

LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY

REGULAR MEETING AGENDA

**Wednesday, October 12, 2022
8:15 a.m.**

**County Administrative North (CAN)
First Floor Multipurpose Room 101
400 W. Civic Center Drive, 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. ROLL CALL**
- 4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION**
(Communication received after agenda distribution for agendized items.)
- 5. 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.

6. CONSENT CALENDAR

a.) August 10, 2022 – Regular Commission Meeting Minutes

The Commission will consider approval of the August 10, 2022 meeting minutes.

b.) Fiscal Year 2022-23 Quarterly Financial Report (*First Quarter*)

The Commission will receive the first quarter financial report for Fiscal Year 2022-23.

c.) Legislative Report (October 2022)

The Commission will receive a report on legislation of LAFCO-interest reviewed by the Commission during 2022 legislative session and anticipated legislation of LAFCO interest for the 2023 legislative session.

7. PUBLIC HEARINGS

a.) Municipal Service Review and Sphere of Influence Review for the Orange County Cemetery District (MSR 21-11 and SOI 21-12)

The Commission will consider the municipal service review and sphere of influence review for the Orange County Cemetery District prepared in accordance with Government Code Sections 56425 and 56430. As the lead agency, the Commission will also consider the Notices of Exemption prepared for the municipal service review and sphere of influence review in compliance with the California Environmental Quality Act (CEQA).

b.) Santa Ana River Reorganization Areas 1, 1A, 2 & 3, and Remaining Area (RO 20-06)

The Commission will consider the proposed reorganization of 9.22 acres that includes annexation of the territory to the City of Anaheim, detachment of the same territory from the City of Orange and the Municipal Water District of Orange County, and concurrent amendments to the agencies' spheres of influence. As the responsible agency, the Commission will also consider the Notice of Determination prepared in accordance with the California Environmental Quality Act (CEQA) for the proposed reorganization.

8. COMMISSION DISCUSSION AND ACTION

No discussion and action items scheduled.

9. 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.

10. EXECUTIVE OFFICER'S REPORT

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

a.) New Applications:

- i) Chevron/Aera Parcel Annexation to the City of Brea
- ii) Orange County Water District/MWDOC Municipal Service Review

b.) Update on meeting facilities and potential hybrid meetings.

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

a.) CALAFCO Annual Conference

Commissioners and staff will be attending the CALAFCO Annual Conference, October 19 through 21 in Newport Beach at the Hyatt Regency John Wayne Airport.

b.) Protest Hearing Results for the OCSD Annexation Areas (Anaheim, Yorba Linda, Villa Park) (DA 21-05)

The Commission will receive a report on the protest hearing held on October 7, 2022 for the OCSD Annexation Areas (Anaheim, Yorba Linda, Villa Park) approved by the Commission on August 10.

12. CLOSED SESSION

a.) Public Employee Performance Evaluation

Pursuant to Government Code Section 54957

Title: Executive Officer

b.) Conference with Labor Negotiators

Pursuant to Government Code Section 54957.6

Agency Designated Representatives: Chair Douglass Davert and William Kelly, Kelly Associates Management Group (KAMG)

Unrepresented employee: Executive Officer

13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The Commission will adjourn to the next Regular Commission Meeting on Wednesday, November 9, 2022 at 8:15 a.m. at the County Administrative North (CAN), First Floor Multipurpose Room 101, 400 W. Civic Center Drive, 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



January						
S	M	T	W	T	F	S
						1
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30	31					

April						
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July						
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31						

October						
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30	31					

February						
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27	28					

May						
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29	30	31				

August						
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28	29	30	31			

November						
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March						
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27	28	29	30	31		

June						
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26	27	28	29	30		

September						
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December						
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18	19	20	21	22	23	24
25	26	27	28	29	30	31

- 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.

DRAFT MINUTES

OC LAFCO REGULAR MEETING

Wednesday, August 10, 2022
8:15 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 meeting of the Local Agency Formation Commission of Orange County (OC LAFCO) to order at 8:16 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Huang led the Pledge of Allegiance.

3. BOARD APPOINTMENT – COMMISSIONER HUANG

The Oath of Office was administered by Commission Clerk Cheryl Carter-Benjamin.

4. ROLL CALL

The following Commissioners were present:

City Member

Peggy Huang

County Member

Donald Wagner (**Vice Chair**)

Special District Members

Douglass Davert (**Chair**)

James Fisler

Public Members

Derek J. McGregor

Lou Penrose (Alt.)

The following staff members and general counsel were present:

- Executive Officer Carolyn Emery
- Assistant Executive Officer Luis Tapia
- Policy Analyst Gavin Centeno
- Commission Clerk Cheryl Carter-Benjamin
- General Counsel Scott Smith

**5. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION
(Received After Agenda Distribution)**

Executive Officer Carolyn Emery noted that no supplemental communication was received.

6. PUBLIC COMMENT

Chair Davert requested public comments on any non-agenda items. Commission Clerk Cheryl Carter-Benjamin noted that there were no requests to speak from the public.

Chair Davert closed the hearing of public comments.

7. CONSENT CALENDAR

Chair Davert asked if there were any requests by Commissioners to pull any of the consent items for discussion and from the public to speak on the item. **Commissioner Fisler** requested Agenda Item 7c be pulled for discussion. The Commission Clerk noted no requests from the public to speak on the items.

Chair Davert called for a motion on the approval of the remaining consent calendar items. **Commissioner McGregor** motioned for the approval, and **Vice Chair Wagner** seconded the motion. **Commissioner Huang** noted an abstention for Commission approval of the July minutes due to her absence at the Strategic Planning Workshop.

7a. – Approval of Minutes – July 13, 2022 Strategic Planning Workshop Minutes

7b. – Nominations for 2022-2023 CALAFCO Board of Directors

7d. – Legislative Report (August 2022)

MOTION: Approve Agenda Items 7a, 7b, and 7d. (Derek J. McGregor)
SECOND: Donald Wagner
FOR: Derek J. McGregor, Donald Wagner, James Fisler, Peggy Huang,
Douglass Davert
AGAINST: None
ABSTAIN: Peggy Huang (for 7a. only)

MOTION PASSED: 5-0.

7c. – Fiscal Year 2021-2022 Year-End Comprehensive Report

Commissioner Fisler inquired about fiscal indicators, google analytics and made additional comments. **Chair Davert** directed the Executive Officer to communicate responses and provide additional information to the inquiries directly with **Commissioner Fisler**. After further discussion of the Commission, **Chair Davert** called for a motion on Agenda Item 7c.

Commissioner Fisler motioned to receive and file the year-end comprehensive report, and **Vice Chair Wagner** seconded the motion.

MOTION: Receive and file the Year-End Comprehensive Report for Fiscal Year 2021-2022. (James Fisler)
SECOND: Donald Wagner
FOR: James Fisler, Donald Wagner, Peggy Huang, Derek J. McGregor, Douglass Davert
AGAINST: None
ABSTAIN: None

MOTION PASSED: 5-0.

8. PUBLIC HEARING

8a. – OCSD Annexation Areas (Anaheim, Yorba Linda, and Villa Park) (DA 21-05)

Assistant Executive Officer Luis Tapia gave the staff presentation and noted that OCSD staff were present and also available to answer any questions.

Chair Davert called for Commission discussion and opened the public hearing. Commissioners made general comments. The Commission Clerk noted that there were no requests from the public to speak on the item. **Chair Davert** closed the public hearing and called for a motion on the staff recommended actions. **Vice Chair Wagner** motioned to approve the staff recommended actions, and **Commissioner McGregor** seconded the motion.

MOTION: Confirm that OC LAFCO has reviewed the information contained within the Notice of Exemption prepared by OCSD; Direct the Executive Officer to file the Notice of Exemption for the approved annexation with the Orange County Clerk-Recorder; Adopt OC LAFCO Resolution No. DA 21-05 approving the “OCSD Annexation Areas (Anaheim, Yorba Linda, and Villa Park)”; Authorize and direct the Executive Officer to conduct protest proceedings and set a 21-day protest period for the approved annexation. (Donald Wagner)
SECOND: Derek J. McGregor
FOR: Donald Wagner, Derek J. McGregor, James Fisler, Peggy Huang, Douglass Davert
AGAINST: None
ABSTAIN: None

MOTION PASSED: 5-0.

8b. – Municipal Service Review and Sphere of Influence Review for County Service Areas 13, 22 and 26 (MSR 21-13 and SOI 21-14)

Assistant Executive Officer Luis Tapia presented highlights of the municipal service review and staff recommendations for County Service Areas 13, 22, and 26. He also acknowledged the presence of staff from the Orange County Parks Department.

Chair Davert called for Commission discussion and public comments. Commissioners made general comments. The Commission Clerk noted that there were no requests from the public to speak on the item. **Chair Davert** closed the public hearing and called for a motion on the staff recommended actions. **Commissioner McGregor** motioned to approve the staff recommended actions, and **Commissioner Huang** seconded the motion.

MOTION: Receive and file Municipal Service Review for County Service Areas 13, 22 and 26; Approve OC LAFCO Resolution No. MSR 21-13 adopting the MSR Statements of Determinations; Approve OC LAFCO Resolution No. SOI 21-14 adopting the SOI Statements of Determinations and reaffirming the SOIs for CSAs 13, 22, and 26; Approve the Notices of Exemption for MSR 21-13 and SOI 21-14. (Derek J. McGregor)

SECOND: Peggy Huang

FOR: Derek J. McGregor, Peggy Huang, James Fisler, Donald Wagner, Douglass Davert

AGAINST: None

ABSTAIN: None

MOTION PASSED: 5-0.

9. COMMISSION DISCUSSION AND ACTION

9a. – Three-Year Strategic Plan (2022-2025)

Executive Officer Carolyn Emery presented the Commission's Three-Year Strategic Plan (2022-2025). She noted that the plan incorporates the goal-setting of the Commission that took place at the July 13 Strategic Planning Workshop. Executive Officer Emery added that the plan also includes objectives to facilitate the implementation of the goals and was distributed to the County, cities and special districts. Comments were also provided by OC LAFCO consultant and workshop facilitator William Kelly.

Chair Davert called for Commission discussion and public comments. Commissioners made general comments. The Commission Clerk noted that there were no requests from the public to speak on the item. **Chair Davert** closed the public comments and called for a motion on the approval of the three-year strategic plan. **Commissioner Huang** motioned to approve the strategic plan and **Vice Chair Wagner** seconded the motion.

MOTION: Adopt the Three-Year Strategic Plan (2022-2025). (Peggy Huang)
SECOND: Donald Wagner
FOR: Peggy Huang, Donald Wagner, James Fisler, Derek J. McGregor,
Douglass Davert
AGAINST: None
ABSTAIN: None

MOTION PASSED: 5-0.

9b. – Alternate Members – Meeting Attendance

Vice Chair Wagner commented on the Commission's current policy on requiring the attendance of alternate members at regular meetings when the regular member is present and added that the optic is not good when the alternate members are reflected as absent in the meeting minutes. Commissioners made general comments. Executive Officer Carolyn Emery stated that listing the presence of members by the appointing authority may address the **Vice Chair's** concern. **Chair Davert** inquired if a vote on the item was required. General Counsel Smith responded that the Commission could decide if this is acceptable during consideration of the draft minutes at the next meeting.

10. COMMISSIONER COMMENTS

Commissioners made general comments.

Commissioner McGregor provided the CALAFCO update and summary of the session topics that will be included as part of the 2022 CALAFCO Annual Conference in Newport Beach.

11. EXECUTIVE OFFICER'S REPORT

The Executive Officer provided the following updates:

- The 2022 CALAFCO Annual Conference in Newport Beach is scheduled for October 19 through October 21. She noted for Commissioners to contact staff if interested in attending.
- The Commission's regular meeting location may change to a new site in the County's Conference Center. More details will be provided accordingly to the Commission and public.

12. INFORMATIONAL ITEMS & ANNOUNCEMENTS

No informational items and announcements scheduled.

13. CLOSED SESSION

No closed session items scheduled.

14. ADJOURNMENT OF THE REGULAR COMMISSION MEETING

Chair Davert adjourned the Regular Commission Meeting at 9:18 a.m. to October 12, 2022.

Douglass Davert, Chair
Orange County Local Agency Formation Commission

By: _____
Cheryl Carter-Benjamin
Commission Clerk

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

October 12, 2022

TO: Local Agency Formation Commission
of Orange County**FROM:** Executive Officer**SUBJECT:** Fiscal Year 2022-2023 Quarterly Financial Report
(*First Quarter*)

The attached quarterly financial report provides an assessment of the agency's budget and investment portfolio for the period of July 1 through September 30, 2022. Upon review by the Commission, the quarterly reports are published on the transparency page of the agency's website. The next report on the agency's financial status will be presented in January 2023.

RECOMMENDED ACTION

Staff recommends the Commission:

1. Receive and file the Fiscal Year 2022-2023 Financial Quarterly Report (*First Quarter*).

Respectfully Submitted,


CAROLYN EMERY

Attachment:

1. Fiscal Year 2022-2023 Financial Quarterly Report (First Quarter)



Quarterly Financial Report

Fiscal Year 2022-23 (First Quarter)

Prepared: October 12, 2022

HIGHLIGHTS:

FY 2022-23 Budget Overview – Pages 2-4

Balance Sheet & Reserves Analysis – Pages 5-6

FY 2022-23 BUDGET OVERVIEW

This report provides a summary of the agency's budget and investment portfolio performance for the period of July 1, 2022 through September 30, 2022.¹ The Fiscal Year 2022-23 budget of approximately \$1.5 million supports the operations of the Commission and the resources needed to accomplish the work plan. For the first quarter, as in past fiscal cycles, there was minimal activity with the start of a new fiscal year. However, the report does reflect that budget activities are within target levels.

Revenues

The majority of OC LAFCO's revenues are from the \$1,227,730 collected in apportionments from the funding agencies. This revenue source was at 98% at the end of the first quarter, with apportionments received from 31 cities, 27 special districts and one third of the total apportionment paid by the County. LAFCO also earns interest from its investment portfolio. At the end of the first quarter, the agency earned a modest \$820 in interest, which is 13% of the interest revenues anticipated for the fiscal year. Minimal activity in this area is expected during the beginning of a new fiscal cycle.

Another source of OC 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 the processing of the respective applications. There were no filing fees received during the first quarter. However, filing fees for five applications were rolled over from prior fiscal years and are shown in the financial overview as revenue within the Special Fund column. The Special Fund column in the chart on page 4 also includes an accounting of application expenses incurred during the first quarter of the 2022-23 fiscal year.

Expenditures

The General Fund expenditures as of September 30, 2022 are below the first quarter target level totaling \$284,371 or 18% of the total budget. The following table provides a comparison of the percentage of actual funds used and the target levels for the current fiscal year.²

Total Funds Used				
	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Target	25%	50%	75%	100%
Actual	18%	-	-	-

Expenditures during the first quarter are within target levels with most expenses attributed to operational costs, such as salaries, benefits, and other professional services. Line items that include expenses of the office lease, office equipment and supplies, and travel and transportation are slightly above target levels of the first quarter due to expenditures of these areas being due at the beginning of the fiscal year. Hence, anticipated expenses within these line items are expected to balance within budgeted levels throughout the remainder of the fiscal year.

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

² Actual expenditures for the quarterly reporting are unaudited and subject to change.

Balances and Investment Report

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

As of 09/30/22	Balance
770-Payroll Account	\$475,166
Wells Fargo Checking	\$219,269
Wells Fargo Savings	<u>\$213,234</u>
Total	<u>\$907,669</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, the agency earns investment revenue through the Section 115 Public Agencies Post-Employment Benefits Trust (Trust). The current balance of the Trust account at the end of the first quarter is \$54,852. This represents an overall loss of approximately \$7,148 from the agency's initial deposit of \$62,000 in 2021. Upon the completion of the Commission's audit that is currently being conducted by an independent auditor, staff will assess the opportunity to transfer to the Trust account in line with the Commission's investment policy and procedures.

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

As of 09/30/22	Balance
LAIF	\$922,574
OC Fund	\$500,791
PARS Trust	<u>\$54,852</u>
Total	<u>\$1,478,217</u>

APPENDIX A
OC LAFCO - Quarterly Budget Overview³
July 1, 2022 – September 30, 2022

	1st Qtr. General Fund	YTD General Fund	YTD Special Revenue Funds	TOTAL FY 22/23 Budget	General Fund %
Revenue:					
Addition/(Use) of Unreserved Equity	\$ -	\$ -	\$ -	\$ 322,090	0.0%
LAFCO Apportionment	1,207,950	1,207,950	-	1,227,730	98.4%
Filing Fees	-	-	28,939	-	0.0%
Misc Revenue	481	481	-	-	0.0%
Interest & Dividends	820	820	-	6,300	13.0%
Total Revenue	\$ 1,209,251	\$ 1,209,251	\$ 28,939	\$ 1,556,120	77.7%
Expenditures:					
Salaries	\$ 106,043	\$ 106,043	\$ 2,152	\$ 574,500	18.5%
Hourly Employees	-	-	-	20,800	0.0%
Benefits & Insurance					
Optional Benefit Plan	-	-	-	18,500	0.0%
Deferred Compensation	3,122	3,122	-	17,500	17.8%
Retirement Benefits	44,899	44,899	-	250,300	17.9%
Health Insurance	12,780	12,780	-	65,600	19.5%
Retiree Health Benefits	3,553	3,553	-	19,300	18.4%
Dental Insurance	502	502	-	2,700	18.6%
Life Insurance	72	72	-	460	15.6%
Workers Compensation	-	-	-	3,520	0.0%
Medicare	1,539	1,539	-	8,900	17.3%
Unemployment Insurance	17	17	-	-	0.0%
Salary Continuance	263	263	-	1,510	17.4%
Accidental Death Insurance	18	18	-	170	10.4%
Executive Car Allowance	1,800	1,800	-	7,200	25.0%
Total - Benefits & Insurance	68,563	68,563	-	395,660	17.3%
Information Technology	857	857	-	12,800	6.7%
Telephone & Internet	2,017	2,017	-	14,500	13.9%
County of Orange	70	70	-	8,200	0.9%
General Liability Insurance	1,913	1,913	-	7,600	25.2%
Memberships	8,919	8,919	-	36,400	24.5%
Office Equipment/Supplies	9,255	9,255	-	22,500	41.1%
Professional Services:					
Legal	3,227	3,227	-	60,000	5.4%
Accounting/Audit	3,500	3,500	-	49,700	7.0%
Human Resources	-	-	-	10,000	0.0%
Mapping/Archiving	850	850	-	9,300	9.1%
Other Professional Services	34,071	34,071	-	150,000	22.7%
Total - Professional Services	41,649	41,649	-	279,000	14.9%
Investment Admin Fees	157	157	-	660	23.8%
SBE	-	-	1,800	-	0.0%
Public Noticing	1,019	1,019	1,893	11,650	8.7%
Unincorporated Areas Program	-	-	-	8,000	0.0%
Rents/Maintenance	34,973	34,973	-	104,100	33.6%
Equipment Leases	1,367	1,367	-	8,700	15.7%
Comm. & Staff Expense	124	124	-	7,000	1.8%
Comm. Stipends & Taxes/Fees	2,041	2,041	-	15,950	12.8%
Professional Development	-	-	-	5,000	0.0%
Transportation/Travel	4,457	4,457	-	13,600	32.8%
Commission Meeting Expense	948	948	-	9,500	10.0%
Refund of Deposit	-	-	-	-	0.0%
Total Expenditures	284,371	284,371	5,845	1,556,120	18.3%
Total Net Income (Loss)	\$ 924,880	\$ 924,880	\$ 23,095	\$ -	

³ 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 on this page summarizes the agency's assets and liabilities as of September 30, 2022. Please note that the figures provided in this balance sheet are unaudited and subject to change. Additionally, an analysis of the agency's reserve balances is provided on page 6.

APPENDIX B OC LAFCO BALANCE SHEET As of September 30, 2022

	Sep 30, 22
ASSETS	
Current Assets	
Cash and Investments	
County Acct-Payroll	\$ 475,166
Wells Fargo Checking	219,269
Wells Fargo Savings	213,234
OC Fund	500,791
Investment Acct - LAIF	922,574
PARS Trust	54,852
Fair Market Value Adjustments	(11,317)
Total Cash and Investments	2,374,569
Other Current Asset	
Interest Receivable - Other	585
Prepaid Expenses - Other	18,019
Retirement Prepaid Expense	171,089
Total Other Current Asset	189,693
Total Current Assets	2,564,262
Fixed Assets	22,028
Other Assets	
Right to Use Assets	753,122
Def. Outflows Pension Related	396,140
Deferred OPEB Contributions	8,474
Deferred Outflows OPEB Related	7,222
Total Other Assets	1,164,958
TOTAL ASSETS	3,751,247
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Salaries Payable	27,369
Compensated Absences	46,394
Total Current Liabilities	73,763
Long Term Liabilities	
Lease Liabilities	827,832
Deferred Inflows OPEB Related	16,237
Net OPEB Liability	109,593
Net Pension Liability	912,794
Def. Inflows Pension Related	746,724
Total Long Term Liabilities	2,613,180
Total Liabilities	2,686,943
Equity	1,064,304
TOTAL LIABILITIES & EQUITY	\$ 3,751,247

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

APPENDIX C
OC LAFCO RESERVE BALANCE
As of September 30, 2022

Cash & Investments Description	Sept 30, 2022 Balance	Commission Approved Balances	Balance Excess / (Deficiency)
County Payroll	\$ 475,166	\$ 247,740 ¹	\$ 227,426
Checking - Wells Fargo	219,269	141,290 ¹	77,979
Savings - Wells Fargo	213,234	205,000 ¹	8,234
OC Fund Investment	500,791	-	500,791
LAIF Investment	922,574	-	922,574
PARS Trust	54,852	-	54,852
Total	\$ 2,385,886	\$ 594,030	\$ 1,791,856 ²

Footnotes:

1 - Per the Cash and Cash Management Policy, the Commission must maintain \$594,030 during fiscal year 2022/23 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.

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

October 12, 2022

TO: Local Agency Formation Commission
of Orange County**FROM:** Executive Officer
Assistant Executive Officer**SUBJECT:** Legislative Report (October 2022)**BACKGROUND**

The 2022 legislative session ended with legislation moving through the House and Senate to meet the September 30th deadline for Governor Newsom to sign or veto bills. The table on the following page provides the final status of each bill reviewed by the Commission during the 2022 legislative session. As AB 2449 may have some direct impacts to the Commission, legal counsel has been requested to provide additional details of the enacted legislation during the November 9 meeting.

As the 2022 legislative session comes to a close on November 30, the Legislature will be gearing up for the 2023 session in the coming months. Additionally, the California Association of Local Agency Formation Commissions (CALAFCO) will lead two legislative efforts during the next session that include co-sponsorship of the annual Omnibus Bill and proposed amendments to Government Code Section 56133 to clarify LAFCO's authority involving the extension of services by an agency. Staff will engage in these efforts accordingly as members of CALAFCO's legislative and advisory committees.

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	Signed by the Governor on September 23, 2022.
AB 2449	Proposes to allow members of a legislative body to request to attend the body's public meeting by teleconference and not require its members to identify the address of any private location from which the member elects to participate. Members' requests shall be for reasons pertaining to emergency circumstances, illness, or travel, and requests must be approved by a majority vote by the legislative body, and a quorum of the legislative members must be in person from a singular location during the regular meetings.	Watch	Signed by the Governor on September 13, 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	Signed by the Governor on September 30, 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 dissolution 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	Vetoed by the Governor on September 30, 2022.
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 anticipated for January 2023 will include a summary of anticipated legislation for the 2023 legislative session and an update on CALAFCO's appointments to its Legislative and Advisory Committees.

RECOMMENDED ACTION

Staff recommends that the Commission:

1. Receive and file the October 12, 2022 Legislative Report.

Respectfully submitted,


CAROLYN EMERY
LUIS TAPIA

REGULAR MEMBERS

CHAIR
Douglass Davert
Special District Member

VICE CHAIR
Donald P. Wagner
County Member

IMMEDIATE PAST CHAIR
Derek J. McGregor
Public Member

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Vacant
City Member

STAFF

Carolyn Emery
Executive Officer

Scott Smith
General Counsel

October 12, 2022

7a | Public
Hearing

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer
Policy Analyst

SUBJECT: Municipal Service Review and Sphere of Influence Review
for Orange County Cemetery District (MSR 21-11 and SOI
21-12)

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.

A schedule was previously established by the Commission for completing the fourth MSR cycle, and an MSR for the Orange County Cemetery District (OCCD) 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 OCCD are discussed in the next section of this report.

MSR Summary

OCCD includes approximately 800 square miles, and the District's boundary is coterminous with the County of Orange's boundary, serving 3.2 million residents. OCCD was formed in 1926 to provide affordable and low-cost interment services through the maintenance and operating of three cemeteries located in the Cities of Anaheim, Lake Forest and Santa Ana. The key services provided by OCCD include traditional casket ground burials, niches, rose gardens, and designated urn gardens.

Prior MSRs for OCCD were conducted by the Commission in 2005, 2008, and 2013. In each MSR, it was noted and reconfirmed that the District was experiencing space availability for interment services at each of the three cemeteries served by OCCD. The Anaheim Cemetery provides limited interment services and the cemeteries located in the Cities of Lake Forest and Santa Ana would reach its maximum space availability in the next 15-20 years. The 2022 MSR report notes the District's efforts in addressing the decreasing capacity with the current planning of an additional public cemetery to its service area to be located in the City of Anaheim. The new cemetery is expected to open in 2025 and will provide 11,485 casket spaces, 1,200 cremation spaces, 1,050 niches, and rose gardens for the direct placement of cremains. The addition of the fourth cemetery will facilitate the delivery of interment services over the next 50 years and beyond.

SOI Summary

The Commission first established an SOI for OCCD in 1984, and the respective sphere was last reviewed and reconfirmed in 2013. The District's SOI is coterminous with the County of Orange's boundary, and as there were no issues noted within the SOI determinations, staff is recommending that OCCD's SOI be reaffirmed.

AGENCY/PUBLIC COMMENTS

A 30-day review and comment period (July 27 through August 27, 2022) was conducted for the Public Draft MSR for OCCD. 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. No written comments had been received at the publishing of the regular meeting agenda on October 5, 2022.

ENVIRONMENTAL REVIEW

OC LAFCO is the lead agency under the California Environmental Quality Act (CEQA) for the MSR and SOI reviews for OCCD. Staff reviewed the CEQA Guidelines and recommend the Commission find the MSR and SOI reviews exempt from CEQA under CEQA Guidelines § 15262 (Feasibility and Planning Studies).

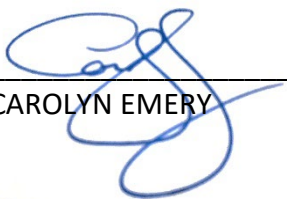
RECOMMENDED ACTIONS

Staff recommends the Commission:

1. Receive and file Municipal Service Review for the Orange County Cemetery District (**Attachment 1**).

2. Approve OC LAFCO Resolution No. MSR 21-11 adopting the Municipal Service Review Statement of Determinations for the Orange County Cemetery District (**Attachment 2**).
3. Approve OC LAFCO Resolution No. SOI 21-12 adopting the Sphere of Influence Statement of Determinations and reaffirming the Sphere of Influence for the Orange County Cemetery District (**Attachment 3**).
4. Approve the Notices of Exemption for MSR 21-11 and SOI 21-12 (**Attachment 2, Exhibit 1 and Attachment 3, Exhibit 2**).

Respectfully Submitted,


CAROLYN EMERY
GAVIN CENTENO

Attachments:

- 1: Public Draft Municipal Service Review for the Orange County Cemetery District
- 2: OC LAFCO Resolution No. MSR 21-11 – Orange County Cemetery District
- 3: OC LAFCO Resolution No. SOI 21-12 – Orange County Cemetery District

2022

PUBLIC DRAFT MUNICIPAL SERVICE REVIEW

OC CEMETERY DISTRICT



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ACRONYMS AND ABBREVIATIONS

BOS	Board of Supervisors
CKH Act	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
G.C.	Government Code
LAFCO	Local Agency Formation Commission
OC	Orange County
OCCD	Orange County Cemetery District
OC LAFCO	Orange County Local Agency Formation Commission
MSR	Municipal Service Review
SOI	Sphere of Influence
SDLF	Special District Leadership Foundation

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 focused and regional MSRs.

Purpose of Municipal Service Review

This Municipal Service Review (MSR) provides a comprehensive review of the Orange County Cemetery District (OCCD) and its sphere of influence. The OCCD was formed under the Public Cemetery District Law of 1921. The District's service area is county-wide, which includes all 34 cities within Orange County. OCCD is an independent special district whose five Board of Trustees are appointed by the Board of Supervisors of Orange County. This 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.

The Public Draft of the MSR was made available to the Commission and placed on the OC LAFCO website for review and comment by affected agencies and the public on July 27, 2022. No written comments were submitted during the comment period.

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** – *Provides background and history of cemetery districts. Reviews the seven determinations required for MSRs and the five determinations required for SOIs.*
- Chapter Three:** **"What We Learned"** – *Includes notable areas discovered during the conducting of the MSR. Additionally, this section highlights areas that were noted in previous MSRs for OCCD 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 refined and 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 the Commissions' decision making. A description of these powers is 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 authority includes 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 AUTHORITY

LAFCOs' planning authority is carried out, in part, 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 encourage the 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. SOIs are established to identify the long-term, 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 GC 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 identify 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. MSRs are generally intended to address the efficiency and effectiveness of municipal service delivery given projected population growth, evaluate service infrastructure and agency finances, address government structure alternatives if feasible, and assist LAFCOs in the review and initiation of changes of organization.

In accordance with GC 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 34 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 generally held on the second Wednesday of the month at 8:15 a.m. Currently, the meetings are conducted at County Administration North (CAN) First Floor Multipurpose Room 101 400 W. Civic Center Drive, Santa Ana, CA 92701. The Orange LAFCO administrative offices are centrally located at 2677 North Main Street, Suite 1050, Santa Ana, 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

Currently, there are 16 cemeteries, 13 owned and operated by private entities and three public cemeteries owned and operated by the Orange County Cemetery District (OCCD). OCCD was formed in 1926 for the preservation and maintenance of abandoned cemeteries. Formed under the Public Cemetery District Law of 1921 to provide affordable and low-cost interment services to Orange County's 3.2 million residents, the District's service area includes 34 cities and unincorporated Orange County. Key services provided by OCCD include traditional casket ground burials, niches, rose gardens, and designated urn gardens. Upon the consolidation of the three independent cemetery districts in 1985, OCCD became the sole provider for various types of interment services. OCCD is an independent special district whose five Board of Trustees are appointed by the Board of Supervisors of Orange County.

Under the State's Health and Safety Code, public cemetery districts were first formed under the Public Cemetery District Law enacted in 1909. Government Code Section 9000 (Public Cemetery District Law) establishes the governing board, outlines election requirements and identifies the range and limits of a public cemetery district's functions. The purpose of a public cemetery district is to provide a respectful and cost-effective interment of human remains to meet the

cultural, economic, religious, and social needs of California's diverse communities. In 1926, the California Legislature approved legislation allowing counties to form cemetery districts in the State for the preservation and maintenance of abandoned cemeteries. During the 1920's many of the cemeteries throughout the state of California were neglected and in disrepair. The legislation resulted from growing public concern for the cemeteries' state. For Orange County, the legislation resulted in the formation of three independent public cemetery districts:

1. Cemetery District No. 1 (Santa Ana Cemetery and El Toro Memorial Park)
2. Cemetery District No.2 (Anaheim Cemetery)
3. Magnolia Memorial Park Cemetery District

After OC LAFCO conducted a sphere of influence review process for the three public cemetery districts in 1984, concerns were voiced by many cities regarding the sharing of the tax burden to assist in the funding of the districts since, in some cases, the boundary of the districts only included a small portion of a city's jurisdictional boundary. This led to growing concern and lack of support involving how cemeteries were funded by the public in Orange County.



DISTRICT MISSION STATEMENT:

"To manage and maintain Orange County's public cemeteries in a manner that preserves their beauty, dignity, historical, and cultural values, and offers affordable interment service for county residents."

In response to the concerns raised by the public and identified inefficiencies within the operations of the Districts, on June 6, 1984, OC LAFCO approved the consolidation of Cemetery Districts No.1 and No.2 and established a successor agency, now known as the Orange County Cemetery District (OCCD). In addition to addressing public concerns and past issues of the former districts, the consolidation was approved to improve the efficient delivery of cemetery services through the formation of a single special district governed by the Board of Trustees. By the mid-1990s, Magnolia Memorial Park had reached its capacity and was sold to a private organization. This left OCCD with three public cemeteries located in the cities of Anaheim, Lake Forest, and Santa Ana.

Today, OCCD continues to operate the same cemeteries, serving more than 3.2 million Orange County residents. In 2005, a comprehensive MSR was prepared for the District and noted that there are capacity issues at each of the locations served by OCCD. Specifically, the report noted that the Anaheim Cemetery had reached capacity, and the cemeteries located in Lake Forest and Santa Ana would also reach capacity in the next 15 to 20 years. This MSR includes a discussion of how the District is addressing the dwindling capacity and the current planning to add a fourth public cemetery to its service area to be located in the City of Anaheim. The next sections provide additional background on each cemetery location and the District's profile.

Anaheim Cemetery

The Anaheim Cemetery is generally located in the northeast portion of the City of Anaheim. Founded in 1866, the 15-acre park-like cemetery is the final resting place for over 600 war veterans, several thousand early settlers of Orange County and members of families living in and around the immediate area. This historical landmark is home to the oldest community mausoleum on the west coast (built in 1914). Of the three cemeteries within OCCD's jurisdictional boundary, Anaheim Cemetery is the oldest and smallest and now only provides cremation and infant interment options to the County's families.



El Toro Memorial Park

The El Toro Memorial Park is generally located centrally in the City of Lake Forest. The 25-acre property contains majestic landscaping dating back to 1896. The cemetery also serves as the home to the OCCD Administrative Headquarters.



Santa Ana Cemetery

The Santa Ana Cemetery is generally located in the northeast portion of the City of Santa Ana. Founded in 1870, the 29-acre property includes burial monuments and scenic greenery that are the resting places of early settlers and other interments. The monuments, lawns and majestic trees provide a beautiful setting that combines the old with the new at this historic site.



Table 2: Orange County Cemetery District Profile

Table 2: Orange County Cemetery District Profile	
Agency Type	Independent Special District
Date Formed	1926
Principal Act	Public Cemetery District Law (Govt. Code §9000 et. seq)
Governance	Board of Trustees
Services Funded	Interment Services
Area Served	Countywide agency, encompassing approximately 800 square miles that are coterminous with the geographic boundary of the County of Orange.
Land Use	Residential, Commercial, Industrial, Institutional, and Open Space.
Last MSR Conducted	February 13, 2013

Growth and Population Projections

The efficient delivery of municipal services is dependent upon the deliberative planning for the existing population and expected growth within the affected area. Understanding the impacts of the existing and future levels of demands for services assist service providers with the planning, maintaining, and expanding of adequate service infrastructure.

Table 3: OCCD Population and Death Rates		
Year	Population	Total Deaths
2017	3,180,125	20,190
2018	3,186,254	20,475
2019	3,185,378	20,440
2020	3,180,491	25,549
2021	3,153,764	24,922
Source: Orange County Progress Report 2022		

The OCCD service area includes approximately 3.2 million Orange County residents and is expected to increase by an additional 200,000 residents over the next 10 years. While population growth may be a factor in the impacts to the services OCCD provides, it is the projected death rates that are directly related to the future demand for services that are provided by the District. In 2021, there were a total of 24,922 recorded deaths in Orange County. Prior to the COVID-19 pandemic, OCCD would typically provide approximately 50 interment services within a single month. Today, the requests for these services have nearly doubled, and in fiscal year 2020-21, the District set record highs as it pertains to interment services, with an average of 100 interment services per month. The increase in the demand for services provided by OCCD has accelerated the already diminishing capacity at all cemetery locations noted in the District's 2005 MSR. The current capacity and adequacy of OCCD's facilities and services and future opportunities are discussed in the next section of this MSR.

Capacity and Adequacy of Public Facilities and Services

The capacity to serve the public and adequacy of services is a critical component to providing public services efficiently. For OCCD, this involves maintaining and acquiring adequate facilities in order to provide final resting places for Orange County residents and their loved ones. However, the principal act (Government Code Section 9000 - Public Cemetery District Law 1921) under which public cemeteries are established limits the services provided to minimize the competition between public and private cemeteries. For example, State law prohibits public cemeteries from operating mortuaries and crematoriums, constructing mausoleums, or selling caskets, markers, or benches. Rather, a publicly operated cemetery district, such as OCCD, may only provide interment services. The limiting of these services allows the District to operate cemetery facilities and provide products and services in the most cost effective and efficient manner to Orange County residents.

CAPACITY

The capacity of cemetery space is a critical component in how services are adequately provided by OCCD. In the agency's last comprehensive MSR, prepared in 2005, it was noted that the available burial space would only provide for another 20 years and that the District would be facing challenges of availability beyond 2025. Based on current trending data, available casket interment spaces in all OCCD cemeteries would completely run out in fiscal year 2027-2028. The District's average utilization of interment spaces ranges between 850-950 spaces per year. OCCD offers a wide array of services to the public, which includes casket spaces (traditional inground burials), niches, rose gardens, and designated urn gardens and cremation spaces. The following table represents the current interment capacity for each cemetery location.

Table 4: Interment Capacity (as of February 2022)				
Cemetery	Casket Spaces	Urn Garden & Cremation Spaces	Niches	Infant Spaces
Anaheim	0	255	163	10
El Toro	2,377	745	473	575
Santa Ana	0	90	322	234
Remaining Inventory	2,377	1,090	958	819
Source: Orange County Cemetery District 2022				

Over the past two years, the average of interment spaces and services being utilized has increased significantly. In large part, the District attributes this to the COVID-19 pandemic. Nonetheless, the availability of interment options in each of the three cemeteries has been dramatically reduced. As noted in the 2005 OCCD MSR, casket spaces within the Anaheim and Santa Ana Cemeteries were completely depleted in 2010 and 2020, respectively. However, both cemetery locations have the capacity to accept loved ones for niches, infant, urn, and cremation spaces.

The table indicates that El Toro Memorial Park is the only cemetery that has available casket spaces for residents. The Memorial Park also has the capacity to utilize its other interment spaces, such as the niches, infant, urn, and cremation spaces. At its current utilization trend, the Park is projected to be completely depleted of casket spaces by 2027-2028.

When necessary, all cemetery locations have the capacity to add niches and urn gardens and cremation spaces once the need arises. These cremation-based options are projected to last for another 30 to 40 years. Although not referenced within the table, another type of space available for residents to utilize is the rose gardens which are located in each of the cemetery locations. Additionally, OCCD is currently planning for the development of an additional cemetery to serve the public. OCCD is working collaboratively with the County of Orange in this effort discussed in a later section of this MSR.

PRODUCTS

For customers of the District who chose inground casket burials, the District requires concrete or polypropylene vaults to protect and provide stability of the grave. These vaults are offered by OCCD, and the prices offered are generally more affordable than through an outside vendor. The customers are not restricted to purchase from OCCD and have the option to purchase from private vendors. The option for casket burials is only offered at El Toro Memorial Park. In addition to the vaults, customers have an option to purchase above-ground and in-ground flower vases for use. The District provides the service of installing the vases. Lastly, urns that are used to hold cremated ashes for loved ones can be purchased from the District if an urn brought from home does not fit for placement into the niches. A basic metal urn sized to fit the niches can be provided for the families. Each cemetery location has designated areas that have developed cremation spaces sized for the placement of two urn vaults. The flower vases and urns are provided at all cemetery locations.



Burial Vaults



Flower Vase



Urn

SERVICES

There are various types of interment services provided by OCCD. Customers are charged an interment service fee for inground casket and urn burial services each time a space is opened and used for burial. Furthermore, cemetery staff provide a dignified service, which includes a graveside service with a canopy and chairs. Another service provided by the District are niches, these structures are above-ground burial spaces to place urns that hold cremated remains. The niches are typically housed in the form of a columbarium, above-ground vault, or niche wall. Each cemetery location has designated areas for the purpose of direct placement of cremains in the soil of the garden. Once it is placed in the ground, it is not retrievable. A designated memorial plaque is placed at the rose garden to allow families to memorialize their loved ones.



Canopy



Niches



**Urn Garden &
Cremation Spaces**

FUTURE CAPACITY

As noted within this report, one of the key challenges for OCCD is land availability, and the District has for some time identified land acquisition as a key and necessary goal in order to continue to carry out its mission and key services to county residents. The increase in the demand for services has led to reduced interment capacity within all three cemeteries, and for more than two decades, the District staff has been tasked by the Board of Trustees to seek out potential development opportunities for a fourth public cemetery location.

While OCCD explored multiple locations for the development of a new cemetery, in 2014, an opportunity of approximately 2,500 acres of permanent open space land donated by the Irvine Company to the County of Orange was identified as the most feasible site. The area is located within the city limits of Anaheim, along Santa Ana Canyon and Gypsum Canyon Roads, and in 2019, was deeded by the County to OCCD for the development of Orange County's fourth public cemetery. In order to maintain ownership of the land, the deed contains the following key covenants the District must:

- Operational (business) plan for the new cemetery shall be approved by the Orange County Board of Supervisors prior to any such use of the property.
- Use of cemetery must be active within 10 years from the transfer of the property.
- At least half of the developable acreage shall be provided or reserved for the development and operation of a State Veterans Cemetery.

In part to the development process, OCCD will survey the portion of the developable land that will operate as a State Veterans Cemetery and, in accordance with the above covenants, deed the appropriate acreage to the State of California. OCCD will be solely responsible for the maintenance and operations of the County public cemetery, and the State will assume the fiscal and operations responsibilities and functions associated with the veterans cemetery. In order to maintain the timeline of the covenants, the District staff participates in ongoing collaborative discussions with the County and key stakeholders for the planning stages of the cemetery development. As part of the process, a business plan was prepared for the County of Orange Board of Supervisors. The Master Plan and New Cemetery Development Business Plan (Business Plan) indicates that as part of the new cemetery's first buildout phase, there will be approximately 11,485 casket spaces, 1,200 cremation spaces, 1,050 niches, and rose gardens for the direct placement of cremains. In addition to the spaces mentioned, the District will allocate acreage for two dedicated sections for Orange County residents who were either First Responders (Police & Fire) or for those who served in the military or government of U.S. allied forces in the Korean and Vietnam Wars.



For the District, there are two phases of the cemetery build-out (Phase 1A & Phase 1B). The commencement of Phase 1a will begin with demolition, grading, installation of utility infrastructure, bridges, and the construction of the entry access to the cemetery. Phase 1b will complete the cemetery's first phase, and this will include acres of manicured lawns for in-ground caskets, cremation space, niche garden, rose garden, parking, and circulation roads for access through the property. The rendering to the left depicts the cemetery's first phase of build-out.

According to OCCD's Business Plan, the development costs for the new cemetery are projected at \$40,142,080 with a 20 percent contingency and a three percent escalation plan to account for inflation or rising material costs. The District has accounted for all the costs involved for both phases and will fund the development of the cemetery through the funds shown on the table below.



Table 5: Orange County's Fourth Cemetery Development Costs

Cemetery Development Reserve Fund	\$16,000,000
Endowment Income Fund	\$8,000,000
Pre-need Fund	\$4,000,000
Debt Proceeds	\$14,000,000
Total Costs:	\$42,000,000
Source: OCCD's Master Plan and New Cemetery Development Business Plan	

The Cemetery Development Reserve Fund was established by the Board of Trustees through the merging of the Capital Improvement Reserve Fund and the Cemetery Acquisition and Development Reserve Fund. This new fund, along with the other funds indicated above, will be used for the development of the Orange County's fourth public cemetery. The newly formed Cemetery Development Reserve Fund, Endowment Income and Pre-need funds will be expended over the next two years for the completion of Phases 1A and 1B. The current development reserve fund balance is slightly above \$15 million. The District is scheduled to transfer \$ 1 million to the development fund to reach its goal of \$16 million by this fiscal year.

As a component of the business plan, the District has prepared a 30-year financial projection to ensure that the operations and funding of the new cemetery is fiscally sustainable in the long term. Several factors were used to develop the projections that include salaries and benefits, services and supplies, fixed assets and equipment, as well as capital improvement projects.

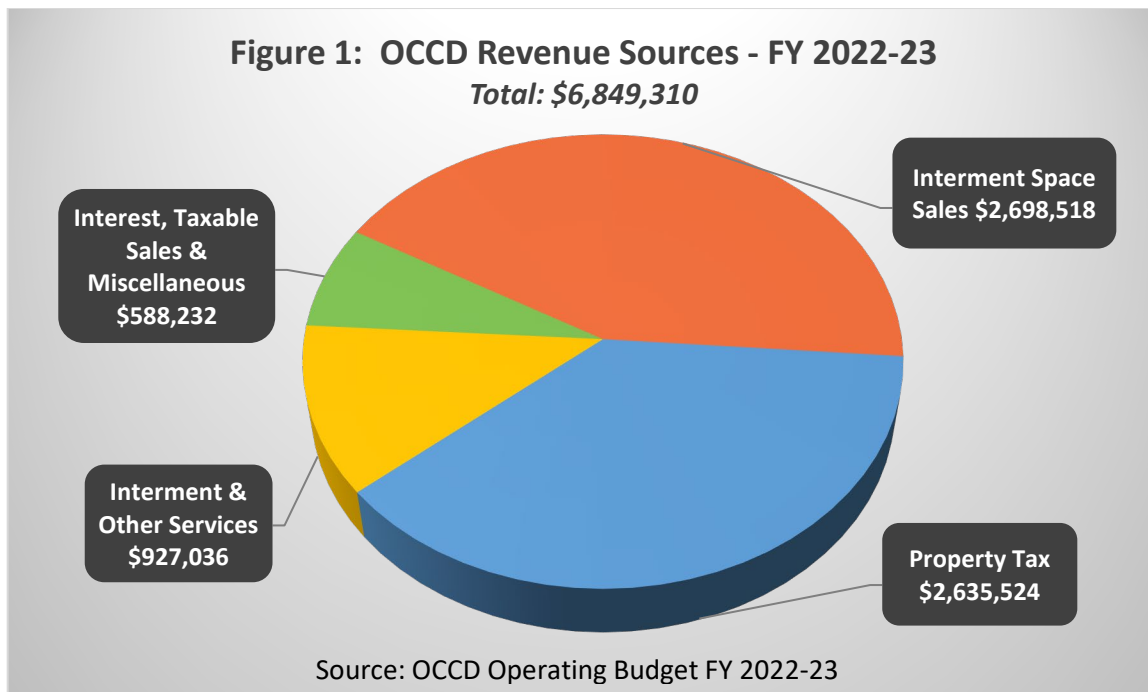
The table below provides the five-year financial projections representing the operation of all four cemetery locations.

Table 6: OCCD 5-Year Financial Projections					
	2025-26	2026-27	2027-28	2028-29	2029-30
Total Revenues	\$8,299,734	\$8,987,400	\$8,624,344	\$8,886,061	\$9,043,579
Total Expenditures	\$7,298,158	\$7,839,053	\$8,131,042	\$8,389,326	\$8,827,115
Total Balance	\$1,001,576	\$1,148,347	\$493,302	\$496,735	\$216,464
Source: OCCD's Master Plan and New Cemetery Development Business Plan					

As shown on the table, the total revenues continue to be above the estimated expenditures and depicts the feasibility of maintaining the operations of four public cemeteries by OCCD through FY 2029-30. Additional details of the District's financial ability to provide cemetery services are discussed in the next section of this MSR.

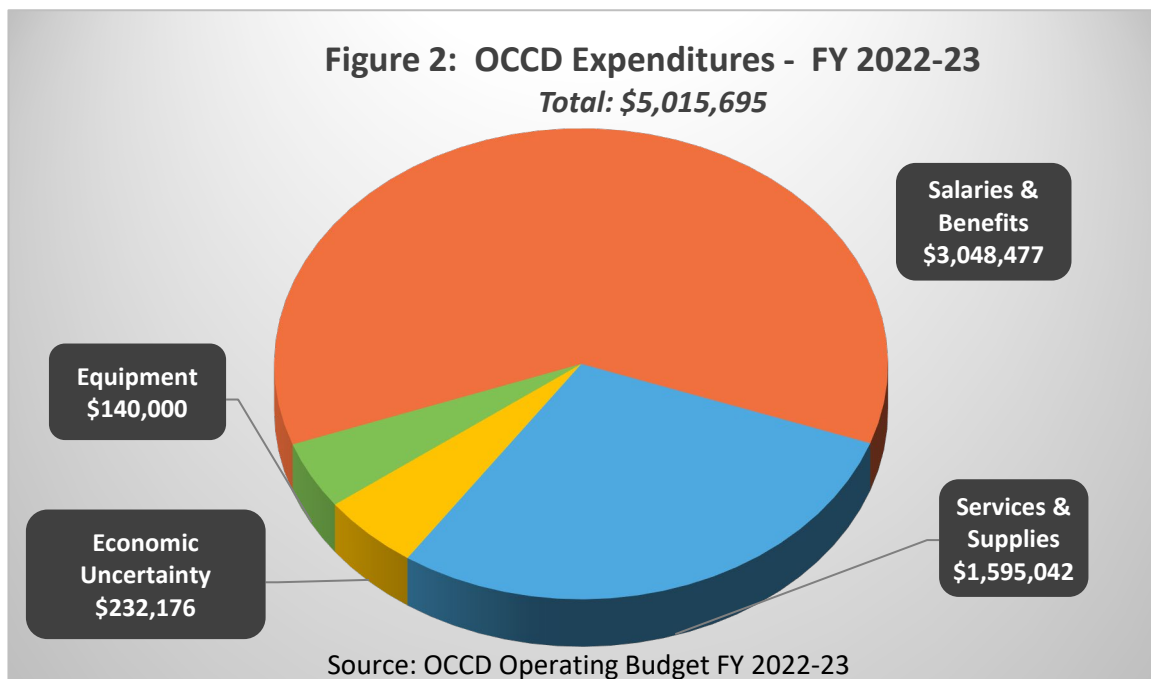
Financial Ability to Provide Cemetery Services

On June 7, 2022, OCCD adopted the agency's budget for Fiscal Year 2022-23. The approved budget totals \$6,849,310 and has been established to support the resources required by the District to efficiently provide cost-effective and quality levels of services to OCCD's customers. Figures 1 and 2 depict the District's revenue sources and the use of those sources for the 2022-23 fiscal year.



The District's key funding sources include the following:

- **Interment Space Sales** – The sales of casket spaces (traditional in ground burials), niches, rose gardens, and designated urn gardens and cremation spaces. Represents approximately 40% of the District's total budget.
- **Property Taxes** – OCCD's share of the one percent ad valorem property tax is 0.0005%. The tax share also includes revenue and former redevelopment agency revenue. Represents approximately 40% of the District's total budget.
- **Interment and Other Services** – Fees collected for burial services, such as opening and closing of burial site services. Represents approximately 12% of the District's total budget.
- **Interest, Taxable Sales, and Miscellaneous Revenue** – Interest earned from the District's investment portfolio and products sold related to interment services. Represents approximately 8% of the District's total budget.



OCCD's expenditures for fiscal year 2022-23 total \$5,015,695 and include the following key uses:

- **Salaries and Benefits** – Board and employee compensation and benefits.
- **Services and Supplies** – Maintenance of cemetery grounds and agency operational expenses (Insurance, legal expenses, and professional fees).
- **Equipment** – Vehicles (backhoes, trucks, mowers, and utility vehicles) utilized on cemetery grounds.
- **Economic Uncertainty** – Utilized to offset any unanticipated cost increases during the fiscal year.

DEBT ADMINISTRATION

According to OCCD's financial statements, the District has no outstanding debt as of June 30, 2021. Additionally, no debt obligation has been issued in the past five years. However, the District does anticipate establishing future debt in fiscal year 2022-23. OCCD anticipates obtaining a private bank loan with a 25-year repayment program to assist with the development of a new cemetery within the City of Anaheim. The loan amount is unknown at this time and is currently being assessed by the District's financial consultants.

FUND BALANCES AND RESERVES

OCCD's reserve policy has been established to assist the District's board and management with the effective development of annual budgets and maintaining of sufficient funding for operations and infrastructure. The District continually reviews its reserve policy with the most recent review completed in 2019. The reserve policy follows the best practices for industry standards and specifically sets guidelines for the appropriate level of fund balance to mitigate current and future risks that may affect the District's operational finances. The policy follows the standards of the Governmental Accounting Standards Board and best practices developed by organizations such as the Government Finance Officers Association and the California Special Districts Association.

There are three major fund balances in addition to the General Fund: Endowment Principal Fund, Endowment Income Fund, and the Pre-Need Fund. These funds are unique to public cemetery districts in the State, and the endowment funds are mandated by the California Health and Safety Code. The Health and Safety Code restricts the use of the two Endowment Funds and must meet established criteria for use of the funds. The following is a summary description of each fund balance:

- **Endowment Principal Fund** – Endowment fees are collected for each interment sale, as mandated by State law. The principal fund is restricted to the extent that only earnings, not principal, may be used for purposes that support District operations.
- **Endowment Income Fund** – The income fund may only be expended for the sole purpose of care and maintenance of the cemetery grounds, facilities, and buildings, as mandated by State law.
- **Pre-Need Fund** – The pre-need fund allows families the opportunity to plan ahead for their interment-related services. Families may pay for services, such as the opening and closing of the space, weekend service fees, vaults, liners, or vases.

Depicted in the table on below are the balances of the three funds for five fiscal year cycles. The table on the next page shows increases ranging from five percent to twelve percent for each of the funds.

Table 7: OCCD 5-year Fund Balances					
	2018-19	2019-20	2020-21	2021-22	2022-23
Endowment Principal Fund	\$8,511,359	\$8,848,118	\$9,359,736	\$10,269,931	\$11,161,576
Endowment Income Fund	\$7,602,576	\$7,874,858	\$8,445,547	\$9,085,749	\$9,220,115
Pre-Need Fund	\$2,802,753	\$3,133,409	\$4,563,228	\$5,024,283	\$5,309,688
Total	\$18,916,688	\$19,856,385	\$22,368,511	\$24,379,963	\$25,691,379
Source: OCCD Operating Budget FY 2018-23					

Increases of approximately 20 percent to both endowment funds since 2017 are indicative of the District's effort to increase these fund balances in anticipation of the District adding a fourth public cemetery to its operations. The pre-need fund is a long-term planning option for residents and can fluctuate from year to year. However, the pre-need fund has increased more due to the related circumstances of the COVID-19 pandemic. As mentioned in an earlier section of this report, these funds anticipated to be borrowed for use of the cemetery development are expected to reach targeted goals by 2023 and aligns with the opening of the new cemetery in 2025.

Funds allocated to the General Reserve Fund may be utilized to assist with the District's capital improvement projects or compensated absences. Most notably, a majority of the reserves are allocated for the development of the new cemetery. As OCCD has recognized for many years the need for an additional cemetery to accommodate an increase in the demand for services, the District has designated each year a portion of the unallocated fund balance to the reserve fund since 2012. As a result, the reserve fund has increased by 36% over the past five years and will reach its targeted funding goals for the development of the cemetery. This fund will contribute to bringing the new cemetery into operation as planned. The table below shows the increases in the reserve fund from 2018-2023.

Table 8: Five-Year OCCD General Reserve Fund Balances					
	2018-19	2019-20	2020-21	2021-22	2022-23
Total Reserves	\$11,391,051	\$12,468,216	\$13,589,992	\$15,251,862	\$18,838,618
Source: OCCD Operating Budget FYs 2018-23					

Status of and Opportunities for Shared Facilities

The sharing of resources, which may include staffing, facilities, and programs, may result in the reduction of service costs, and potentially improve efficiencies of service delivery. Sharing of resources through the excess system and other capacities may also decrease duplicative efforts and result in a more cost-effective function of services. As the sole provider of public cemetery services in Orange County, shared opportunities for OCCD are limited.

However, the District does regularly explore potential shared opportunities involving the areas of landscaping, water infrastructure, and equipment repairs with other public agencies to increase efficiency and cost-effectiveness.

ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS

OCCD is an independent special district established in 1926 under the Public Cemetery District Law of 1909. With a service area that is coterminous with the County of Orange's geographic boundary.

The District is governed by the Board of Trustees, and the internal operations and board-approved policies are supported and implemented by OCCD's 26 full-time and 1 part-time employees. The District's accountability to community service needs and its governmental structure and operational efficiencies are reviewed in the following key areas: 1) Accessibility, 2) Accountability and Transparency, and 3) Member Agency and Public Outreach.

ACCOUNTABILITY AND TRANSPARENCY

OCCD's Board is comprised of five trustees who are appointed by the County Supervisor of the respective district to staggered four-year terms. There are no term limits for the board seats, and Trustees may be reappointed by the respective County Supervisor. The District's current board members and compensation are provided in the Table below.

Table 9: OCCD Board of Trustees			
Date Formed:		March 6, 1909	
Principal Act:		Public Cemetery District Law (1909)	
Board Meetings:		1 st Tuesday, 10:00 a.m.	
Board of Trustees	District	Term Expiration	Compensation
Maribel Marroquin-Waldram	1	2024	\$100 per meeting (up to four meetings per calendar month). Benefits available: The Board of Trustees do not receive benefits.
Kelly Rivers, Chair	2	2026	
Vladimir Anderson	3	2026	
Cynthia Ward, Vice Chair	4	2026	
Noel Hatch	5	2024	

OCCD has been acknowledged for its commitment to transparency by the Special District Leadership Foundation (SDLF). SDLF is an independent, non-profit organization formed to promote good governance and best practices among California's special districts. OCCD continues to provide information on the District's website to assist the public and other interested parties in understanding the District's resources and how it operates. In October 2018, the District was awarded the Platinum District of Distinction as SDLF's highest level of recognition for a district. This was due to the District's completion of all SDLF programs, demonstrating a comprehensive approach to excellence in district management and governance.

This included the full Board of Trustees and General Manager's completion of the Special Districts' Governance Program, Transparency Certificate of Excellence, Certified Special District Manager Program, and the District of Distinction.

The following key documents are available on the District's website:

- Organizational Chart
- Board and Staff Compensation
- Audited Financial Statements (FYs 2016-20)
- Policies: Board and Personnel Manuals, Reimbursement and Compensation Policy and, Reserves and Fund Balance Policy

In addition to the SDLF certificates, the District received the Government Finance Officers Association's Distinguished Budget Presentation Award for each fiscal year beginning with its Fiscal Year 2018-19 Budget. Public agencies that have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America are given this honor. The District also received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for each fiscal year beginning with its Fiscal Year 2017-18 Annual Comprehensive Financial Report. This program recognizes individual governments that succeed in going beyond the minimum requirements of generally accepted accounting principles (GAAP) to prepare annual comprehensive financial reports.

Public Outreach

In addition to the District's standard operations, the District holds community programs and events that are free to the public and honors fallen or celebrated loved ones. Some of these programs include Memorial Day, Day of the Dead (Día De Los Muertos), Veterans Day, Angel of Hope Candlelight Vigil, and Wreaths Across America. One of the most popular programs held by the District is Día De Los Muertos. Since 2016, this annual event has been held at the Anaheim Cemetery since and usually attracts between 500-600 attendees. With attendance increasing every year, the event is held during evening hours with a program that includes a brief service for loved ones, entertainment by Folkloric dancers, a live band, and free arts and crafts for the youth.



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 OCCD.

EXHIBIT 1A: MSR STATEMENT OF DETERMINATIONS for the Orange County Cemetery District

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

OCCD currently provides interment services to more than 3.3 million Orange County residents. Over the next ten years, the population within the District's service area is expected to experience a modest increase of six percent and by 2040, OCCD's service boundary is projected to include a population of 3.5 million residents. Most of the population growth is expected to occur in the Cities of Laguna Niguel, Stanton, and the County unincorporated areas. The population projections for this MSR are based on data provided by the Center for Demographic Research (CDR) at California State University Fullerton (CSUF).

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

There are seven disadvantaged unincorporated communities (DUCs) located within the service boundary of OCCD. These DUCs are adjacent to and located within the spheres of influence of the cities of Anaheim, Stanton, and Westminster and include residential, commercial, 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.

OCCD maintains and operates three cemeteries located in the Cities of Anaheim, Lake Forest and Santa Ana. The service capacity of El Toro Memorial Park, located in the City of Lake Forest, provides all types of interments, including casket in-ground burials. However, the remaining cemeteries' service capacity is limited to interment services that only includes niches, infant, urn and cremation spaces. As all three cemeteries operated by OCCD are nearing available capacity for their respective services, the District is currently developing a fourth cemetery located in the Gypsum Canyon area within the City of Anaheim. The addition of a fourth cemetery will address the District's foreseen issues involving adequate infrastructure and provide additional capacity of public facilities to facilitate the delivery of interment services over the next fifty and beyond years.

**EXHIBIT 1A: MSR STATEMENT OF DETERMINATIONS
for the Orange County Cemetery District**

DETERMINATION 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES.

In June 2022, OCCD adopted the fiscal year 2022-2023 budget of \$6,849,310. The District's budget reflects the required resources to provide adequate public cemetery services to the residents of Orange County. Approximately 40% of the (\$2,698,518) District's total revenues are attributed to interment space sales. The other 40% is funded through a portion of the ad valorem property tax and the remaining 20% of the revenues are from other general cemetery services that OCCD provides. In order to ensure the development and operation of its newest cemetery, the District prepared a 30-year financial projection. The projection accounted for salaries and benefits, services and supplies, fixed assets and equipment, as well as capital improvement projects. In its projections, the District has demonstrated its financial ability to provide maintenance and interment services to all cemetery locations.

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

As the sole provider of public cemetery services in Orange County, shared opportunities for OCCD are limited. However, the District is committed to regularly exploring potential shared opportunities involving the areas of landscaping, water infrastructure, and equipment repairs with other public agencies to increase efficiency and cost-savings, if applicable.

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

OCCD is an independent special district that provides countywide public cemetery services. The District's service area is geographically divided into five districts that is governed by a five-member Board of Trustees. The Trustees are appointed to a four-year term by the respective County Supervisor of the trustee's District and there are no term limits. The District is accountable to the service needs of its community through board-approved policies that support the efficient and transparent operations of the agency. The Board of Trustees conducts meetings once a month and maintains an agency website that contains a wide range of information on the District's programs, services, and financial affairs. The meetings are open to the public and are conducted in accordance with the provisions of the Ralph M. Brown Act.

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

No other matters were identified during the conducting of the District's MSR .

Sphere of Influence Review

The sphere of influence (SOI) for OCCD was established by the Commission in 1977. In accordance with Government Code Section 56425, the following SOI Statement of Determinations as shown in Exhibit 2A has been prepared for OCCD in part to this MSR. Additionally, the SOI map for OCCD is shown in Exhibit 2B.

EXHIBIT 2A: SOI STATEMENT OF DETERMINATIONS for the Orange County Cemetery District

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

OCCD's SOI boundary is coterminous with the County of Orange's jurisdictional boundary and includes the 34 cities located within the County. Land use throughout the District's SOI and service area is governed by the County and respective cities and includes residential, commercial, industrial, public, park and recreation, and agricultural and open space lands. OCCD addresses the present and future needs of the population served through the adoption and implementation of a Capital Improvement Program, Master Plan, New Cemetery Development Business Plan, and other planning efforts.

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

All three public cemeteries located in the Cities of Anaheim, Lake Forest and Santa Ana currently provide interment services for customers throughout Orange County. The services provided at the cemeteries in Anaheim and Santa Ana are limited to niches, infant, urn and cremation spaces. The cemetery located in the City of Lake Forest provides all types of interments including in-ground casket burials. Due to the decrease in capacity at the current cemetery locations, OCCD, in partnership with the County, is planning the addition of a fourth cemetery by 2025. Adding an additional cemetery will increase the capacity of interment services to adequately serve Orange County residents over the following 50 to 100 years following the opening of the new cemetery.

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

The three public cemeteries operated by OCCD are at or near capacity and the development of an additional cemetery in the City of Anaheim will support the adequate and efficient delivery of interment services by OCCD to residents of Orange County.

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.

There is a community of interest countywide for ensuring that public cemetery resources are reliable and available concurrent with needs.

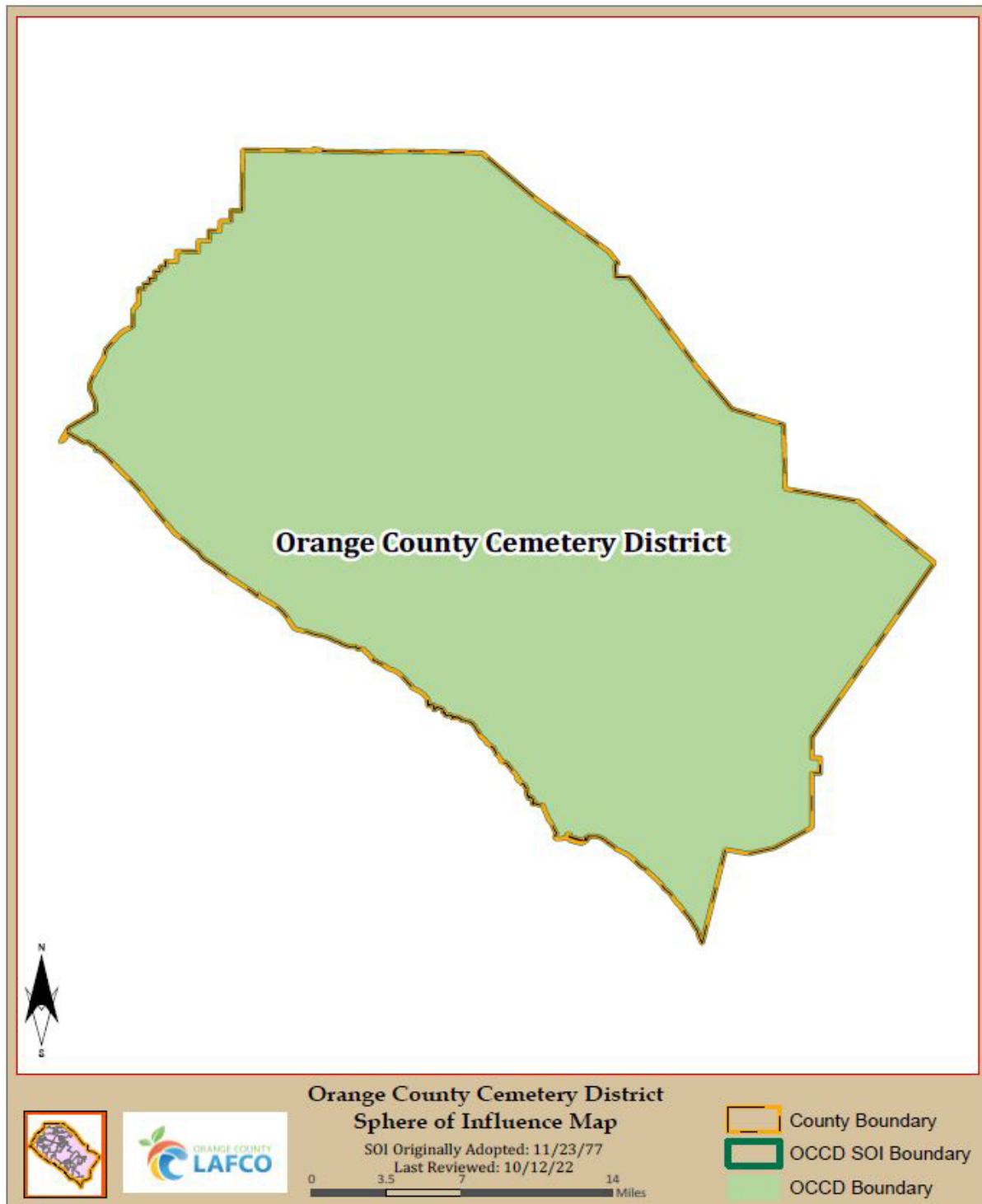
EXHIBIT 2A: SOI STATEMENT OF DETERMINATIONS
for the Orange County Cemetery District

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 are a total of seven disadvantaged unincorporated communities (DUCs) identified within the boundary of OCCD during this review. As the District does not provide public facilities or services related to sewers, municipal and industrial water, or structural fire protection services to the DUC areas, no determinations were made for this area. However, the services provided by OCCD to County residents are equally available and accessible to residents of the seven DUCs located within the District's SOI.

RECOMMENDED ACTION

Staff recommends the Commission adopt the MSR Statement of Determinations and SOI Statement of Determinations for Orange County Cemetery District and reaffirm the District's SOI.

EXHIBIT 2B

CHAPTER THREE – “WHAT WE LEARNED”

During the conducting of the MSR for Orange County Cemetery District there were notable areas discovered:

- Over the past two years, the average utilization of interment spaces has increased significantly due to the COVID-19 pandemic. Prior to the pandemic, OCCD would typically provide approximately 50 interment services within a single month. Over the past two years, the District has experienced the processing of approximately 100 interment services per month. A conclusion may be drawn here that the capacity of interment services provided by OCCD may be impacted by future pandemics or otherwise public health emergencies that require these services.
- In 2010 and 2020, two of the District's cemeteries, Anaheim and Santa Ana's casket space capacity were completely depleted. The two cemeteries do, however, have the capacity to provide services involving niches, infant, urn, and cremation spaces.
- Based on data provided by OCCD, it is expected that available casket interment spaces in all OCCD cemeteries will be completely depleted by fiscal year 2027-2028.
- In 2019, the County of Orange deeded land to OCCD for the sole purpose of the development of OC's fourth public cemetery expected to be open to the public by 2025. Since then, the District has made significant progress involving the cemetery development through the preparation of a Master Plan and New Cemetery Development Plan that indicates it's the financial ability of the District to adequately fund and operation a total of four public cemeteries.

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Special District Leadership Foundation. Retrieved June 2022 online from <https://www.sdlf.org/about/about-sdlf>.



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

OCLAFCO.ORG

MSR 21-11

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF ORANGE COUNTY, CALIFORNIA
MAKING DETERMINATIONS AND APPROVING THE
MUNICIPAL SERVICE REVIEW FOR THE
ORANGE COUNTY CEMETERY DISTRICT**

October 12, 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 three MSR cycles, and has prepared a Municipal Service Review for the Orange County Cemetery District to address the seven MSR determinations; and

WHEREAS, the 2022 MSR identified in this Resolution (MSR 21-11) contains a statement of determinations as required by California Government Code Section 56430 for the Orange County Cemetery District; and

WHEREAS, copies of the 2022 MSR and Statement 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 October 12, 2022 as the hearing date on the 2022 MSR and Statement 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 Statement of Determinations for the Orange County Cemetery District; and

WHEREAS, this Commission called for and held a public hearing on the 2022 MSR on October 12, 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 the Orange County Cemetery District 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. Compliance with the California Environmental Quality Act.

- a) The “Municipal Service Review for the Orange County Cemetery District (MSR 21-11)” together with the written Statement of Determinations are determined by the Commission 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, shown as “Exhibit 1,” with the Orange County Clerk-Recorder within five working days of adopting of this Resolution.

Section 2. OC LAFCO Findings and Determinations.

- a) This review is assigned the following distinctive short-form designation: “Municipal Service Review for the Orange County Cemetery District (MSR 21-11).”
- b) The Executive Officer’s staff report and recommendation for the approval of the MSR for the Orange County Cemetery District, dated October 12, 2022, are hereby approved.
- c) The Commission has adopted the accompanying Statement of Determinations for the Orange County Cemetery District, shown as “Exhibit 1A.”

Section 3. Mail Copy of Resolution.

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

Section 4. 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 Orange County Local Agency Formation Commission, 2677 North Main Street, Suite 1050, Santa Ana, California 92705.

AYES:

NOES:

STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

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 12th day of October 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of October 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:	“Municipal Service Review for the Orange County Cemetery District (MSR 21-11)”
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):	The Municipal Service Review includes the boundary of the Orange County Cemetery District. The District’s service boundary is coterminous with the County of Orange’s jurisdictional boundary encompassing 799.8 square miles and 3.176 million residents.
4. (a) Project Location – District	Orange County Cemetery District
(b) Project Location – County	Orange
5. Description of nature, purpose, and beneficiaries of Project:	Conduct a review of the municipal services provided by the Orange County Cemetery District and adopt the MSR Statement 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)	

ATTACHMENT 2

(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 Statement 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:		Gavin Centeno, Policy Analyst II
	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 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: October 12, 2022		

Signature: _____ Date: _____ Title: Executive Officer

Name:

☒ Signed by Lead 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 Orange County Cemetery District

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

OCCD currently provides interment services to more than 3.3 million Orange County residents. Over the next ten years, the population within the District's service area is expected to experience a modest increase of six percent, and by 2040, OCCD's service boundary is projected to include a population of 3.5 million residents. Most of the population growth is expected to occur in the Cities of Laguna Niguel, Stanton, and the County unincorporated areas. The population projections for this MSR are based on data provided by the Center for Demographic Research (CDR) at California State University Fullerton (CSUF).

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

There are seven disadvantaged unincorporated communities (DUCs) located within the service boundary of OCCD. These DUCs are adjacent to and located within the spheres of influence of the cities of Anaheim, Stanton, and Westminster and include residential, commercial, 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.

OCCD maintains and operates three cemeteries located in the Cities of Anaheim, Lake Forest and Santa Ana. The service capacity of El Toro Memorial Park, located in the City of Lake Forest, provides all types of interments, including casket in-ground burials. However, the remaining cemeteries' service capacity is limited to interment services that include niches, infant, urn and cremation spaces. As all three cemeteries operated by OCCD are nearing available capacity for their respective services, the District is currently developing a fourth cemetery located in the Gypsum Canyon area within the City of Anaheim. The addition of a fourth cemetery will address the District's foreseen issues involving adequate infrastructure and provide additional capacity of public facilities to facilitate the delivery of interment services over the next fifty and beyond years.

DETERMINATION 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES.

In June 2022, OCCD adopted the fiscal year 2022-2023 budget of \$6,849,310. The District's budget reflects the required resources to provide adequate public cemetery services to the residents of Orange County. Approximately 40% of the (\$2,698,518) District's total revenues are attributed to interment space sales. The other 40% is funded through a portion of the ad valorem property tax and the remaining 20% of the revenues are from other general cemetery services that OCCD provides. In order to ensure the development and operation of its newest cemetery, the District prepared a 30-year financial projection. The projection accounted for salaries and benefits, services and supplies, fixed assets and equipment, as well as capital improvement projects. In its projections, the District has demonstrated its financial ability to provide maintenance and interment services to all cemetery locations.

**EXHIBIT 1A: MSR STATEMENT OF DETERMINATIONS
for the Orange County Cemetery District**

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

As the sole provider of public cemetery services in Orange County, shared opportunities for OCCD are limited. However, the District is committed to regularly exploring potential shared opportunities involving the areas of landscaping, water infrastructure, and equipment repairs with other public agencies to increase efficiency and cost-savings, if applicable.

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

OCCD is an independent special district that provides countywide public cemetery services. The District's service area is geographically divided into five districts that are governed by a five-member Board of Trustees. The Trustees are appointed to a four-year term by the respective County Supervisor of the trustee's District and there are no term limits. The District is accountable to the service needs of its community through board-approved policies that support the efficient and transparent operations of the agency. The Board of Trustees conducts meetings once a month and maintains an agency website that contains a wide range of information on the District's programs, services, and financial affairs. The meetings are open to the public and are conducted in accordance with the provisions of the Ralph M. Brown Act.

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

No other matters were identified during the conducting of the District's MSR.

SOI 21-12

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF
ORANGE COUNTY, CALIFORNIA
MAKING DETERMINATIONS AND REAFFIRMING THE
SPHERES OF INFLUENCE FOR THE
ORANGE COUNTY CEMETERY DISTRICT
OCTOBER 12, 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 (MSR) 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 an SOI as required by Government Code Section 56425 for the Orange County Cemetery District; and

WHEREAS, on October 12, 2022, OC LAFCO adopted a new Statement of Determinations for the SOI review conducted for the Orange County Cemetery District as part of the fourth MSR/SOI review cycle; and

WHEREAS, the information and findings contained in the SOI review for the Orange County Cemetery District identified in this Resolution are current and do not raise any significant boundary issues; and

WHEREAS, copies of the MSR and SOI report, SOI map, and Statement of Determinations for the Orange County Cemetery District 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 October 12, 2022 as the hearing date of the SOI review 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 SOI for the Orange County Cemetery District; and

WHEREAS, this Commission called for and held a public hearing on the SOI review for the Orange County Cemetery District on October 12, 2022, and at the hearing this Commission received all written comments submitted with respect to the SOI review and 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 review and reaffirming of the SOI for the Orange County Cemetery District were 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. Compliance with the California Environmental Quality Act.

- a) The “Sphere of Influence Review for the Orange County Cemetery District (SOI 21-12)” together with the written Statement 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, shown as “Exhibit 2,” with the Orange County Clerk-Recorder within five working days of adopting of this Resolution.

- Section 3. Mail Copy of Resolution.

Section 4. Custodian of Records.

By: _____
Douglass Davert

EXHIBIT: 2

NOTICE OF EXEMPTION

TO:	FROM:
<input type="checkbox"/> Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044	Local Agency Formation Commission of Orange County (Lead 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 Orange County Cemetery District (SOI 21-12)"
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):	The Sphere of Influence includes the boundary of Orange County Cemetery District. The District's service boundary is coterminous with the County of Orange's jurisdictional boundary encompassing 799.8 square miles and 3.176 million residents.
4.	(a) Project Location – District	Orange County Cemetery District
	(b) Project Location – County	Orange
5.	Description of nature, purpose, and beneficiaries of Project:	Conduct a review of the Orange County Cemetery District's Sphere of Influence and adopt respective Statement 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)	
	<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)

ATTACHMENT 3

<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 Sphere of Influence Review and Statement 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:	Gavin Centeno, Policy Analyst II
	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 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: October 12, 2022	

Signature: _____ Date: _____ Title: Executive Officer

Name:

☒ Signed by Lead 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 2A: SOI STATEMENT OF DETERMINATIONS
for the Orange County Cemetery District**

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

OCCD's SOI boundary is coterminous with the County of Orange's jurisdictional boundary and includes the 34 cities located within the County. Land use throughout the District's SOI and service area is governed by the County and respective cities and includes residential, commercial, industrial, public, park and recreation, and agricultural and open space lands. OCCD addresses the present and future needs of the population served through the adoption and implementation of a Capital Improvement Program, Master Plan, New Cemetery Development Business Plan, and other planning efforts.

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

All three public cemeteries located in the Cities of Anaheim, Lake Forest and Santa Ana currently provide interment services for customers throughout Orange County. The services provided at the cemeteries in Anaheim and Santa Ana are limited to niches, infant, urn and cremation spaces. The cemetery located in the City of Lake Forest provides all types of interments including in-ground casket burials. Due to the decrease in capacity at the current cemetery locations, OCCD, in partnership with the County, is planning the addition of a fourth cemetery by 2025. Adding an additional cemetery will increase the capacity of interment services to adequately serve Orange County residents over the following 50 to 100 years following the opening of the new cemetery.

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

The three public cemeteries operated by OCCD are at or near capacity and the development of an additional cemetery in the City of Anaheim will support the adequate and efficient delivery of interment services by OCCD to residents of Orange County.

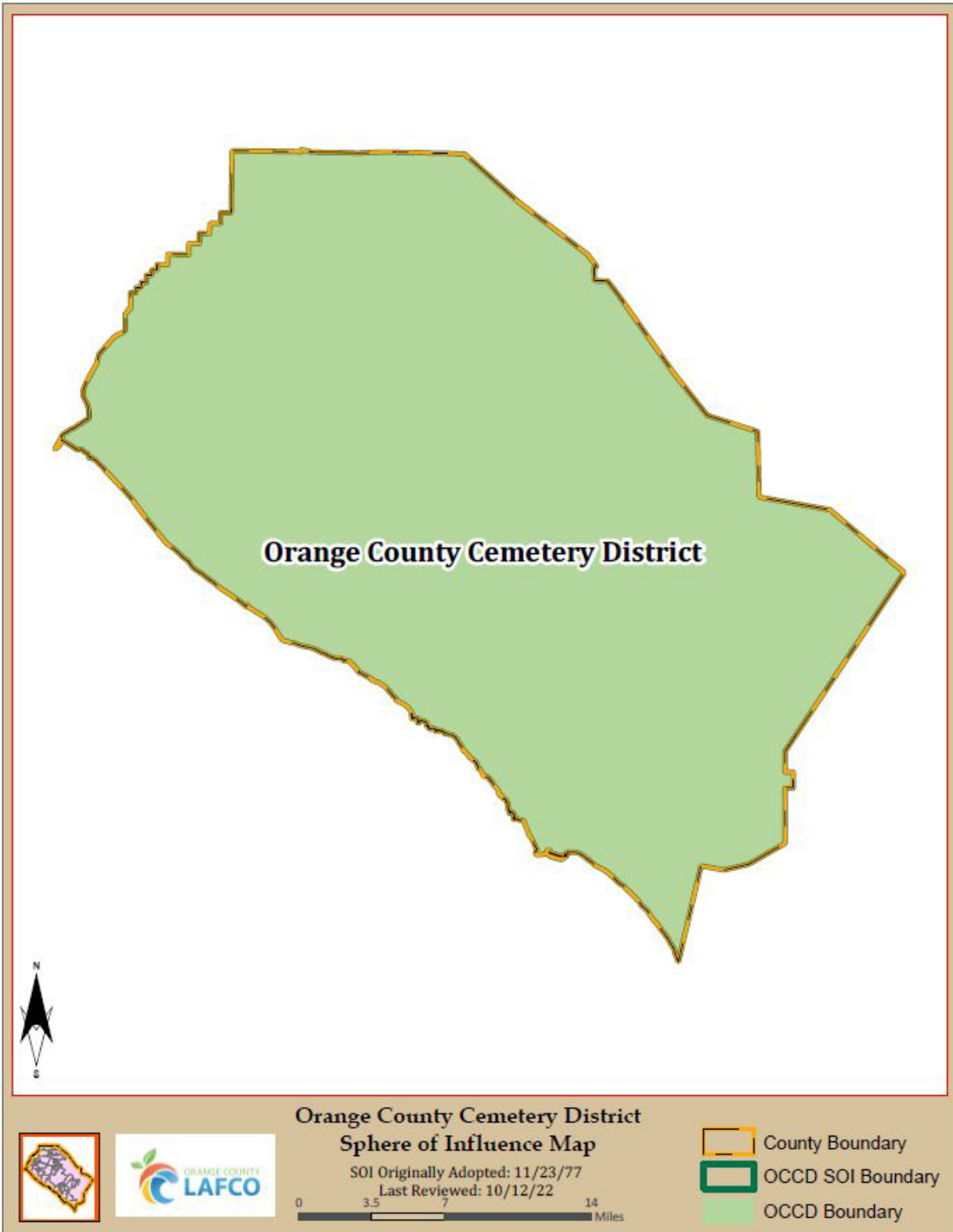
DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

There is a community of interest countywide for ensuring that public cemetery resources are reliable and available concurrent with needs.

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 are a total of seven disadvantaged unincorporated communities (DUC) identified within the boundary of OCCD during this review. As the District does not provide public facilities or services related to sewers, municipal and industrial water, or structural fire protection services to the DUC areas, no determinations were made for this area. However, the services provided by OCCD to County residents are equally available and accessible to residents of the seven DUCs located within the District's SOI.

EXHIBIT 2B



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

October 12, 2022

7b | Public
Hearing

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer
Assistant Executive Officer

SUBJECT: Proposed "Santa Ana River Reorganization Areas 1, 1A, 2 &
3, and Remaining Area (RO 20-06)"

BACKGROUND

The Local Agency Formation Commission of Orange County (OC LAFCO) will consider a reorganization application filed by the City of Anaheim to annex five non-contiguous areas consisting of approximately 9.22 acres and detachment of the same territory from the City of Orange and the Municipal Water District of Orange County (MWDOC). Staff recommends approval of the reorganization and respective amendments to the agencies' sphere of influence.

The following sections of this staff report provide additional background on the application and staff's analysis of the proposal.

PROJECT APPLICATION

The City of Anaheim has filed an application with OC LAFCO for the following: (1) annexation of five areas consisting of approximately 9.22 acres, (2) detachment of the same territory from the City of Orange and MWDOC, and (3) concurrent amendments to the respective agencies' spheres of influence. If the subject territory is annexed to the City of Anaheim, the new boundary would facilitate a more logical boundary bordered by the two cities and efficient delivery of municipal services.

Location and Land Use

The subject territory is generally located to the south and north of East Orangewood Avenue and west of the Santa Ana River. Current land use includes a portion of the North Net Training Center, open space, and primary arterial road. The table on the next page provides a summary of the subject areas' current and proposed land use designations. A vicinity map of the proposed reorganization is also shown in Exhibit B.

Area	General Location	Land Use
1	South of East Orangewood Avenue and adjacent to North Net Training Center	Current Land Use: Open Space Proposed: Public Recreational Zone (PR)
1A	South of East Orangewood Avenue and a portion of the North Net Training Center	Current Land Use: Open Space Proposed: Public Recreational Zone (PR) Platinum Triangle Mixed-Use (PTMU) Orangewood District Sub Area B
2	North of East Orangewood Avenue and Adjacent to the Santa Ana River	Current Land Use: Open Space Proposed: Public Recreational (PR) Zone
3	A portion of East Orangewood Avenue and Adjacent to Santa Ana River Trail	Current Land Use: Primary Arterial Proposed: Primary Arterial
Remaining Area	Area North and South of East Orangewood Avenue and Adjacent to areas 1, 1A, 2, and 3	Current Land Use: Open Space Proposed: Open Space

DISCUSSION

The primary purpose of the proposed reorganization is to realign the shared jurisdictional boundary of the Cities of Anaheim and Orange to include the areas south of East Orangewood Avenue and adjacent to the North Net Training Center (Area 1), south of East Orangewood Avenue and a portion of the North Net Training Center (Area 1A), north of East Orangewood Avenue and adjacent to the Santa Ana River (Area 2), a portion of East Orangewood Avenue adjacent to the Santa Ana River (Area 3), and an area north and south of East Orangewood Avenue (Remaining Area) within the City of Anaheim. Currently, the boundary between the cities divides the subject areas between the two jurisdictions. Additionally, the areas are within the boundary of MWD. MWD was formed to provide Metropolitan Water District of Southern California (MWD) water service to those areas of Orange County not covered by existing MWD member agencies. The City of Anaheim is an original MWD member agency in Orange County. As the service areas for MWD member agencies cannot overlap, annexation of the territory to the City of Anaheim requires the territory to be detached from MWD.

Analysis

Over the last several years, the Cities of Anaheim and Orange have engaged in discussions to modify the boundary that bisects parcels located within both cities. Subsequent to those discussions the City of Anaheim submitted applications to OC LAFCO for the reorganization of multiple areas, including the subject territory. Reorganization of the subject territory would realign the shared boundary, placing the parcels within the subject territory within a single jurisdiction, and resulting in more efficient delivery of municipal services by the City of Anaheim to include planning, public safety, retail water and local sewer. The proposed reorganization will allow the City of Anaheim to proceed with its project of expanding East Orangewood Avenue to increase traffic capacity and develop the surrounding landscaping.

The table below depicts the existing and future service providers if the reorganization is approved by the Commission.

Table A - Proposed Santa Ana River Reorganization – Areas 1, 1A, 2, 3, and Remaining Area – Municipal Services		
Services	Provider (Existing)	Provider (Upon Reorganization)
Animal Control	County of Orange	County of Orange
Fire Protection	City of Orange	City of Anaheim
Library Service	City of Orange	City of Anaheim
Parks & Recreation	City of Orange	City of Anaheim
Planning	City of Orange	City of Anaheim
Police Service	City of Orange	City of Anaheim
Local Water/Wastewater	City of Orange	City of Anaheim
Wholesale Water	MWDOC (through MWD)	City of Anaheim (through MWD)
Regional Providers (No Change) Orange County Water District (groundwater management) Orange County Cemetery District (countywide public cemetery) Orange County Sanitation District (regional wastewater) Orange County Mosquito and Vector Control District (countywide vector control)		

Additionally, State law requires the Commission to review and consider several factors for the application. The details of those factors are presented in **Attachment 1**.

Other Statutory Requirements

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99 (Tax Code) requires the City and County to adopt property tax resolutions for proposed changes of organization and reorganization. The City of Anaheim adopted a property tax resolution on September 27, 2022 and the City of Orange will consider the property tax exchange resolution on October 11 for the reorganization. Both agency resolutions indicate that the City of Anaheim will receive 100% of the applicable property tax revenue upon the effective date of the reorganization. In accordance with the Tax Code, the Orange County Board of Supervisors is required to negotiate the transfer of property tax revenues on behalf of MWDOC. No property tax exchange will occur in accordance with the Master Property Tax Agreement adopted by the Board of Supervisors for special districts changes of organization or reorganization (Resolution No. 98-484).

Environmental Review

On December 7, 2021, the City of Anaheim, as the lead agency and in accordance with the California Environmental Quality Act (CEQA), certified the Environmental Impact Report

Addendum indicating the environmental impacts within the subject territory. As a responsible agency, OC LAFCO reviews the environmental documentation prepared by the City of Anaheim in its consideration of the proposed reorganization. A Notice of Determination concurring with the City's findings for the proposed reorganization is included within this report for the Commission's consideration.

Protest Proceedings

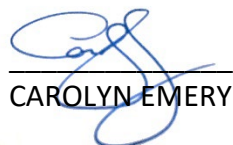
In accordance with Government Code Section 56662, the Commission may waive the protest proceedings for the proposed reorganization. The waiver of protest proceedings appropriately applies under this statute as the subject territory is uninhabited, the affected agencies have not filed objections to the waiver, and all landowners have consented to the proposed reorganization.


RECOMMENDED ACTIONS

Staff recommends that the Commission:

1. Confirm that OC LAFCO has reviewed the information contained within the Notice of Determination prepared by the City of Anaheim and filed with the Orange County Clerk-Recorder.
2. As a responsible agency, direct the Executive Officer to file the Notice of Determination for the "Santa Ana River Reorganization Areas 1, 1A, 2 & 3, and Remaining Area (RO 20-06)" with the Orange County Clerk-Recorder. (**Attachment 2, Exhibit A**)
3. Adopt OC LAFCO Resolution No. RO 20-06 approving the "Santa Ana River Reorganization Areas 1, 1A, 2 & 3, and Remaining Area (RO 20-06)." (**Attachment 2**)
4. Waive protest proceedings for the "Santa Ana River Reorganization Areas 1, 1A, 2 & 3, and Remaining Area (RO 20-06)" in accordance with Government Code Section 56662.

Respectfully submitted,



CAROLYN EMERY

LUIS TAPIA

Attachments:

1. 56668 Factors Considered by the Commission
2. OC LAFCO Resolution No. RO 20-06

**FACTORS CONSIDERED IN THE REVIEW OF THE SANTA ANA RIVER
REORGANIZATION AREAS 1, 1a, 2 & 3, AND THE REMAINING AREA (RO 20-06)
(Government Code Section 56668)**

I. Population and Population Density, Land Area and Land Use, and Assessed Valuation

- The subject areas are currently uninhabited.
- The land use designation for the entire proposed 9.22 acres reorganization area is identified as Open Space and Primary Arterial in the City of Orange General Plan.
- The land use designations for the proposed reorganization area within the City of Anaheim's General Plan are Open Space, Public Recreational, Platinum Triangle Mixed-Use, and Primary Arterial.
- The subject areas are generally located south and north of East Orangewood Avenue and west of Santa Ana River in the City of Orange.
- The subject areas are located within Tax Rate Areas 08-002.
- The total assessed valuation for the subject areas is \$31,974.

II. Organized Community Services, Present Cost and Adequacy, and future Needs of Governmental Services, and Probable Effect of the Proposed Annexation

- Staff has not identified a need for additional organized community services in the proposed project territory.
- The subject territory is within the City of Orange, which is currently responsible for the delivery of most municipal services to the area.
- The property does not currently require significant municipal service needs.
- The City of Anaheim is a full-service city capable of efficiently extending municipal services to the subject territory.
- If the Commission approves the proposed reorganization, the subject territory composed of five areas will be placed under the City of Anaheim's jurisdiction and will receive adequate municipal services from the City. See Table A below for the existing and proposed service providers for the subject territory upon approval of the reorganization.

Table A - Proposed Santa Ana River Reorganization – Areas 1, 1A, 2, 3, and Remaining Area – Municipal Services

Services	Provider (Existing)	Provider (Upon Reorganization)
Animal Control	County of Orange	County of Orange
Fire Protection	City of Orange	City of Anaheim
Library Service	City of Orange	City of Anaheim
Parks & Recreation	City of Orange	City of Anaheim
Planning	City of Orange	City of Anaheim
Police Service	City of Orange	City of Anaheim
Local Water/Wastewater	City of Orange	City of Anaheim
Wholesale Water	MWDOC (through MWD)	City of Anaheim (through MWD)
<u>Regional Providers (No Change)</u>		
Orange County Water District (groundwater management)		
Orange County Cemetery District (countywide public cemetery)		
Orange County Sanitation District (regional wastewater)		
Orange County Mosquito and Vector Control District (countywide vector control)		

- III. **Effect on Adjacent Areas, Mutual social and Economic Interests, Local Government Structure**
- Approval of the proposed reorganization will not have an effect on adjacent areas, mutual social and economic interests, and local government structure of the county. The proposed reorganization will result in a more logical boundary and efficient delivery of municipal services.
- 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 reorganization was processed in accordance with Commission policies and procedures and is consistent with priorities set forth in Government code Section 56377.
- V. **Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands**
- No agricultural land is contained within or adjacent to the proposed subject territory.
- VI. **The Definiteness and Certainty of the Boundaries of the Territory, the Nonconformance of Proposed Boundaries with Lines of Assessment or ownership, the Creation of Islands or Corridors of Unincorporated Territory, and other Similar Matters Affecting the Proposed Boundaries**
- The proposed reorganization conforms with lines of assessment and ownership within the subject territory and does not create any islands or corridors of unincorporated territory.
- VII. **Regional Transportation Plan (RTP) Adopted and Consistency with City or County General and Specific Plans**
- The proposed reorganization is consistent with the City of Anaheim's General Plan and will not impact the Regional Transportation Plan and Sustainability Communities Strategy that has been adopted for the region by the Southern California Association of Governments.
- VIII. **Sphere of Influence Local Agencies**
- The proposed reorganization includes concurrent amendments to the Cities of Anaheim and Orange and the Municipal Water District of Orange County's spheres of influence. Pursuant to Government Code Section 56425, a Statement of Determinations was prepared for each agency.
 - In accordance with Government Code Section 56427, the Executive Officer transmitted a notice of the hearing to each affected local agency and published the notice in the Orange County Register.
- IX. **The Proposal's consistency with city or county general and specific plans.**
- Land use for the subject territory is designated within the City of Anaheim's General Plan as Open Space, Public Recreational, Platinum Triangle Mixed-Use, and Primary Arterial.

- X. **Comments from Affected Agencies and/or other Public Agency**
- The comment period for affected agencies to provide comments started on August 16, 2022 and ended on September 6, 2022. No comments on the proposed reorganization were received.
- XI. **Ability of Newly Formed or Receiving Entity to Provide Services to Proposal Area and Sufficiency of Revenues for those Services**
- The City of Anaheim can feasibly provide adequate municipal services to the subject territory.
- XII. **Timely Availability of Water Supplies Adequate for Project Needs as Specified in Government Code Section 65352.5**
- Reorganization of the subject areas will not interrupt or alter the current service provision and the availability of water supplies as specified in Government Code Section 65352.5. The City of Orange is the current retail water provider within the affected territory. Upon reorganization, the provider of retail water service would change to the City of Anaheim, and the City would also provide wholesale water through Metropolitan Water District of Southern California. The City of Anaheim can adequately provide these services to the affected territory.
- 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**
- There were no comments received from the Cities of Anaheim or Orange regarding the extent to which the proposal will affect their respective allocation of the regional housing needs.
- XIV. **Information or Comments from Landowners, Voters, or Residents within Affected Territory**
- Collectively, the proposed reorganization areas contain less than 12 registered voters and is deemed uninhabited.
 - The reorganization areas include a portion of the North Net Facility owned by the City of Anaheim and the Orange County Flood Control District and both agencies have consented to the reorganization.
 - In accordance with Government Code Section 56427, a notice of the public hearing was published in the local newspaper. At the date of the agenda distribution on October 5, 2022, no written comments had been received.
- XV. **Information relating to Existing Land Use Designations**
- The land use designations for the proposed reorganization areas within the City of Orange's General Plan are Open Space and Primary Arterial.
 - The land use designations for the proposed reorganization area within the City of Anaheim's General Plan are Open Space, Public Recreational, Platinum Triangle Mixed-Use, and Primary Arterial.

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 of the subject area to the City of Anaheim, the area will receive the same level of municipal services currently provided within the City.

XVII. **Information contained in a local hazard mitigation plan, information contained in safety elements 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 City of Anaheim adopted Fire Severity Zone maps and included them within their respective fire hazard mitigation plans. The subject territory for the annexation is not within a very high fire hazard severity zone.

**RESOLUTION OF THE LOCAL AGENCY
FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA
MAKING DETERMINATIONS AND APPROVING THE
“SANTA ANA RIVER REORGANIZATION AREAS 1, 1A, 2, & 3, AND
REMAINING AREA (RO 20-06)”
October 12, 2022**

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

WHEREAS, the proposed reorganization, designated as “Santa Ana River Reorganization Areas 1, 1A, 2 & 3, and Remaining Area (RO 20-06),” was hereto filed with and accepted for filing on September 27, 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 October 12, 2022 as the hearing date of this proposal; and

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

WHEREAS, the proposal consists of the annexation of approximately 9.22 acres to the City of Anaheim and detachment of the same territory from the City of Orange and the Municipal Water District of Orange County (MWDOC), and concurrent amendments of the respective agencies’ spheres of influence; and

WHEREAS, the City of Anaheim served as lead agency for the environmental review, analysis, and approval of the project, 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, the City of Anaheim as the lead agency, certified the Environmental Impact Report No. 339 on October 26, 2010 and Addendum No. 9 on December 22, 2021; and

WHEREAS, OC LAFCO has been asked to approve the “Santa Ana River Reorganization Areas 1, 1A, 2 & 3, and Remaining Area (RO 20-06)” that consists of 1) the annexation of approximately 9.22 acres to the City of Anaheim, and 2) detachment of the same territory from the City of Orange and the Municipal Water District of Orange County, and 3) sphere amendments of the same territory for the Cities of Orange, Anaheim and MWDOC; and

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

WHEREAS, OC LAFCO has independently reviewed and considered the Environmental Impact Report No. 339 and Addendum No. 9 prepared by the City of Anaheim and other related documents in the record before it; and

WHEREAS, all of the procedures of CEQA have been met, and the Environmental Impact Report No. 339 and Addendum No. 9, prepared in connection with the proposed reorganization, are sufficiently detailed so that all of the potential effects of the proposal on the environmental and measures necessary to avoid or substantially lessen such effects have been evaluated in accordance with CEQA; and

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

WHEREAS, this Commission called for and held a public hearing on the proposal on October 12, 2022, and 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:

Resolution (RO 20-06)

Section 1. OC LAFCO Findings.

The subject territory is found to be uninhabited, located with the City of Orange and is assigned the following distinctive short-form designation, "Santa Ana River Reorganization Areas 1, 1A, 2 & 3, Remaining Area (RO 20-06)." The proposal consists of the annexation of approximately 9.22 acres to the City of Anaheim, detachment of the same territory from the City of Orange and MWDOC and concurrent sphere of influence amendments to the respective agencies. The Statements of Determinations and amended sphere of influence maps are shown as Exhibits C1, C2, and C3.

Section 2. Compliance with the California Environmental Quality Act.

- a) 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 Environmental Impact Report No. 339 and Addendum No. 9 prepared by the City of Anaheim as the lead agency 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 finds that, as to those potential environmental impacts within the Commission's powers and authorities as the responsible agency, that the Environmental Impact Report No. 339 and Addendum No. 9 and supporting environmental documentation contain a complete, objective, and accurate reporting of those potential impacts, and that these findings reflect the independent judgement and analysis of the Commission.

Section 3. Findings on Environmental Impacts

The Commission concurs with the City of Anaheim's environmental findings regarding the Project and adopts these findings, attached hereto as "Exhibit A," as though fully set forth herein.

Section 4. The Proposal is approved subject to the following terms and conditions:

Resolution (RO 20-06)

- a) Receipt by OC LAFCO of the executed property tax resolution adopted by the City of Orange.
- b) Payment by the City of Anaheim of County Clerk-Recorder and State Board of Equalization fees prior to recordation of the OC LAFCO Certificate of Completion.
- c) The City of Anaheim agrees to defend, hold harmless and indemnify OC LAFCO and/or its agents, officers and employees from any claim, action or proceeding against OC LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of OC LAFCO concerning this proposal or any action relating to or arising out of such approval.
- d) The effective date shall be the date of recordation of the OC LAFCO Certificate of Completion.

Section 5. Notice of Determination.

The Commission directs the Executive Officer to file a Notice of Determination with the Orange County Clerk-Recorder within five working days of the adopting of this Resolution.

Section 6. Conducting Authority Proceedings.

The Commission shall waive the protest proceedings for the proposed reorganization in accordance with Government Code Section 56662. The waiver of protest proceedings appropriately applies under this statute as the subject territory is uninhabited, the affected agencies have not filed objections to the waiver, and the landowners have consented to the proposed reorganization.

Section 7. Mail Copy of Resolution

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

Section 8. Custodian of Records.

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

AYES:

NOES:

STATE OF CALIFORNIA)

) SS.

COUNTY OF ORANGE)

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 12th day of October 2022.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of October 2022.

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

By: _____
Douglass Davert

NOTICE OF DETERMINATION

TO:	<input type="checkbox"/> Clerk of the Board of Supervisors or <input checked="" type="checkbox"/> County Clerk County of: Address: County Administration South Building 601 N. Ross Street Santa Ana, CA 92701	FROM:	Public Agency: Local Agency Formation Commission of Orange County (Responsible Agency) Address: 2677 N. Main Street, Suite 1050, Santa Ana, CA 92705 Contact: Carolyn Emery Phone: 714-640-5100
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TO:	<input checked="" type="checkbox"/> Office of Planning and Research P. O. Box 3044 Sacramento, CA 95812-3044 (overnight or hand delivery) <input type="checkbox"/> 1400 Tenth Street, Rm. 113 Sacramento, CA 95814	Lead Agency: City of Anaheim Address: 200 S. Anaheim Blvd Anaheim, CA 92688 Contact: Carlos Castellanos Phone: 714-765-5066
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SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (If submitted to SCH): 2004121045	Applicant: City of Anaheim Contact Person: Carlos Castellanos 200 S. Anaheim Blvd Anaheim, CA 92688	Telephone Number: (714) 765-5066
Project Title: Santa Ana River Reorganization Areas 1, 1A, 2 & 3, and Remaining Area (RO 20-06)		
Specific Project Location – Identify street address and cross street or attach a map showing project site (preferably a USGS 15' or 7 ½' topographical map identified by quadrangle name): See attached vicinity map.		
General Project Location (City and/or County): The subject territory is south and north of East Orangewood Avenue and west of the Santa Ana River. The territory is located in the City of Orange.		
Project Description: The proposed reorganization consists of the following: (1) annexation of five areas consisting of approximately 9.22 acres, (2) detachment of the same territory from the City of Orange and the Municipal Water District of Orange County, and (3) concurrent amendments to the respective agencies' spheres of influence.		
Identify the person or entity undertaking the project, including any private applicant, any other person undertaking an activity that receives financial assistance from the Public Agency as part of the project, and any person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the project.		
The City of Anaheim, 200 S. Anaheim Blvd, Anaheim, CA 92688		

This is to advise that the (☐ Lead Agency or ☒ Responsible Agency) has approved the above-described project on October 12, 2022, and has made the following determinations regarding the above described project:

1. <input checked="" type="checkbox"/>	The project will have a significant effect on the environment.	
<input type="checkbox"/>	The project will NOT have a significant effect on the environment	
2. <input checked="" type="checkbox"/>	An Environmental Impact Report was prepared and certified for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.	
<input type="checkbox"/>	A Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.	
<input type="checkbox"/>	A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.	
3. <input checked="" type="checkbox"/>	Mitigation measures were made a condition of the Lead Agency's approval of the project.	
<input type="checkbox"/>	Mitigation measures were NOT made a condition of the approval of the project.	
4. <input checked="" type="checkbox"/>	A Mitigation Monitoring or Reporting Plan was adopted by the Lead Agency for this project.	
<input type="checkbox"/>	A Mitigation Monitoring or Reporting Plan was NOT adopted for this project.	
5. <input checked="" type="checkbox"/>	A Statement of Overriding Considerations was adopted for this project.	
<input type="checkbox"/>	A Statement of Overriding Considerations was NOT adopted for this project	
6. <input checked="" type="checkbox"/>	Findings were made pursuant to the provisions of CEQA.	
<input type="checkbox"/>	Findings were NOT made pursuant to the provisions of CEQA.	
	This is to certify that the Environmental Impact Report is available to the general public at:	
	Custodian(s): City of Anaheim	Location(s): 200 S. Anaheim Blvd Anaheim, CA 92688
	Local Agency Formation Commission of Orange County	2677 N. Main St., Suite 1050 Santa Ana, CA
Date: _____		Signature _____
Date Received for Filing: _____		Executive Officer _____ Title

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



ANAHEIM

ORANGE

Legend

Area

- Area 1
- Area 1A
- Area 2
- Area 3
- Remaining Area
- ANAHEIM
- ORANGE

Source: Esri, Maxar, Earthstar Geographics, and the Geo-User Community

"Santa Ana River Reorganization Areas 1, 1A, 2, 3, and Remaining Area (RO 20-06)"

Vicinity Map



0 0.2 Miles

STATEMENT OF DETERMINATIONS
SANTA ANA RIVER REORGANIZATION AREAS 1, 1A, 2 & 3
AND REMAINING AREA (RO 20-06)
SPHERE OF INFLUENCE AMENDMENT
FOR THE CITY OF ANAHEIM
(Government Code Section 56425)

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

The subject territory is currently located within the City of Orange and includes a portion of the North Net Training Center, a portion of East Orangewood Avenue, and an area north and south of East Orangewood Avenue adjacent to the Santa Ana River. The subject territory is designated as Open Space and Primary Arterial in the City of Orange's General Plan. The subject territory is designated within the City of Anaheim's General Plan as Open Space, Public Recreational, Platinum Triangle Mixed-Use, and Primary Arterial. The subject territory does not include any agricultural lands.

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

Currently the City of Orange provides key services to the subject territory that include retail water, public safety, planning, and parks and recreation. The Municipal Water District of Orange County (MWDOC) provides wholesale water service to the subject territory. Upon approval of the proposed reorganization, the City of Anaheim will provide these key services, including wholesale water (through Metropolitan Water District of Southern California).

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

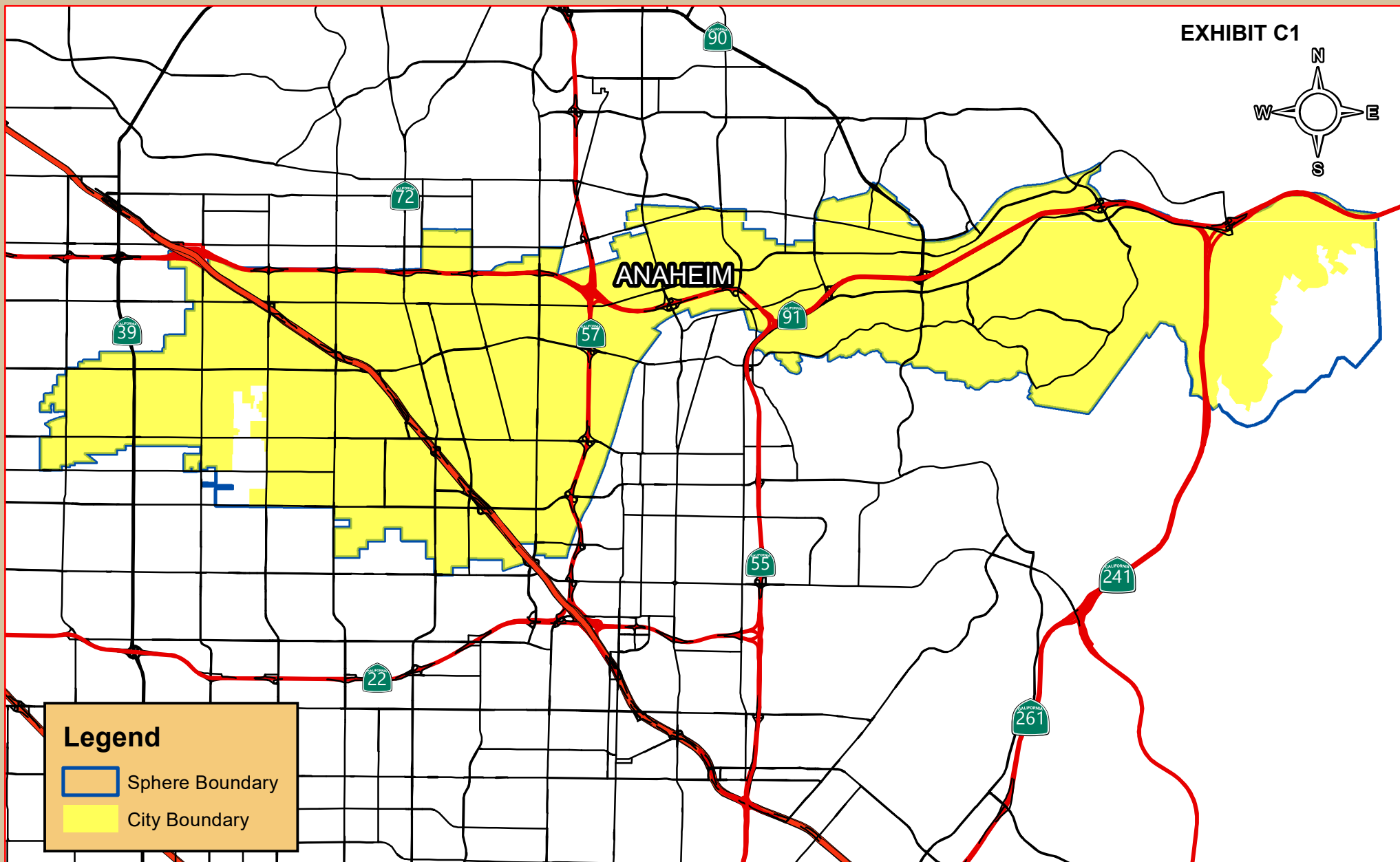
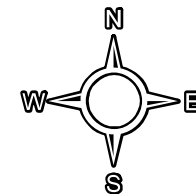
The amendment to the City of Anaheim's sphere of influence is consistent with the annexation of the territory to the City of Anaheim and detachment from the City of Orange. The annexation of the subject territory will allow the City of Anaheim to proceed with its project of expanding the East Orangewood Avenue right-of-way and landscaping of adjacent areas within the subject territory. The City of Anaheim has adequate capacity and facilities to serve present and planned land uses.

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

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

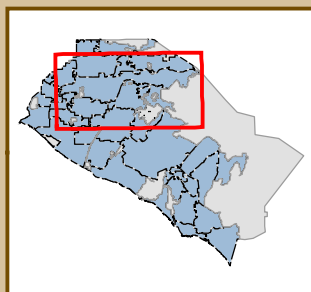
5. The present and probable need for public sewer, municipal and industrial water or structure fire protection facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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



Legend

- Sphere Boundary
- City Boundary



City of Anaheim
Sphere of Influence Map

SOI Originally Adopted: 09/12/1973
Last Updated: 10/12/2022



STATEMENT OF DETERMINATIONS
SANTA ANA RIVER REORGANIZATION AREAS 1, 1A, 2 & 3
AND REMAINING AREA (RO 20-06)
SPHERE OF INFLUENCE AMENDMENT
FOR THE CITY OF ORANGE
(Government Code Section 56425)

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

The subject territory is currently located within the City of Orange and includes a portion of the North Net Training Center, a portion of East Orangewood Avenue, and an area north and south of East Orangewood Avenue adjacent to the Santa Ana River. The subject territory is designated as Open Space and Primary Arterial in the City of Orange's General Plan. The subject territory is designated within the City of Anaheim's General Plan as Open Space, Public Recreational, Platinum Triangle Mixed-Use, and Primary Arterial. The subject territory does not include any agricultural lands.

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

Currently the City of Orange provides key services to the subject territory that include retail water, public safety, planning, and parks and recreation. The Municipal Water District of Orange County (MWDOC) provides wholesale water service to the subject territory. Upon approval of the proposed reorganization, the City of Anaheim will provide these key services, including wholesale water (through Metropolitan Water District of Southern California).

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

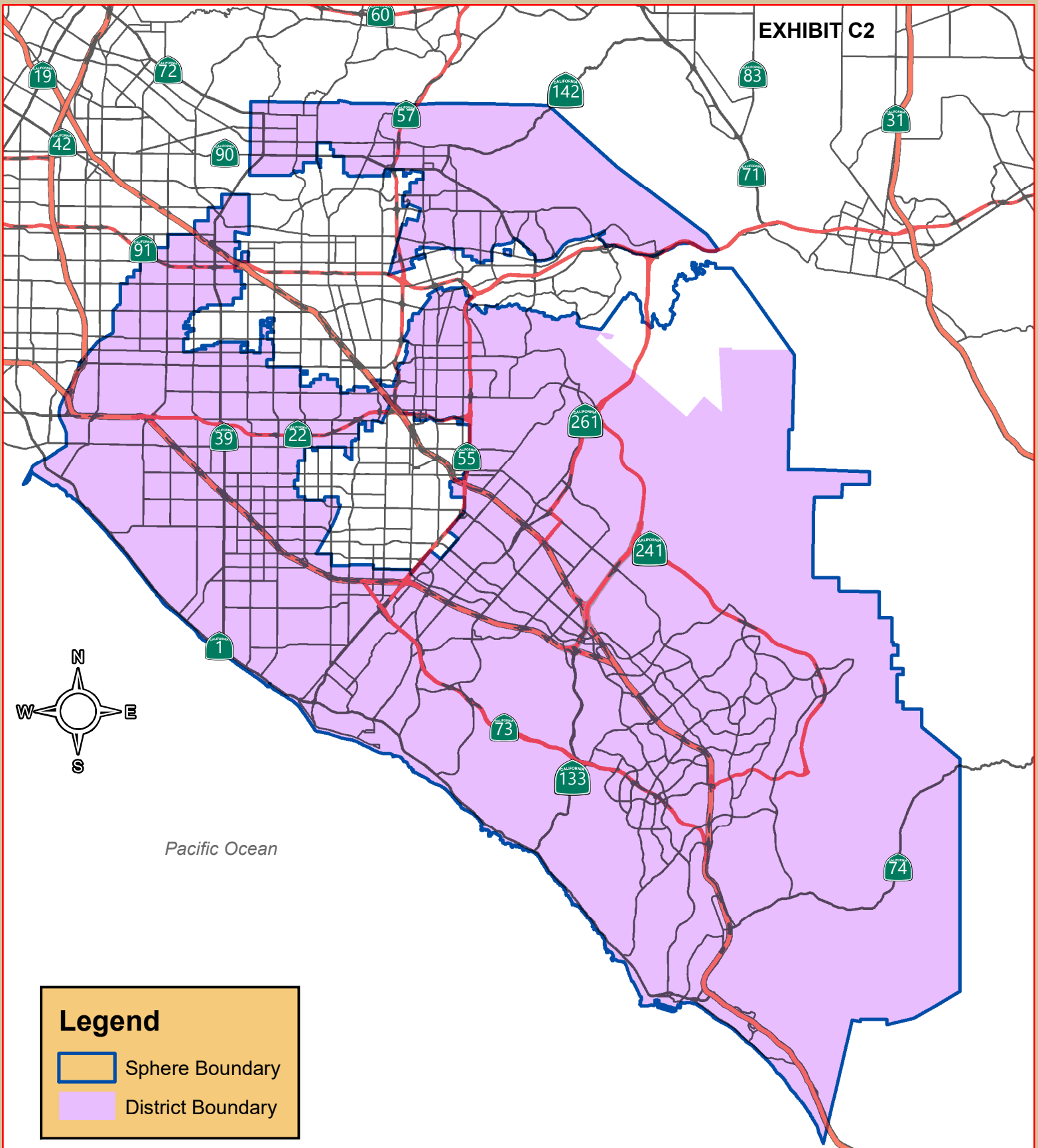
The amendment to the City of Orange's sphere of influence is consistent with the annexation of the territory to the City of Anaheim and detachment from the City of Orange. The annexation of the subject territory will allow the City of Anaheim to proceed with its project of expanding the East Orangewood Avenue right-of way and landscaping of adjacent areas within the subject territory. The City of Anaheim has adequate capacity and facilities to serve present and planned land uses.

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



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

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

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



Legend

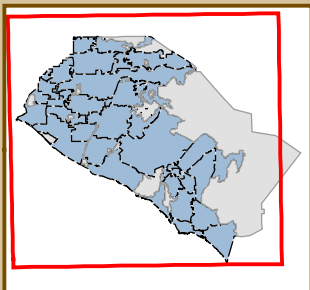
-  Sphere Boundary
-  District Boundary

Municipal Water District of Orange County
Sphere of Influence Map

SOI Originally Adopted: 11/05/1984
Last Updated: 10/12/2022



0 12 Miles



STATEMENT OF DETERMINATIONS
SANTA ANA RIVER REORGANIZATION AREAS 1, 1A, 2 & 3
AND REMAINING AREA (RO 20-06)
SPHERE OF INFLUENCE AMENDMENT
FOR THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
(Government Code Section 56425)

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

The subject territory is currently located within the City of Orange and includes a portion of the North Net Training Center, a portion of East Orangewood Avenue, and area north and south of East Orangewood Avenue adjacent to the Santa Ana River. The subject territory is designated as Open Space and Primary Arterial in the City of Orange's General Plan. The subject territory is designated within the City of Anaheim's General Plan as Open Space, Public Recreational, Platinum Triangle Mixed-Use, and Primary Arterial. The subject territory does not include any agricultural lands.

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

Currently the City of Orange provides key services to the subject territory that include retail water, public safety, planning, and parks and recreation. The Municipal Water District of Orange County (MWDOC) provides wholesale water service to the subject territory. Upon reorganization of the subject territory, the City of Anaheim will provide retail water and wholesale water (through Metropolitan Water District of Southern California) and other key services to the subject territory.

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

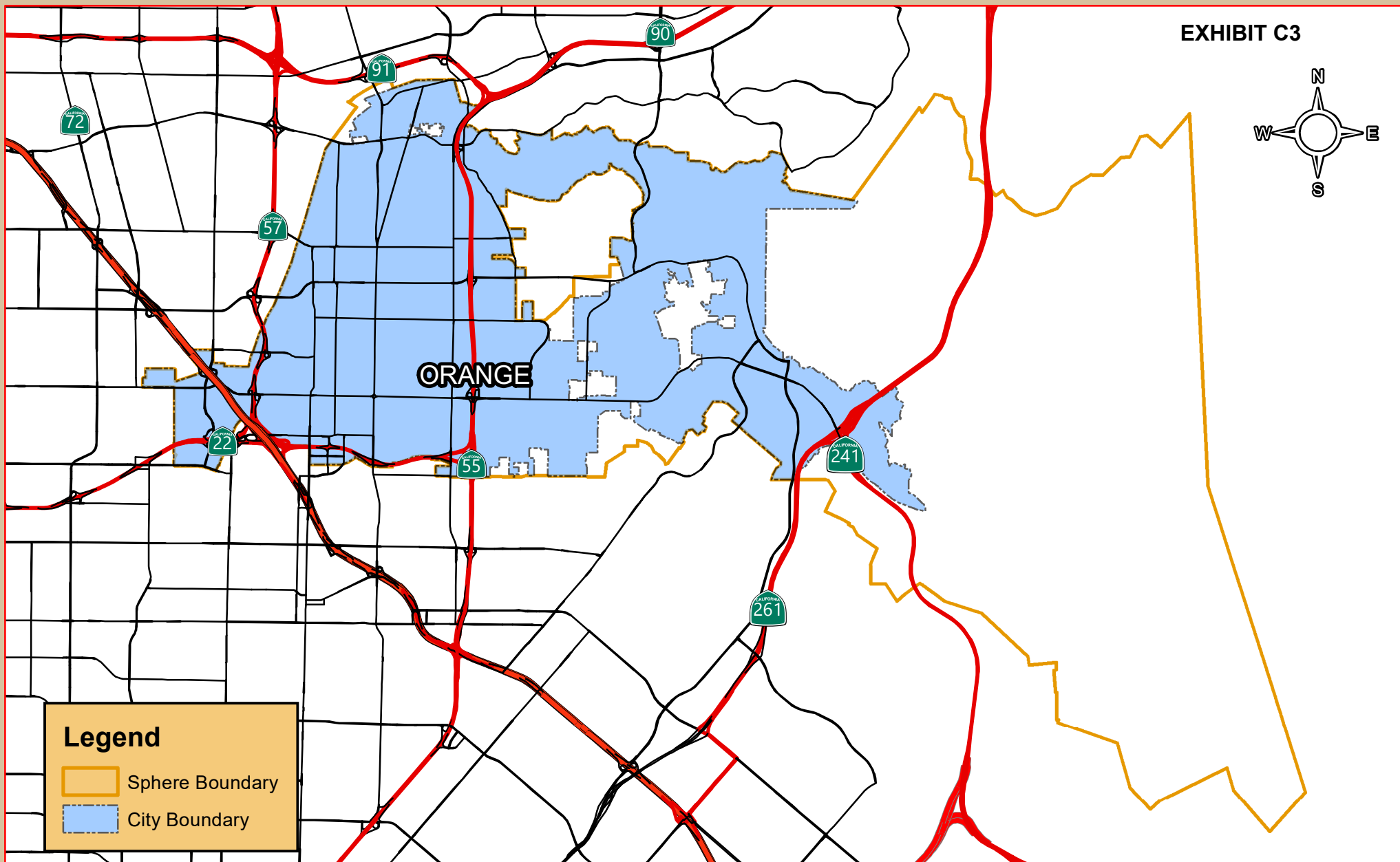
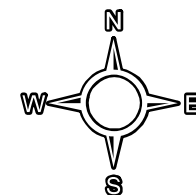
The amendment to MWDOC's sphere of influence is consistent with the annexation of the territory to the City of Anaheim and detachment from the City of Orange and MWDOC. The annexation of the subject territory will allow the City of Anaheim to proceed with its project of expanding the East Orangewood Avenue right-of-way and landscaping of adjacent areas within the subject territory. The City of Anaheim has adequate capacity and facilities to serve present and planned land uses.

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



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

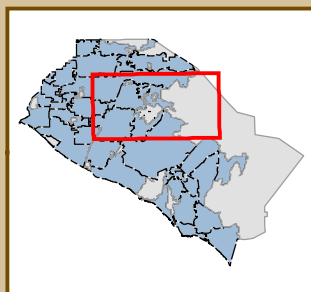
5. The present and probable need for public sewer, municipal and industrial water or structure fire protection facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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



Legend

-  Sphere Boundary
-  City Boundary



City of Orange
Sphere of Influence Map

SOI Originally Adopted : 03/14/1973
Last Updated: 10/12/2022

0 5 Miles

