

**LOCAL AGENCY FORMATION COMMISSION OF  
ORANGE COUNTY**

**REGULAR MEETING AGENDA**

**Wednesday, October 9, 2024  
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  
(Communications received after agenda distribution for agenda 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.) September 11, 2024 – Regular Commission Meeting Minutes**

The Commission will consider approval of the September 11, 2024 meeting minutes.

**b.) Fiscal Year 2024-25 Quarterly Financial Report (First Quarter)**

The Commission will receive the first quarter financial report for Fiscal Year 2024-25.

**c.) Legislative Report (October 2024)**

The Commission will receive a report on the final status of bills previously reviewed by the Commission.

**7. PUBLIC HEARING**

No public hearing items scheduled.

**8. COMMISSION DISCUSSION AND ACTION**

**a.) Adoption of a Resolution Approving the Fifth Amendment to Memorandum of Agreement for the Position of Executive Officer with Carolyn Emery**

The Commission will consider adopting a resolution approving the Fourth Amendment to Memorandum of Agreement for the Position of Executive Officer.

**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.

**11. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

No informational items and announcements.

**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 representative: Commission Chair Donald P. Wagner and William Kelly of Kelly Associates Management Group

Unrepresented employee: Executive Officer

### 13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The next Regular Commission Meeting will be held on Wednesday, November 13, 2024 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](mailto: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 <https://oclafco.org/meetings/>.

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 <https://oclafco.org/meetings/>. 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.

# 2024 MEETING AND EVENTS CALENDAR

Approved November 8, 2023

2024



January						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

October						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

May						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

March						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

September						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	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 Administrative North, First Floor Multipurpose Room 101, 400 W. Civic Center Dr., Santa Ana, CA 92701.
- Office closure due to legal holidays and flexible work schedule.
- CALAFCO Annual Conference - October 16 - 18, 2024 at Tenaya Lodge at Yosemite.

## DRAFT MINUTES

### OC LAFCO REGULAR MEETING

Wednesday, September 11, 2024  
8:15 a.m.

County Administrative North (CAN)  
First Floor Multipurpose Room 101  
400 W. Civic Center Drive, Santa Ana, CA 92701

#### 1. CALL TO ORDER

**Chair Wagner** 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 Moore** led the Pledge of Allegiance.

#### 3. ROLL CALL

The following Commissioners were present:

City Members

Wendy Bucknum (**Vice Chair**) (arrived at 8:18 a.m.)  
Bruce Whitaker  
Carol Moore (**Alt.**)

County Member

Donald P. Wagner (**Chair**)

Special District Members

Douglass Davert  
James Fisler  
Kathryn Freshley (**Alt.**)

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 II Gavin Centeno
- Policy Analyst I Aimee Diaz
- Commission Clerk Cheryl Carter-Benjamin
- General Counsel Scott Smith

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

The Commission Clerk noted that no supplemental communication was received.

**5. PUBLIC COMMENT**

**Chair Wagner** requested public comments on any non-agenda items. The Commission Clerk noted that there were no requests to speak from the public.

**Chair Wagner** closed the hearing of public comments.

**6. CONSENT CALENDAR**

**Chair Wagner** called for any requests to pull the consent calendar item for discussion. There were no requests to pull the consent calendar or Commission discussion, and the Commission Clerk noted that there were no requests from the public to speak on the item. **Commissioner Davert** motioned for approval of the consent calendar, and **Commissioner McGregor** seconded the motion.

**6a. – August 14, 2024 - Regular Commission Meeting Minutes**

**MOTION:** Approve the Consent Calendar. (Douglass Davert)  
**SECOND:** Derek J. McGregor  
**FOR:** Douglass Davert, Derek J. McGregor, Wendy Bucknum,  
James Fisler, Bruce Whitaker, Donald P. Wagner  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**7. PUBLIC HEARING**

**Chair Wagner** noted that there were no public hearing items scheduled for consideration by the Commission.

**8. COMMISSION DISCUSSION AND ACTION**

**8a. – Personnel Policies and Procedures (Continued from August 14)**

Assistant Executive Officer Luis Tapia presented the staff report and recommended action.

**Chair Wagner** called for Commission discussion and public comments. There was no discussion from Commissioners, and the Commission Clerk noted that there were no requests from the public to speak on the item.

**Chair Wagner** called for a motion on the item. **Commissioner Davert** motioned to approve the staff recommended action, and **Commissioner McGregor** seconded the motion.

**MOTION:** Adopt the personnel policies and procedures, as amended. (Douglass Davert)  
**SECOND:** Derek J. McGregor  
**FOR:** Douglass Davert, Derek J. McGregor, Wendy Bucknum, James Fisler, Bruce Whitaker, Donald P. Wagner  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**8b. – Legislative Report (September 2024)**

Assistant Executive Officer Luis Tapia presented the staff report and recommended action.

**Chair Wagner** called for Commission discussion. **Commissioner McGregor** provided general comments on recent CALAFCO action involving the new legislative model, and other commissioners made general comments. The Commission Clerk noted that there were no requests from the public to speak on the item.

**Chair Wagner** called for a motion on the item. **Commissioner Davert** motioned to receive and file the legislative report, and **Commissioner McGregor** seconded the motion.

**MOTION:** Receive and file the legislative report. (Douglass Davert)  
**SECOND:** Derek J. McGregor  
**FOR:** Douglass Davert, Derek J. McGregor, Wendy Bucknum, James Fisler, Bruce Whitaker, Donald P. Wagner,  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**9. COMMISSIONER COMMENTS**

Commissioners made general comments.

## **10. EXECUTIVE OFFICER’S REPORT**

Executive Officer Carolyn Emery provided an oral report on recent presentation to the newly seated Orange County Grand Jury, status of the Orange County Water District Municipal Service Review, and her participation in the efforts of the UC Berkley water systems consolidation working group. She also noted staff’s discussions with the City of Irvine and Cypress Recreation and Park District on potential annexations to their respective boundaries.

## **11. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

**Chair Wagner** noted that there were no informational items or announcements.

## **12. CLOSED SESSION**

The Commission adjourned to closed session at 8:39 a.m. on the following items:

**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 representative: Commission Chair Donald P. Wagner and William Kelly of Kelly Associates Management Group  
Unrepresented employee: Executive Officer

**Commissioner Fisler** left the meeting at 8:39 a.m. and did not attend the closed session.

The Commission reconvened in open session at 9:27 a.m. General Counsel Scott Smith noted that the Commission discussed the closed session items, and direction from the Commission to the Chair, counsel and consultant was provided with no reportable actions.

## **13. ADJOURNMENT OF THE REGULAR COMMISSION MEETING**

**Chair Wagner** adjourned the Regular Commission Meeting at 9:28 a.m. to October 9, 2024.



Donald P. Wagner, Chair  
Orange County Local Agency Formation Commission

ATTEST:

By: \_\_\_\_\_  
Cheryl Carter-Benjamin  
Commission Clerk

**REGULAR MEMBERS**

CHAIR  
**Donald P. Wagner**  
County Member

VICE CHAIR  
**Wendy Bucknum**  
City Member

IMMEDIATE PAST CHAIR  
**Douglass Davert**  
Special District Member

**James Fisler**  
Special District Member

**Derek J. McGregor**  
Public Member

**Bruce Whitaker**  
City Member

**VACANT**  
County Member

**ALTERNATES**

**Kathryn Freshley**  
Special District Member

**Carol Moore**  
City Member

**Lou Penrose**  
Public Member

**VACANT**  
County Member

**STAFF**

**Carolyn Emery**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** October 9, 2024

**TO:** Local Agency Formation Commission  
of Orange County

**FROM:** Executive Officer

**SUBJECT:** Fiscal Year 2024-2025 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, 2024. Upon review by the Commission, the quarterly reports are published on the transparency page of the agency’s website. The next review of the agency’s financial status will be presented in January 2025.

**RECOMMENDED ACTION**

Receive and file item.

Respectfully Submitted,



CAROLYN EMERY

Attachment:

1. Fiscal Year 2024-2025 Quarterly Financial Report (First Quarter)



# Quarterly Financial Report

## *Fiscal Year 2024-25 (First Quarter)*

*Prepared: October 9, 2024*

### HIGHLIGHTS:

**FY 2024-25 Budget Overview – Pages 2-4**

**Balance Sheet & Reserves Analysis – Pages 5-6**

# FY 2024-25 BUDGET OVERVIEW

This report provides a summary of the agency's budget and investment portfolio performance for the period of July 1, 2024 through September 30, 2024.<sup>1</sup> The Fiscal Year 2024-25 budget of approximately \$1.86 million supports the operations of the Commission and the resources needed to accomplish the agency's work plan. With the start of the new fiscal year on July 1<sup>st</sup>, the agency's financials during this quarter experienced minimal activity. Overall, expenditures are reporting slightly under 17 percent, and revenue received is reporting at 88 percent.

## Revenues

The majority of OC LAFCO's revenues are from the \$1,581,320 collected in apportionments from the funding agencies. This revenue source was at approximately 90% at the end of the first quarter, with apportionments received from 33 cities, 26 special districts and one-third of the total apportionment paid by the County. OC LAFCO also earns interest from its investment portfolio. At the end of the first quarter, the agency earned approximately \$400 in interest, representing only one percent of the fiscal year expected earnings. Modest activity in this area is expected at the beginning of a new fiscal cycle, and it is anticipated that earnings will improve in future quarters.

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 processing the respective applications. The Special Fund column in the chart on page 4 displays a year-to-date accounting of fees totaling \$70,445 that remain on deposit with the Commission for continued processing of the Orange County Water District MSR. The initial deposit for this application was made during a prior fiscal year, and no new application fees were deposited with OC LAFCO during the first quarter.

## Expenditures

The General Fund total expenditures as of September 30, 2024, are below the first quarter target level, totaling \$315,884 or approximately 17% of the total budget, with most expenses attributed to operational costs, such as salaries and benefits and travel and registration costs for the annual CALAFCO conference. The following table provides a comparison of the percentage of actual funds used and the target levels for the current fiscal year.<sup>2</sup>

Total Funds Used				
	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.
<b>Target</b>	25%	50%	75%	100%
<b>Actual</b>	17%	-	-	-

<sup>1</sup> All financial statements contained in this report are on an accrual accounting basis.  
<sup>2</sup> 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, 2024.

As of 09/30/24	Balance
770-Payroll Account	\$ 437,028
Wells Fargo Checking	\$1,337,817
Wells Fargo Savings	\$ 217,267
<b>Total</b>	<b>\$1,992,112</b>

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 balance of the Trust account at the end of the first quarter is \$80,423. The Trust has experienced two deposits totaling \$77,000 and a current gain of \$3,423 since being established by the Commission in 2021. Staff will complete a transfer to the agency's LAIF investment account during the second quarter and assess the opportunity to transfer to the Section 115 account following completion of the 2023-24 fiscal year audit in November.

The following table illustrates the balance of OC LAFCO's investment portfolio as of September 30, 2024.

As of 09/30/24	Balance
LAIF	\$ 14,558
OC Fund	\$297,226
PARS Trust	\$ 80,423
<b>Total</b>	<b>\$392,207</b>

**APPENDIX A**  
**OC LAFCO - Quarterly Budget Overview<sup>3</sup>**  
**July 1, 2024 – September 30, 2024**

	YTD Special Revenue Funds	1st Qtr. General Fund	YTD General Fund	TOTAL FY 24/25 Budget	General Fund
<b>Revenue:</b>					
Addition/(Use) of Unreserved Equity	\$ -	\$ -	\$ -	\$ 240,340	0.0%
LAFCO Apportionment	-	1,424,049	1,424,049	1,581,320	90.1%
Filing Fees	84,360	-	-	-	0.0%
Misc Revenue	-	321	321	-	0.0%
Interest & Dividends	-	397	397	38,390	1.0%
PARS Trust Investment Gain/Loss	-	2,191	2,191	-	0.0%
<b>Total Revenue</b>	<b>\$ 84,360</b>	<b>\$ 1,426,958</b>	<b>\$ 1,426,958</b>	<b>\$ 1,860,050</b>	<b>76.7%</b>
<b>Expenditures:</b>					
Salaries	\$ 1,572	\$ 130,810	\$ 130,810	\$ 657,300	19.9%
Hourly Employees	-	4,202	4,202	20,800	20.2%
<b>Benefits &amp; Insurance</b>					
Optional Benefit Plan	-	-	-	18,500	0.0%
Deferred Compensation	-	3,641	3,641	19,000	19.2%
Retirement Benefits	-	52,966	52,966	265,900	19.9%
Health Insurance	-	12,965	12,965	88,900	14.6%
Retiree Health Benefits	-	1,342	1,342	22,000	6.1%
Dental Insurance	-	320	320	11,600	2.8%
Life Insurance	-	65	65	420	15.6%
Workers Compensation	-	-	-	-	0.0%
Medicare	-	1,947	1,947	10,200	19.1%
Unemployment Insurance	-	41	41	200	20.7%
Health Reimbursement	-	1,638	1,638	7,800	21.0%
Salary Continuance	-	344	344	1,650	20.9%
Accidental Death Insurance	-	16	16	120	13.5%
Executive Car Allowance	-	1,800	1,800	7,200	25.0%
<b>Total - Benefits &amp; Insurance</b>	<b>1,572</b>	<b>77,086</b>	<b>77,086</b>	<b>453,490</b>	<b>17.0%</b>
Information Technology	-	3,113	3,113	21,600	14.4%
Telephone & Internet	-	3,495	3,495	20,500	17.0%
County of Orange	-	1,006	1,006	12,000	8.4%
General Liability Insurance	-	3,302	3,302	15,760	21.0%
Memberships	-	10,002	10,002	40,400	24.8%
Office Equipment/Supplies	-	5,558	5,558	26,100	21.3%
<b>Professional Services:</b>					
Legal	-	7,018	7,018	60,000	11.7%
Accounting/Audit	-	14,304	14,304	57,000	25.1%
Human Resources	-	137	137	35,000	0.4%
Mapping/Archiving	-	984	984	4,000	24.6%
Other Professional Services	12,344	13,406	13,406	200,000	6.7%
<b>Total - Professional Services</b>	<b>12,344</b>	<b>35,849</b>	<b>35,849</b>	<b>356,000</b>	<b>10.1%</b>
Investment Admin Fees	-	34	34	850	4.0%
Public Noticing	-	-	-	12,000	0.0%
Unincorporated Areas Program	-	-	-	11,000	0.0%
Rents/Maintenance	-	27,934	27,934	115,000	24.3%
Equipment Leases	-	1,552	1,552	8,100	19.2%
Comm. & Staff Expense	-	482	482	5,000	9.6%
Comm. Stipends & Taxes/Fees	-	2,108	2,108	16,450	12.8%
Professional Development	-	-	-	20,000	0.0%
Transportation/Travel	-	9,124	9,124	35,300	25.8%
Commission Meeting Expense	-	228	228	12,400	1.8%
Refund of Deposit	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>13,915</b>	<b>315,884</b>	<b>315,884</b>	<b>1,860,050</b>	<b>17.0%</b>
<b>Total Net Income (Loss)</b>	<b>\$ 70,445</b>	<b>\$ 1,111,074</b>	<b>\$ 1,111,074</b>	<b>\$ -</b>	

<sup>3</sup>No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included. Financial data represents pre-audited amounts.

## 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, 2024. 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 (Unaudited) As of September 30, 2024

	<u>Sep 30, 24</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Cash and Investments</b>	
County Acct-Payroll	\$ 437,028
Wells Fargo Checking	1,337,817
Wells Fargo Savings	217,267
OC Fund	297,226
Investment Acct - LAIF	14,588
PARS Trust	80,423
Fair Market Value Adjustments	<u>(2,294)</u>
<b>Total Cash and Investments</b>	<u>2,382,054</u>
<b>Other Current Asset</b>	
Interest Receivable	130
Prepaid Expenses	4,781
Prepaid Expenses - Other	26,308
Retirement Prepaid Expense	<u>198,597</u>
<b>Total Other Current Asset</b>	<u>229,816</u>
<b>Total Current Assets</b>	<u>2,611,870</u>
<b>Fixed Assets</b>	46,538
<b>Other Assets</b>	
Right to Use Assets	621,896
Def. Outflows Pension Related	569,401
Deferred OPEB Contributions	9,645
Deferred Outflows OPEB Related	<u>38,000</u>
<b>Total Other Assets</b>	<u>1,238,942</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,897,351</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accrued Liability	8,203
Compensated Absences	<u>49,061</u>
<b>Total Current Liabilities</b>	<u>57,263</u>
<b>Long Term Liabilities</b>	
Lease Liabilities	676,929
Deferred Inflows OPEB Related	23,000
Net OPEB Liability	119,000
Net Pension Liability	1,704,989
Def. Inflows Pension Related	<u>165,906</u>
<b>Total Long Term Liabilities</b>	<u>2,689,824</u>
<b>Total Liabilities</b>	<u>2,747,087</u>
<b>Equity</b>	<u>1,150,263</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$ 3,897,351</u></u>

\*Figures are subject to change as they have been projected through September 30, 2024 and represent pre-audited amounts.

**APPENDIX C**  
**OC LAFCO RESERVE BALANCE ANALYSIS**  
**As of September 30, 2024**

Cash & Investments Description	Sept. 30, 2024 Balance	Commission Approved Balances	Balance Excess / (Deficiency)
County Payroll	\$ 437,028	\$ 282,898 <sup>1</sup>	\$ 154,130
Checking - Wells Fargo	1,337,817	182,115 <sup>1</sup>	1,155,702
Savings - Wells Fargo	217,267	205,000 <sup>1</sup>	12,267
OC Fund Investment	297,226	-	297,226
LAIF Investment	14,588	-	14,588
PARS Trust	80,423	-	80,423
<b>Total</b>	<b>\$ 2,384,348</b>	<b>\$ 670,013</b>	<b>\$ 1,714,335<sup>2</sup></b>

**Footnotes:**

<sup>1</sup>Per the Cash and Cash Management Policy, the Commission must maintain \$282,898 during fiscal year 2024/25 in order to cover three months of payroll costs (County Payroll), \$182,115 to cover 3 months of operational expenses (Checking - Wells Fargo) and a minimum of \$205,000 (Savings - Wells Fargo) to cover contingency, litigation and unfunded liabilities.

<sup>2</sup>Remaining Available Cash to fund Operations and Reserves.



**6c** | Commission  
Discussion

**MEETING DATE:** October 9, 2024

**TO:** Local Agency Formation Commission of Orange County

**FROM:** Executive Officer  
Assistant Executive Officer

**SUBJECT:** Legislative Report (October 2024)

**REGULAR MEMBERS**

CHAIR  
**Donald P. Wagner**  
County Member

VICE CHAIR  
**Wendy Bucknum**  
City Member

IMMEDIATE PAST CHAIR  
**Douglass Davert**  
Special District Member

**James Fisler**  
Special District Member

**Derek J. McGregor**  
Public Member

**Bruce Whitaker**  
City Member

**VACANT**  
County Member

**ALTERNATES**

**Kathryn Freshley**  
Special District Member

**Carol Moore**  
City Member

**Lou Penrose**  
Public Member

**VACANT**  
County Member

**STAFF**

**Carolyn Emery**  
Executive Officer

**Scott Smith**  
General Counsel

**BACKGROUND**

Much like the activity throughout the 2024 legislative session, the session’s ending for legislation of LAFCO interest, for the most part, was uneventful. By the September 30 deadline, Governor Newsom signed four of the four bills reviewed by the Commission during this session. Additionally, H.R. 7525, the first federal bill, in current staff’s recollection, to receive a position from the Commission, was approved by the United States House of Representatives. The table below highlights more details on H.R. 7525 and others monitored by the Commission over the past year.

Movement in the Capitol is expected to be minimal involving bill activity until after the upcoming November General Election, and discussions are underway involving CALAFCO’s restructured legislative platform which presents many uncertainties of how OC LAFCO facilitates continued engagement on the legislative front.

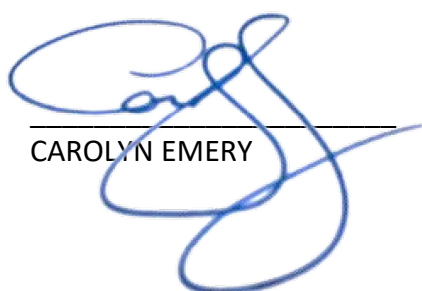
2023-24 Legislative Session – Bill Status			
Bill	Description	Adopted Position	Status
AB 805	Proposes the designation of an “Administrator” by the State Water Resources Control Board involving inadequate and failing sewer systems serving disadvantaged communities.	<b>Watch</b>	Signed by the Governor on September 24, 2024.

2023-24 Legislative Session – Bill Status			
Bill	Description	Adopted Position	Status
AB 3277	Proposes to amend the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) for proposals seeking the formation of a special district to exclude the exchange of property tax revenue when an affected agency is not seeking a share of the property tax revenue.	<b>Support</b>	Signed by the Governor on July 2, 2024.
AB 2661	Proposes to provide the Westlands Water District located in Fresno County with the authority to generate, provide and sell electricity.	<b>Watch</b>	Signed by the Governor on September 25, 2024.
SB 1209	Proposes to amend current State law for explicit authorization by LAFCOs to require indemnification by applicants for litigation involving approvals by the Commission.	<b>Support</b>	Signed by the Governor on September 28, 2024.
H.R. 7525	Proposes to codify a formal definition of special district in federal law and direct federal agencies to recognize special districts as local governments to ensure districts are able to receive federal assistance, including funding and grants.	<b>Support</b>	H.R. 7525 was approved by the US House of Representatives on May 6, 2024. The Senate companion bill, S. 4673 was referred to the Senate Committee on Homeland Security and Government Affairs and is expected to be reviewed during the coming weeks.

**RECOMMENDED ACTION**

This is a receive and file report and requires no action by the Commission.

Respectfully Submitted,



CAROLYN EMERY



LUIS TAPIA

**8a** | Commission  
Discussion

**MEETING DATE:** October 9, 2024

**TO:** Local Agency Formation Commission of Orange County

**FROM:** Commission Chair  
General Counsel

**SUBJECT:** Adoption of a Resolution Approving the Fifth Amendment to Memorandum of Agreement for the Position of Executive Officer with Carolyn Emery

**BACKGROUND**

Carolyn Emery (“Emery”) has served as LAFCO Executive Officer since 2013. The Memorandum of Agreement employing Emery as Executive Officer has been amended from time to time. On July 11, 2018 the Commission and Emery entered into an Amended and Restated Memorandum of Agreement for the Position of LAFCO Executive Officer, followed by the First Amendment on June 12, 2019, Second Amendment on November 10, 2021, Third Amendment on January 11, 2023 and the current Fourth Amendment on December 13, 2023 (“Agreement”). Sections 4 and 5 of the Agreement provide that the salary provided the Executive Officer may be increased by Commission action.

**DISCUSSION**

Pursuant to the Agreement and LAFCO policy, on September 11, 2024 the Commission completed Emery’s annual performance evaluation and salary study. The Commission and Emery now desire to amend the Agreement in the form of a Fifth Amendment to Memorandum of Agreement to set 2024-25 compensation.

Government Code subsections 54956(b) and 54957.6(a) require that any final Commission action on executive compensation occur during the non-consent public portion of a regular meeting. The attached Resolution provides final approval of the Fifth Amendment to Memorandum of Agreement presented by the Commission's labor negotiator (its Chair) and accepted by Emery.

**REGULAR MEMBERS**

CHAIR  
**Donald P. Wagner**  
County Member

VICE CHAIR  
**Wendy Bucknum**  
City Member

IMMEDIATE PAST CHAIR  
**Douglass Davert**  
Special District Member

**James Fisler**  
Special District Member

**Derek J. McGregor**  
Public Member

**Bruce Whitaker**  
City Member

**VACANT**  
County Member

**ALTERNATES**

**Kathryn Freshley**  
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**VACANT**  
County Member

**STAFF**

**Carolyn Emery**  
Executive Officer

**Scott Smith**  
General Counsel

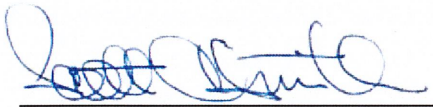


**RECOMMENDED ACTION**

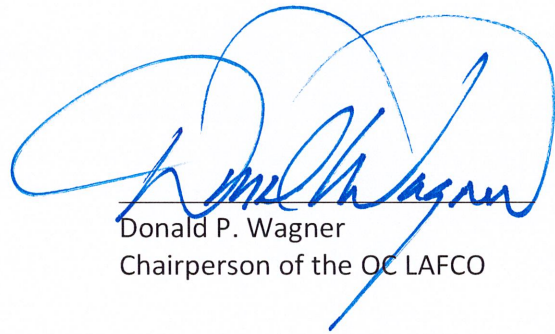
It is recommended that the Commission:

1. Adopt Resolution No. CP 24-06 approving the Fifth Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer for Carolyn Emery; and
2. Authorize Commission Chair Donald P. Wagner to execute and the Commission Clerk to attest to these documents.

Respectfully submitted,



SCOTT C. SMITH  
OC LAFCO General Counsel



Donald P. Wagner  
Chairperson of the OC LAFCO

*Attachment 1: Form of Resolution No. CP 24-06*

CP 24-06

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF  
ORANGE COUNTY, CALIFORNIA APPROVING THE FIFTH AMENDMENT TO  
MEMORANDUM OF AGREEMENT FOR THE POSITION OF LAFCO EXECUTIVE  
OFFICER

October 9, 2024

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

WHEREAS, Carolyn Emery ("Emery") has served capably in the position of Executive Officer of the Orange County Local Agency Formation Commission ("Commission" or "LAFCO") since 2013; and

WHEREAS, the Commission and Emery have entered into a series of Memoranda of Agreement for the Position of LAFCO Executive Officer and amendments thereto over the years; and

WHEREAS, on September 11, 2024 the Commission completed its annual evaluation of Emery; and

WHEREAS, LAFCO and Emery have agreed to the compensation, duties, and other terms and conditions in the attached Fifth Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer, which shall apply to Emery's employment as Executive Officer, effective July 1, 2024; and

NOW, THEREFORE, the Commission DOES HEREBY RESOLVE, DETERMINE, AND ORDER that the Fifth Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer between LAFCO and Emery, attached to this Resolution as Exhibit "A" and incorporated herein by this reference is hereby approved.

Ayes:

Noes:

STATE OF CALIFORNIA )

) SS.

COUNTY OF ORANGE )

I, Donald P. Wagner, 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 9th day of October 2024.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of October 2024.

Donald P. Wagner  
Chairperson of the Orange County Local  
Agency Formation Commission

By: \_\_\_\_\_  
DONALD P. WAGNER

ATTEST:

Cheryl Carter-Benjamin, Commission Clerk  
Orange County LAFCO

\_\_\_\_\_

EXHIBIT A

FIFTH AMENDMENT TO MEMORANDUM OF AGREEMENT FOR THE POSITION OF  
LAFCO EXECUTIVE OFFICER

October 9, 2024

WHEREAS, Carolyn Emery (“Emery”) has been serving as Executive Officer and previously served as Interim Executive Officer and in other positions for Local Agency Formation Commission, County of Orange (“LAFCO”) for more than 20 years; and

WHEREAS, LAFCO and Emery entered into an Amended and Restated Memorandum of Agreement for the Position of LAFCO Executive Officer on July 1, 2018 in order to restate their prior agreements and to memorialize the terms of her employment as Executive Officer going forward (“Agreement”); and

WHEREAS, LAFCO and Emery entered into a First Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer on June 12, 2019 (“First Amendment”); and

WHEREAS, LAFCO and Emery entered into a Second Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer on November 10, 2021 (“Second Amendment”); and

WHEREAS, LAFCO and Emery entered into a Third Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer on January 11, 2023 (“Third Amendment”); and

WHEREAS, LAFCO and Emery entered into a Fourth Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer on December 13, 2023 (“Fourth Amendment”); and

WHEREAS, after having completed Emery’s 2024 annual performance evaluation, LAFCO and Emery have reached agreement on the terms for her continued appointment as Executive Officer, as provided herein; and

WHEREAS, LAFCO and Emery now desire to amend the Agreement to memorialize the terms for her continued employment by the Commission (“Fifth Amendment”).

NOW, THEREFORE, in consideration for the mutual covenants herein, it is agreed by and between the parties as follows:

1. **Salary.** Section 4 of the Agreement is hereby amended in its entirety to read as follows:

“As salary for services rendered by this appointment, Emery shall receive, effective July 1, 2024, \$239,828 per annum, paid biweekly, which shall be paid in the same manner and at the same times as County of Orange employees generally.”

2. **Remaining Provisions of Agreement.** Except as otherwise specifically set forth in this Fifth Amendment, the remaining provisions of the Agreement shall continue in full force and effect.

3. **Acknowledgment and Consent.** I, Carolyn Emery, acknowledge that I have read and fully understand the terms and conditions of this Fifth Amendment to Memorandum of Agreement for the Position of LAFCO Executive Officer, and I consent and agree to each and every term and condition contained herein.

\_\_\_\_\_  
Carolyn Emery

\_\_\_\_\_  
Donald P. Wagner, LAFCO Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Approved as to form:

\_\_\_\_\_  
Best Best & Krieger LLP, General  
Counsel

\_\_\_\_\_  
Date