that meeting.

1.19 REMOVAL OF MEMBERS

The Commission may recommend to the appointing authority that a member be removed for the following reasons:

- A. The absence of that member from three consecutive meetings or more than half of the meeting in any twelve-month period.
- B. Malfeasance of office or dereliction of duty by that member.
- C. Failure to complete required financial disclosure documents in a timely manner.

1.20 COMPENSATION

- A. Each member in attendance at any Commission regular or special meeting, shall receive a stipend of \$100 per meeting, up to a maximum of \$200 per month. A W2 Form (IRS wage and tax statement) shall be issued to each

Commissioner no later than January 31st of each year.

- B. Members appointed to committees shall receive \$50 for attendance at committee meetings, or half the amount paid for attendance at Commission meetings (as set forth in item “a,” above). As specified under item “a” (above), the maximum amount paid to any Commissioner in a given month shall not exceed \$200.
- C. Members will be reimbursed at the currently applicable IRS rates for reasonable and necessary mileage expenses incurred for meeting attendance and other Commission business, including committee meetings and CALAFCO functions. Mileage expenses are not included in the wage and tax statement.
- D. Commissioner attending CALAFCO functions (i.e., conferences, workshops, Executive Board meetings) shall be compensated for the expenses associated with conference registration, accommodations, parking, mileage, and car rental. Commissioners shall not receive a stipend for attending such functions. However, if a Commissioner serves as a CALAFCO Board Member, he/she shall receive a stipend for attending CALAFCO Executive Board meetings (as set forth in items “a” and “b” above).
- E. Commissioners are not employees of LAFCO and are not eligible for any employee benefits.

1.21 FINANCIAL DISCLOSURE

- A. LAFCO members are subject to the requirements of the Levine Act and California Fair Political Practices Commission (FPPC), including annual filing of the Statement of Economic Interests (Form #700) with the Orange County Board of Supervisors Office by the date determined by the FPPC.
- B. Any member of the Commission not in compliance with this requirement is subject to the fines and penalties established by the FPPC.

1.22 ELIGIBILITY OF COMMISSIONERS FOR STAFF POSITIONS

The Commission shall not accept the application of any current regular or alternate Commissioner for a LAFCO staff position unless such application is accompanied by the Commissioner’s signed letter of resignation.

1.23 EXECUTIVE OFFICER

- A. The Executive Officer shall be appointed by resolution of the Commission to serve at the pleasure of the Commission. S/he or her/his representative shall

prepare or cause to be prepared an agenda for each meeting and maintain a record of all proceedings as required by law and these bylaws, and as instructed by the Commission. S/he, or a designee, shall set all hearing dates, publish all necessary advertisements and any other notices as provided herein below, and shall oversee the performance of all other clerical and administrative services required by the Commission.

B. In addition, the Executive Officer shall:

1. Hire and discharge all other employees of the Commission as may be necessary to effectively facilitate the business of the Commission.
2. Call on other County departments for information as the need arises.
3. Approve all necessary forms used by the Commission and staff and cause to be prepared and safely kept all necessary records and Commission minutes.
4. Carry out all orders and directions as instructed by the Commission.

1.24 LEGAL COUNSEL

A. The LAFCO General Counsel shall be appointed by the Commission and shall serve at the pleasure of the Commission.

B. LAFCO General Counsel shall:

1. Attend all meetings of the Commission.
2. Give all requested advice on legal matters.
3. Represent the Commission in legal actions unless the Commission specifically makes other arrangements.

ARTICLE 4 - MEETINGS/CONDUCT OF BUSNIESS

1.25 REGULAR MEETINGS

A. Regular Commission meetings are held the second Wednesday of each month at 8:15 a.m. in the Planning Commission Hearing Room of the Orange County Hall of Administration, 10 Civic Center Plaza in Santa Ana, CA.

B. The Commission shall establish a schedule of its upcoming meetings for at least six months in advance. The Commission shall adopt a calendar detailing its annual meeting schedule for the following year at the regular Commission

meeting in November, or the next regular meeting thereafter. This meeting schedule will be attached to the monthly agenda mail-out and posted to the LAFCO website.

- C. Notwithstanding any other provision of these Bylaws, all meetings of the Commission shall be noticed and held in accordance with the Ralph M. Brown Act, the "Open Meeting Law," Government Code Sections 54950 - 54962.

1.26 SPECIAL MEETINGS

- A. The Chair or Executive Officer may call a special meeting of the Commission. Also, the Chair shall call a special meeting if requested by three or more commissioners.
- B. Special meetings of the Local Agency Formation Commission shall be called in the manner provided by Section 54956 of the Government Code. Required statutory notice shall be given to all regular and alternate members. The order calling the special meeting shall specify the time and place of the meeting and the business to be transacted at such meeting, and no other business shall be considered at the meeting.

1.27 NOTICE OF MEETINGS/AGENDAS

- A. The Executive Officer shall provide notice of all regular and special meetings in accordance with the "Open Meeting Law," Section 54954.1 of the Government Code, and applicable provisions of the CKH Act.
- B. The Executive Officer, in consultation with the Chair, shall prepare the agenda for each meeting, which will serve as written notice of regular and special meetings of the Commission. Unless otherwise directed by the Commission, the Executive Officer shall set as many matters for hearing as can be reasonably heard. Each agenda item will specify a single subject to be considered.
- C. Though the order of business may vary slightly per the Executive Officer or Commission's discretion, agendas will include the following items:
 - 1. Call to Order
 - 2. Pledge of Allegiance
 - 3. Roll Call
 - 4. Approval of Minutes
 - 5. Public Comments – an opportunity for members of the public to address

the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.

6. Consent Calendar
 7. Public Hearing
 8. Commission Discussion and Action includes items requiring discussion and action from the Commission. Actions may include receive and file of reports or approval/adoption by the Commission.
 9. Commissioner Comments – an opportunity for commissioners to comment on items not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action or discussion by a quorum of the Commission may be taken on off-agenda items unless authorized by law.
 10. Executive Officer's Report
 11. Informational Items
 12. Closed Sections
 13. Adjournment
- D. The regular meeting agenda packet will be sent by electronic means or mailed or faxed upon request to at least the following:
1. Each Commission member and LAFCO staff
 2. Affected County agencies
 3. To any person or entity requesting a copy of the agenda in writing as follows:
 - a. LAFCO staff shall provide electronic access to the meeting agenda and agenda packet to any person who has filed a written request for such materials at the time the agenda is posted.
 - b. Upon request, LAFCO staff shall provide a written copy of the meeting agenda and agenda packet in accordance with Orange County LAFCO's established fee schedule.

A request for a written copy of the meeting agenda and agenda packet is valid for one calendar year in which it is filed and must be renewed with LAFCO staff following January 1 of each year.

- c. Failure of the requesting person to receive the agenda does not constitute grounds for invalidation of actions taken at the meeting.
4. The Executive Officer shall provide additional notice of specific applications in the manner required by the CKH act for that application. Such notices shall be sent to the applicant, affected property owners or citizens, and other persons or entities as the Commission or the Executive Officer may deem appropriate.
- E. Meeting agendas will be posted at least 72 hours in advance of the meeting in the following locations:
 1. On the Orange County LAFCO website at www.oclafco.org.
 2. On the bulletin board located inside the lobby of the Planning Commission Hearing Room (1st Floor) of the Orange County Administration Building, 10 Civic Center Plaza, Santa Ana, CA.
 3. On the bulletin board outside the Planning Commission Hearing Room located inside the Robert E. Thomas Hall of Administration Building located at 10 Civic Center Plaza, Santa Ana, CA 92701, as well as on the outside of the same venue on the bulletin board designated for LAFCO notices.
- F. The Executive Officer shall complete a staff report, including his/her recommendations, not less than seven days prior to the hearing. Copies of the staff report, along with the agenda, shall be furnished to each Commissioner and to other parties as required by the CKH Act (Section 56665), including:
 1. Persons designated in the application.
 2. Each city and/or local agency whose boundaries or sphere of influence would be changed by the proposal or recommendations.
 3. Each affected local agency which has filed a request for a report with the Executive Officer.

1.28 QUORUM AND MAJORITY

- A. Four Commissioners present in person and entitled to vote shall constitute a

quorum.

- B. Commissioners may participate in commission meetings via video and/or teleconferencing and count towards the quorum as long as the requirements of Government Code Section 54953 are followed. In summary, Government Code Section 54953 requires:
 - 1. Agendas must be posted at any location where a Commissioner is video and/or teleconferencing and each teleconference location must be identified in the meeting notice and agenda.
 - 2. Each video and/or teleconference location must be accessible to the public and members of the public must have an opportunity to address the Commission at each teleconference location.
 - 3. The video and/or teleconference location must be within the jurisdictional boundaries of Orange County.
- C. An affirmative vote of four or more commissioners is required to make an action of the Commission, unless a more specific vote requirement is provided in the CKH Act. Proxy votes are not allowed.
- D. All members of the Commission, including the city alternate, the county alternate, special district alternate and the public member alternate, shall attend all meetings of the Commission. The alternate members qualify to vote only in the place of the class of the Commission member to who s/he serves as alternate.

1.29 CONDUCT OF MEETINGS

- A. Each meeting shall begin with the Chair's call to order, followed by the pledge of allegiance, and then the roll call. Thereafter, the order of business shall follow as outlined in the agenda prepared by the Executive Officer.
- B. The usual order of business is as follows, though may vary according to the Executive Officer or Commission's discretion:
 - 1. Call to Order
 - 2. Pledge of Allegiance
 - 3. Roll Call
 - 4. Approval of Minutes

5. Public Comment

- a. Per Government Code Section 54954.3, any member of the public wishing to address the commission on a topic NOT listed on the agenda, but within the jurisdiction of the Commission, may do so during this section of the agenda.
- b. Those wishing to address the Commission during the public comment session may submit a speaker card to the Commission Clerk in advance of the Chair calling for public comments. Each speaker shall be allotted three minutes to address the Commission, subject to the discretion of the Chair.
- c. Except as permitted under the "Open Meeting Law" the Commission cannot discuss or act on an item that is not listed on the agenda.

6. Consent Calendar

- a. Consent items are voted on in a group with one motion.
- b. If any member of the Commission desires that a separate vote be taken on any individual matter listed with the consent items, then that matter may be removed from the consent agenda and voted on separately.
- c. Discussion and public comment on any matter listed within the consent items may occur without removing that matter from the consent agenda for a separate vote.
- d. A Commissioner may record an abstention on one or more matters listed on the consent agenda by so stating at the time the vote is taken.

7. Public Hearing

The Commission shall conduct matters noticed for public hearing as follows:

- a. The Executive Officer or staff designee shall present the staff report. The report should describe the nature of the application, discuss all factors required in Section 56668 of the Government Code, and present the Executive Officer's recommendations.
- b. Commissioners may address staff and ask questions concerning matters in the staff report.
- c. The Chair shall open the public hearing.

- i. Speaker cards are available for those wishing to address the Commission during the public hearing. Speakers may submit a speaker card to the Commission Clerk in advance of the Chair opening the public hearing.
- ii. Speakers are requested to identify themselves when presenting before the Commission. However, Government Code Section 54953.3 provides that no member of the public shall be required to register his/her name or provide other information.
- iii. The applicant/main proponent of an item and representatives of the affected agencies shall be allowed three minutes to address the Commission. Each additional speaker shall be allotted three minutes. Time limits are subject to the discretion of the Chair. Speakers will be called to address the Commission in the following order:
 1. The applicant or applicant's representative and representative(s) from the agency(ies) involved in, or affected by, the change of organization will be asked to speak first to add any pertinent data or testimony to the staff report.
 2. The public will then be invited to give testimony. When a group wishes to present before the Commission, the Chair may request that a spokesperson be chosen by the group to address the Commission.
- iv. Commissioners may question any participant in the proceedings.
- v. The Chair shall close the public hearing following the receipt of testimony and rebuttals.
- vi. Following closure of the public hearing, the members will discuss the matter under consideration among them and/or act on the matter. Discussion may or may not be preceded by a motion made by any voting member of the Commission and a second made by another.
- vii. Further testimony from the applicant or the public may not be accepted without reopening the public hearing, except that commissioner may direct questions to specific members of the public who have already offered testimony in order to clarify any point made during the public hearing.

8. Commission Discussion

9. Commission Comments

10. Executive Officer's Report

11. Informational Items

12. Closed Session

13. Adjournment

C. The Chair may allocate time for argument by interested parties and testimony by witnesses as may be necessary for the expedition of the Commission's business.

D. Motions & Voting

1. Any voting commissioner may introduce or second any motion. The Chair may make or second any motions without relinquishing the Chair.
2. The question of approval or denial of a proposal, whether it is the approval of a proposed annexation, incorporation, or formation or a procedural or organizational matter, may be voted upon by voice vote or may be put to the question by the Chair with a unanimous vote stipulated and recorded if there is no objection.
3. A roll call vote shall be taken on any question upon the demand of any Commissioner. The roll shall be called by the Commission Clerk, except the members making and seconding the motion shall be called first and second respectively, and the Chair shall be called last.
4. The Chair may make or second any motions without stepping down from the Chair.

1.30 ADJOURNMENT & CONTINUANCE OF MEETINGS & PUBLIC HEARINGS

Procedures for adjourned and continued meetings shall comply with the requirements of Sections 54955 and 54955.1 of the Government Code and any other applicable statutes.

1.31 MEETING MINUTES

The Executive Officer shall cause a member of his/her staff to take and transcribe the minutes of each meeting and distribute copies thereof to all members prior to the next meeting, when such minutes may be ordered by the Chair to be approved as distributed, unless there is an amendment to the minutes.

Rules adopted to expedite the transaction of business of the Commission in an orderly fashion are deemed procedural only, and the failure to strictly observe such rules shall not affect the jurisdiction of the Commission or invalidate any action taken at a meeting that is otherwise held in conformity with law. Except as otherwise provided by law, these bylaws, or any one thereof, may be suspended by the order of the Commission and will be deemed suspended by actions not in accordance therewith taken by or with the consent of the Chair or a majority of the Commission members.

STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

I [Commission Clerk] of the Local Agency Formation Commission of Orange County, California, hereby certify the foregoing to be a full, true, and correct copy of the duly adopted bylaws of the Local Agency Formation Commission of Orange County, California, currently in effect on the date herein below set forth.

IN WITNESS WHEREOF, I have hereunto set my hand this [insert day, month, and year].

Commission Clerk

Original Adoption Date: Pre-1977
Date of Last Review: 11/8/2017
Revisions: 11/8/2017, 10/14/2015, 4/9/2014, 2/8/2012, 2/9/2011, 2/10/2010,
3/11/2009, 4/9/2008, 2/9/2005, 10/5/1988, 3/6/1985, 4/4/1984, 10/8/1980,
10/26/1977