

**LOCAL AGENCY FORMATION COMMISSION OF
ORANGE COUNTY****REGULAR MEETING AGENDA**

**Wednesday, July 9, 2025
8:15 a.m.**

**County Administrative North (CAN)
First Floor Multipurpose Room 101**

400 W. Civic Center Drive, Santa Ana, CA 92701

Members of the public may access the audio/video live-streamed meeting at

https://youtube.com/live/dOCWg_JfYP8?feature=share

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. COMMISSION APPOINTMENT**

The Commission will receive a report on the recent appointment to the Commission, and the Oath of Office will be administered for the respective term.

4. ROLL CALL**5. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION**

(Communications received after agenda distribution for agenda items.)

6. PUBLIC COMMENT

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

7. CONSENT CALENDAR**a.) June 11, 2025 – Regular Commission Meeting Minutes**

The Commission will consider approval of the June 11, 2025 meeting minutes.

8. PUBLIC HEARING

a.) Municipal Service Review and Sphere of Influence Update for Orange County Mosquito and Vector Control District (MSR 23-07 & SOI 23-08)

The Commission will consider the Municipal Service Review and Sphere of Influence Update for the Orange County Mosquito and Vector Control District, prepared in accordance with Government Code Sections 56425 and 56430. As the lead agency, the Commission will also consider the Notice of Exemption prepared for the Municipal Service Review and Sphere of Influence Update in compliance with the California Environmental Quality Act (CEQA).

9. COMMISSION DISCUSSION AND ACTION

a.) Fiscal Year 2024-2025 Year-End Comprehensive Report

The Commission will receive the year-end comprehensive report for FY 2024-25.

b.) Legislative Report (July 2025)

The Commission will receive an update on the previously reviewed Senate Bill 777 and a summary on recently identified Senate Bill 858 of LAFCO interest.

c.) Classification and Compensation Study

The Commission will receive the Classification and Compensation Study and consider recommendations prepared by consultant, Kelly Associates Management Group.

d.) Appointment for the Southern Alliance of California Local Agency Formation Commissions

The Commission will consider the appointment of a regular and alternate member for participation with the Southern Region Alliance of California Local Agency Formation Commissions.

e.) Cancellation of August 2025 Regular Meeting

The Commission will consider cancellation of the August 13, 2025 Regular Meeting due to the timeline of some agenda items for Commission action.

10. COMMISSIONER COMMENTS

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

11. INTERIM EXECUTIVE OFFICER'S REPORT

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

12. INFORMATIONAL ITEMS & ANNOUNCEMENTS

No informational items and announcements.

13. CLOSED SESSION

No closed session items scheduled.

14. ADJOURNMENT OF REGULAR COMMISSION MEETING

The next Regular Commission Meeting will be held on Wednesday, August 13, 2025 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) **Audio/Video Live Streaming:** The public may listen and view the meeting live on YouTube using the link provided on the website homepage (www.oclafco.org). However, LAFCO cannot guarantee that the public's access will be uninterrupted, and technical difficulties may occur from time to time. The meeting will continue despite technical difficulties for participants using audio/video live streaming unless otherwise prohibited by State open meeting laws.
- 3) **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.

"Pursuant to State law, 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 may be required to disclose the contribution. If you are affected, please notify the Commission's staff before the hearing in order to determine whether disclosure is warranted."

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.

2025 MEETING AND EVENTS CALENDAR

Approved November 14, 2024

2025



January							April							July							October						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4			1	2	3	4	5			1	2	3	4	5				1	2	3	4
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12	13	14	15	16	17	18	13	14	15	16	17	18	19	13	14	15	16	17	18	19	12	13	14	15	16	17	18
19	20	21	22	23	24	25	20	21	22	23	24	25	26	20	21	22	23	24	25	26	19	20	21	22	23	24	25
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February							May							August							November						
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9	10	11	12	13	14	15	11	12	13	14	15	16	17	10	11	12	13	14	15	16	9	10	11	12	13	14	15
16	17	18	19	20	21	22	18	19	20	21	22	23	24	17	18	19	20	21	22	23	16	17	18	19	20	21	22
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March							June							September							December						
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9	10	11	12	13	14	15	15	16	17	18	19	20	21	14	15	16	17	18	19	20	14	15	16	17	18	19	20
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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.
- No Scheduled Regular Meeting.
- Strategic Planning Workshop (9:00 a.m. to 1:00 p.m.)
Location: City of Santa Ana, 60 Civic Center Plaza, Community Room, Santa Ana, CA 92701.
- Office closure due to legal holidays and flexible work schedule.
- 2025 CALAFCO Annual Conference - October 22 - 24, San Diego, CA.

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

Peggy Huang
City Member

Derek J. McGregor
Public Member

VACANT
County Member

ALTERNATES

Kathryn Freshley
Special District Member

Carol Moore
City Member

Lou Penrose
Public Member

VACANT
County Member

STAFF

Luis Tapia
Interim Executive Officer

Scott Smith
General Counsel

MEETING DATE: July 9, 2025

3 | **Commission
Appointment**

TO: Local Agency Formation Commission
of Orange County

FROM: Interim Executive Officer

SUBJECT: Commission Appointment

On June 11, 2025, the Commission approved the appointment to the OC LAFCO Alternate Public Member seat:

Lou Penrose, Alternate Public Member
Term of Office: July 1, 2025 – June 30, 2029

The Oath of Office for the above appointment will be administered at the July 9 Regular Commission Meeting. Attached for reference is the **OC LAFCO Terms of Office** as of July 9, 2025.

Respectfully submitted,


LUIS TAPIA

Attachment:

1. OC LAFCO Terms of Office (Upd: July 2025)



LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY

Commissioners' Terms of Office

Updated: July 2025

Pursuant to Government Code Section 56334, the expiration date of the term of office of each member of the Commission is June 30th in the year in which the member's term expires.

Commissioners	Original Date Appointed to OC LAFCO	Current Term	Appointing Authority
Regular Members			
Donald P. Wagner , <i>Chair</i> County Member	2019	2022–2026	Board of Supervisors
Wendy Bucknum , <i>Vice Chair</i> City Member	2015	2024–2028	City Selection Committee
Douglass Davert , Special District Member <i>Immediate Past Chair</i>	2018	2022–2026	Independent Special District Selection Committee
James Fisler , Special District Member	2011	2024–2028	Independent Special District Selection Committee
Peggy Huang , City Member ¹	2025	2022–2026	City Selection Committee
Derek J. McGregor , Public Member	2009	2022–2026	Commission
VACANT , County Member ²	2022	2023–2027	County Board of Supervisors
Alternate Members			
Kathryn Freshley , Special District Member	2019	2022–2026	Independent Special District Selection Committee
Carol Moore , City Member	2023	2024–2028	City Selection Committee
Lou Penrose , Public Member	2017	2025–2029	Commission
VACANT , County Member ²	2023	2023–2027	County Board of Supervisors

¹ Appointed to complete an unexpired term ending June 30, 2026.

² Appointment will be for an unexpired term ending June 30, 2027.

DRAFT MINUTES

OC LAFCO REGULAR MEETING

Wednesday, June 11, 2025
8:15 a.m.

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

Members of the public may access the audio live-streamed meeting at:
<https://youtube.com/live/zflox-aqZ5w?feature=share>

1. CALL TO ORDER

Chair Wagner called the meeting of the Local Agency Formation Commission of Orange County (OC LAFCO) to order at 8:15 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Penrose led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners were present:

City Member

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

The following staff members and general counsel were present:

- Interim Executive Officer Luis Tapia
- 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 requests to pull the consent calendar item for discussion. There were no requests from Commissioners, and the Commission Clerk noted that there were no requests from the public to speak on the item. **Commissioner McGregor** motioned for approval of the consent calendar, and **Commissioner Davert** seconded the motion.

6a. – May 14, 2025 - Regular Commission Meeting Minutes

MOTION: Approve Consent Calendar. (Derek J. McGregor)
SECOND: Douglass Davert
FOR: Derek J. McGregor, Douglass Davert, James Fisler,
Carol Moore, Donald P. Wagner
AGAINST: None
ABSTAIN: None

MOTION PASSED: 5-0.

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. – OC LAFCO Accounting and Financial Policies Update

Policy Analyst Aimee Diaz presented the staff report and recommended action for Commission consideration.

Chair Wagner called for Commission discussion and public comments. There was no noted 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 Fisler** seconded the motion.

MOTION: Adopt the OC LAFCO Accounting and Financial Policies, as amended.
(Douglass Davert)
SECOND: James Fisler
FOR: Douglass Davert, James Fisler, Derek J. McGregor,
Carol Moore, Donald P. Wagner
AGAINST: None
ABSTAIN: None

MOTION PASSED: 5-0.

8b. – OC LAFCO Personnel Policies and Procedures Update

Commission Clerk Cheryl Carter-Benjamin presented the staff report and recommended action for Commission consideration.

Chair Wagner called for Commission discussion and public comments. There was no noted 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 Moore** motioned to approve the staff recommended action, and **Commissioner Davert** seconded the motion.

MOTION: Adopt the OC LAFCO Personnel Policies and Procedures, as amended.
(Carol Moore)
SECOND: Douglass Davert
FOR: Carol Moore, Douglass Davert, James Fisler,
Derek J. McGregor, Donald P. Wagner
AGAINST: None
ABSTAIN: None

MOTION PASSED: 5-0.

8c. – Legislative Report (June 2025)

Interim Executive Officer Luis Tapia presented the staff report and recommended action for Commission consideration.

Chair Wagner called for Commission discussion and public comments. Commissioners made general comments and asked clarifying questions, 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 Moore** seconded the motion.

MOTION: Adopt an Oppose position on SB 777. (Douglass Davert)
SECOND: Carol Moore
FOR: Douglass Davert, Carol Moore, James Fisler,
Derek J. McGregor, Donald P. Wagner
AGAINST: None
ABSTAIN: None

MOTION PASSED: 5-0.

8d. – Selection Process and Appointment of OC LAFCO Alternate Public Member

Interim Executive Officer Luis Tapia presented the staff report and recommended action for Commission consideration.

Chair Wagner called for Commission discussion and public comments. There was no noted 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 recommended action of the Ad Hoc Committee. **Chair Wagner** motioned to approve the Ad Hoc Committee's recommended action, and **Commissioner Davert** seconded the motion.

MOTION: Reappoint Lou Penrose to the Alternate Public Member seat for the term to commence July 1, 2025. (Donald P. Wagner)
SECOND: Douglass Davert
FOR: Donald P. Wagner, Douglass Davert, James Fisler,
Derek J. McGregor, Carol Moore
AGAINST: None
ABSTAIN: None

MOTION PASSED: 5-0.

9. COMMISSIONER COMMENTS

Commissioners made general comments.

10. INTERIM EXECUTIVE OFFICER'S REPORT

Interim Executive Officer Luis Tapia provided an oral report of the recent discussions with staff from the City of Fullerton on the City taking over the delivery of water services to the Page Water Mutual Company located within the City's boundary. Mr. Tapia informed the

Commission that OC LAFCO does not have a role as the Water Mutual is within the City's boundary and the City will be providing water services to the residents of the mutual. Mr. Tapia noted that the City and Water Mutual are collaborating with the State Water Control Board and the United States Environmental Protection Agency to obtain funding for the placement of permanent infrastructure to facilitate the delivery of water services to the 37 water connections within the mutual. The City will keep OC LAFCO staff informed of the process.

Mr. Tapia also updated the Commission on the distribution of a cease-and-desist order received by this Commission regarding the development of a proposed battery warehouse in the City of San Juan Capistrano. He noted that staff and General Counsel are working together to determine if LAFCO needs to respond, considering LAFCO does not have a role in land use.

Commissioner McGregor informed the Commission that a formal letter was sent to the Southern Region of CALAFCOs, noting OC LAFCO's withdrawal from the group and vacating his current position as the Chair. He also noted that El Dorado and Napa LAFCO will not renew their membership with CALAFCO for the upcoming fiscal year starting July 1.

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

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

12. CLOSED SESSION

Chair Wagner and General Counsel Scott Smith noted that no closed session items were scheduled for discussion by the Commission.

13. ADJOURNMENT OF THE REGULAR COMMISSION MEETING

Chair Wagner adjourned the Regular Commission Meeting at 8:34 a.m. to July 9, 2025.

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

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

Peggy Huang
City Member

Derek J. McGregor
Public Member

VACANT
County Member

ALTERNATES

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Lou Penrose
Public Member

VACANT
County Member

STAFF

Luis Tapia
Interim Executive Officer

Scott Smith
General Counsel

MEETING DATE: July 9, 2025

8a | **Public**
Hearing

TO: Local Agency Formation Commission
of Orange County

FROM: Interim Executive Officer
Policy Analyst I

SUBJECT: Municipal Service Review and Sphere of Influence
Review for Orange County Mosquito and Vector
Control District (MSR 23-07 and SOI 23-08)

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) was amended 25 years ago to include Municipal Service Reviews (MSRs). 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 that provide 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 that include multiple agencies and the clustering of municipal services. Each cycle has involved the collaborative participation of representatives from the County, cities, special districts, and community members, as appropriate, and involved the review of how agencies in Orange County deliver and plan to deliver municipal services effectively and efficiently.

The Commission previously established a schedule for completing the fourth MSR cycle, and an MSR for the Orange County Mosquito and Vector Control District (OCMVCD) has been prepared in line with that timeline. The MSR addresses all areas required in accordance with State law and is referenced as **Attachment 1** to this staff report. A summary of the MSR and SOI determinations and staff recommendations for OCMVCD are discussed in the following section of this report.

MSR Summary

OCMVCD was formed in 1947 to provide vector control services to the County's residential and business communities following an examination by the State involving the presence of mosquitoes in the County. The District's abatement responsibilities were expanded 30 years later to include other vectors, such as flies, ants, and rats, and to provide education and prevention services for vector-borne diseases. OCMVCD's service boundary comprises approximately 800 square miles, and the District's boundary is coterminous with the County's boundary, serving approximately 3.1 million residents.

MSRs for OCMVCD were conducted in 2005, 2008 and 2013. The first MSR involved a collaborative stakeholder process and a comprehensive review of the District's services and operations. The 2005 MSR noted that the District should explore options to expand or relocate its facilities to support operational needs efficiently. In response, the District's Board of Trustees approved a Facilities Improvement Fund, and in 2011, the District purchased the adjacent area to its facilities, referred to as the Haster Business Park, expanding its operations to approximately five acres. However, facility limitations have persisted due to space constraints and proximity to highway SR-22, resulting in challenges related to parking, operational efficiency, and capacity for program growth. To address the challenges, in 2024, the Board of Trustees directed staff to develop a plan to reorganize the facilities within the current property, maximizing space utilization to support current and future operational needs and address increased service demands driven by population growth in the County. OCMVCD continues to serve its residents through its facilities, which include administrative offices, a laboratory, and storage areas.

As part of the MSR process, OC LAFCO evaluates fiscal indicators to assess an agency's financial health and capacity to sustain service delivery. These indicators track multi-year trends in revenues, expenditures, and reserves, offering an initial review of fiscal conditions and long-term viability. OCMVCD's analysis indicates moderate revenue growth, low expenditure growth, and high reserves, suggesting sound financial management and the capacity to support planned facility improvements. The District's financial practices and strong reserve levels position it well to address future capital needs and increasing service demands.

SOI Summary

The Commission first established OCMVCD's SOI in 1984 and was last reviewed and reconfirmed in 2013. The District's SOI boundary is coterminous with the County of Orange's jurisdictional boundary, which encompasses the 34 cities and unincorporated areas within the County. During the District's 2025 SOI review, no issues were identified within the SOI determinations. Therefore, staff recommends that the Commission approve the resolution adopting the SOI Statement of Determinations and reaffirm OCMVCD's SOI – **Attachment 3**.

AGENCY/PUBLIC COMMENTS

A 30-day review and comment period (May 19 through June 19, 2025) was conducted for the Public Draft MSR for the OCMVCD MSR. The County and each city and special district in the County were notified of the review period and the publishing of the draft MSR on the OC LAFCO

website. No written comments had been received as of the publication of the regular meeting agenda on July 2, 2025.

ENVIRONMENTAL REVIEW

OC LAFCO is the lead agency under the California Environmental Quality Act (CEQA) for the OCMVCD MSR and SOI reviews. 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 the Municipal Service Review for the Orange County Mosquito and Vector Control District (**Attachment 1**).
2. Approve OC LAFCO Resolution No. MSR 23-07 adopting the Municipal Service Review Statement of Determinations for the Orange County Mosquito and Vector Control District (**Attachment 2**).
3. Approve OC LAFCO Resolution No. SOI 23-08 adopting the Sphere of Influence Statement of Determinations and reconfirming the Sphere of Influence for the Orange County Mosquito and Vector Control District (**Attachment 3**).
4. Approve the Notices of Exemption for MSR 23-07 and SOI 23-08 (respectively, **Attachment 2, Exhibit 1** and **Attachment 3, Exhibit 2**).

Respectfully Submitted,


LUIS TAPIA
AIMEE DIAZ

Attachments:

1. Final Draft Municipal Service Review for OCMVCD
2. OC LAFCO Resolution No. MSR 23-07 – OCMVCD
3. OC LAFCO Resolution No. SOI 23-08 – OCMVCD

2025
FINAL DRAFT
**MUNICIPAL
SERVICE
REVIEW**

ORANGE COUNTY
MOSQUITO AND VECTOR
CONTROL DISTRICT

MSR 23-07 & SOI 23-08



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Table 2: OCMVCD Information and Demographics

Table 3: OCMVCD Population Projections

Table 4: Growth of Agency

Table 5: OCMVCD General Fund Cash Flow FY 21-22 to FY 23-24

Exhibits

Exhibit 1: Orange County Mosquito and Vector Control District Vicinity Map

Exhibit 2: OCMVCD Headquarters

Exhibit 3: OCMVCD Board of Trustees

Acronyms and Abbreviations

CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CAN	County Administrative North
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
G.C.	Government Code
IVM	Integrated Vector Management Plan
LAFCO	Local Agency Formation Commission
OC LAFCO	Orange County Local Agency Formation Commission
OCMVCD	Orange County Mosquito and Vector Control District
MSR	Municipal Service Review
SOI	Sphere of Influence
SIT	Sterile Insect Technique

I. EXECUTIVE SUMMARY

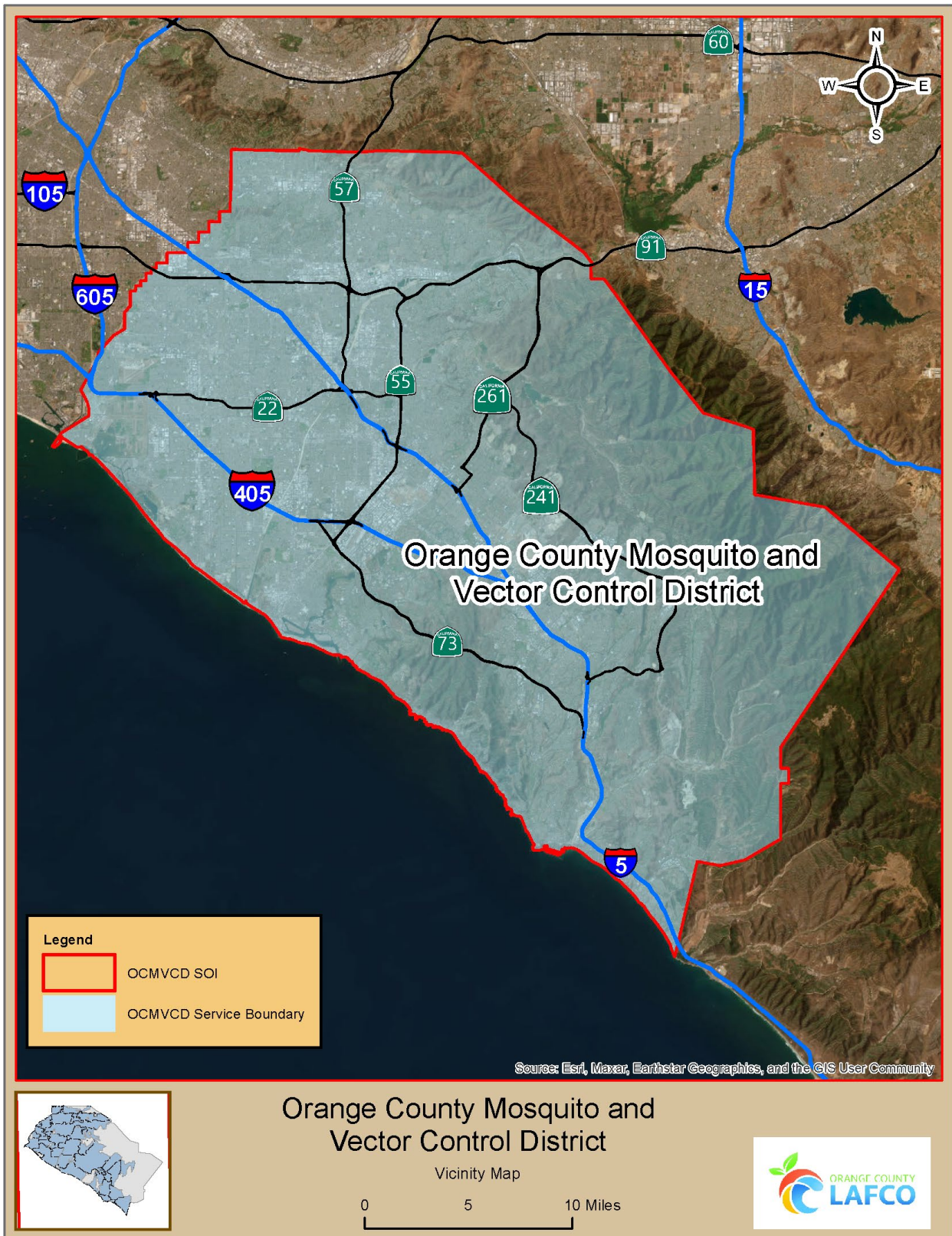
INTRODUCTION

The Local Agency Formation Commission of Orange County (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 city and special district's sphere of influence (SOI) and preparing focused and regional MSRs.

ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT REVIEW

The service area for the Orange County Mosquito and Vector Control District (OCMVCD) is coterminous with Orange County's geographic boundary, encompassing the jurisdictional limits of 34 cities and several county unincorporated areas, extending from the City of Los Alamitos to the southern region of the County near the cities of Rancho Santa Margarita, San Clemente, and San Juan Capistrano. The District's service area and sphere of influence boundary are depicted in Exhibit 1.

Exhibit 1:



MSR STATEMENT OF DETERMINATIONS

In accordance with Government Code Section 56430, the following MSR Statement of Determinations, as shown below, have been prepared for OCMVCD.

Determination 1: Growth and population projections for the affected area.

OCMVCD currently provides vector control services to approximately 3.1 million people in Orange County, including residential and business communities. Over the next 15 years, the population within the District's service area is expected to increase to approximately 3.2 million. As new developments for housing are completed to accommodate the population increase, the presence of mosquitoes or vectors will increase. The District is planning to allocate the necessary resources accordingly to meet the increase in vector control service requests by residents.

Determination 2: Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

There are eleven (11) disadvantaged unincorporated communities (DUCs) located within the boundary of OCMVCD. 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 and adequacy of public services, , infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

In 2011, OCMVCD acquired additional property adjacent to its existing district headquarters in order to address the deficiency of its capacity for public facilities. However, the District quickly outgrew the space, facing challenges such as operational efficiencies and parking constraints. Despite these challenges, the District continues to provide effective vector control services. To address these limitations, in 2024, the Board of Trustees decided to move forward with developing a plan to rebuild and remodel on the current property, utilizing the existing space more efficiently. Staff is developing this plan with efforts to minimize disruption to services during construction.

Determination 4: Financial ability of agencies to provide services.

The financial capacity of OCMVCD is adequate for existing vector control service levels. Based on OC LAFCO financial indicators, the agency reports moderate revenues, low expenditures, and high reserves. The District notes that the reserves are largely attributed to the Capital Improvement Fund and will be used to support the development of a plan for rebuilding onsite to accommodate OCMVCD operations. OCMVCD's key funding sources are taxes and assessments, which provide approximately 90% of its annual revenues.

Determination 5: Status of, and opportunities for, shared facilities.

The District currently participates in a shared agreement with the Greater Los Angeles County Vector Control District involving equipment for providing vector control services. As the sole

provider of vector control services to Orange County communities, opportunities for shared agreements between OCMVCD and other agencies are limited.

Determination 6: Accountability for community service needs, including government structure and operational efficiencies.

OCMVCD is an independent special district that operates under the Mosquito Abatement and Vector Control Districts Principal Enabling Act. The District maintains an accessible website that includes a wide range of information, including an overview of the vector services provided to residents, audited financial statements, service area map, agency meeting agendas, notices and minutes, and other written reports and studies. Additionally, the website includes information on appointment terms, current vacancies, and election processes for the trustee members.

Determination 7: Any other matter related to effective or efficient service delivery, as required by Commission Policy.

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

SOI STATEMENT OF DETERMINATIONS

In accordance with Government Code Section 56425, the following SOI Statement of Determinations, as shown below, has been prepared for OCMVCD.

Determination 1: The present and planned land use in the area, including agricultural and open space lands.

OCMVCD's SOI boundary is coterminous with Orange County's jurisdictional boundary and includes 34 cities and unincorporated areas. The County and respective cities govern land use throughout the District's SOI and service area, which is identified as residential, commercial, industrial, agricultural, and open space lands. The District addresses the present and future needs of the population served through the agency's integrated vector management plan and fiscal budget.

Determination 2: The present and probable need for public facilities and services.

OCMVCD provides adequate services within its respective service area and designated sphere of influence. To support its current and future operational needs, the District is developing a plan to rebuild and remodel existing buildings at its headquarters, ensuring the continued capacity to accommodate operational demands.

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

OCMVCD currently has adequate facilities and infrastructure to provide vector control services. However, the District is in an ongoing process of increasing its equipment and facility size to appropriately accommodate both growth within OCMVCD's service area and the increased need for vector control services.

Determination 4: The existence of any social or economic communities of interest in the area. OCMVCD was established to ensure the efficient delivery of vector control services and effectiveness in reducing the potential for vector-borne diseases in Orange County’s residential and business communities.

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.

A total of 11 disadvantaged unincorporated communities (DUCs) were identified within the boundary of OCMVCD during this review. The District does not provide public facilities or services related to sewers, municipal and industrial water, or structural fire protection services. However, vector control services provided by OCMVCD are available and accessible to all Orange County communities, including DUCs, located within the District’s SOI.

II. BACKGROUND

LEGAL REQUIREMENTS AND PURPOSE

PLANNING AUTHORITIES

LAFCOs’ planning authorities are carried out through the establishment and updating of agencies’ SOIs, which are tools used to define a city or special district’s future jurisdictional boundary and service areas. Through the reform of CKH in 2000, LAFCO’s planning responsibility includes the preparation of comprehensive studies (MSRs) that analyze service or services within the county, region, subregion, or other designated geographic area. The determinations that LAFCOs must review, analyze, and adopt SOIs and MSRs are discussed in the next sections.

SPHERE OF INFLUENCE UPDATES

In 1972, LAFCOs throughout the State were tasked with determining and overseeing the SOIs for local government agencies. An SOI is a planning boundary that may be outside of an agency’s jurisdictional boundary (such as the city limits or a special district’s service area) that designates the agency’s probable future boundary and service area. The purpose of an SOI is to ensure the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands, and by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCOs coordinate the orderly development of a community through reconciling differences between different agency plans. This is intended to ensure the most efficient urban service arrangements are created for the benefit of area residents and property owners. Factors considered in an SOI update include current and future land use, capacity needs, and any relevant areas of interest, such as geographical terrain, location, and other aspects that would influence the level of service.

From time to time, an SOI may be modified as determined by LAFCO using the procedures for making sphere amendments as outlined by CKH. Pursuant to Government Code Section 56430,

a LAFCO must first conduct an MSR prior to updating or amending an SOI.

Per Government Code Section 56425, a LAFCO shall consider and prepare a written statement of its SOI determinations on the following five (5) factors:

- 1) The present and planned land use in the area, including agricultural and open space lands.
- 2) The present and probable need for public facilities and services in the area.
- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- 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.
- 5) If a city or special district provides public facilities or services related to sewers, municipal 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 REVIEW

Section 56425(g) of CKH requires that LAFCOs evaluate an SOI every five years or when necessary. The vehicle for doing this is known as a Municipal Service Review.

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics as follows:

- 1) Growth and population projections for the affected area.
- 2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- 3) Present and planned capacity of public facilities, adequacy of public services, infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the 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 government structure and operational efficiencies.
- 7) Any other matter related to effective or efficient service delivery, as required by Commission Policy.

The focus of an MSR is to ensure that public services are being carried out efficiently and the residents of any given area or community receive the highest level of service possible. If an MSR determines that certain services are not being carried out to an adequate standard, OC LAFCO can initiate changes through sphere amendments and dissolution or consolidation of service providers to provide the best service possible to the population.

AUTHORITY AND POWERS OF LAFCO

Codified within CKH are the procedures and processes for LAFCOs to carry out their purposes as established by the Legislature. LAFCOs' purposes are guided and achieved through their regulatory and planning powers and acknowledge that the local conditions of the 58 California counties shall be considered in part to the Commission's authorities.

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."

LAFCO RESPONSIBILITY

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

- City Incorporation
- City Disincorporation
- District Formation
- District Dissolution
- City and District Annexations and Detachments
- City and District Consolidations
- Merger of a City and District
- Establishment of Subsidiary District
- Activation of new or different functions or classes of services or divestiture of power to provide services for special districts.

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 the preparation of numerous studies. OC LAFCO has also provided proactive leadership on efficient government through its annexation of unincorporated islands 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

OC LAFCO MISSION STATEMENT:

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

implementation of the provisions of CKH and consideration of the local conditions and circumstances of Orange County. Those policies and procedures may be found on the OC LAFCO website at: <https://oclafco.org/about-us/transparency/>.

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 (3) County Supervisors, three (3) City Councilmembers, three (3) Independent Special District members, and two (2) 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 judgment on behalf of the interests of residents, property owners, and the public as a whole. Table 1 below depicts current members of the Commission and their respective appointing authority and terms.

Table 1: OC LAFCO Commission Roster

Commissioners	Appointing Authority	Current Term
Regular Members¹		
Donald P. Wagner , <i>Chair</i> County Member	Board of Supervisors	2022-2026
Wendy Bucknum , <i>Vice Chair</i> City Member	City Selection Committee	2024-2028
Douglass Davert , <i>Immediate Past Chair</i> Special District Member	Independent Special District Selection Committee	2022-2026
James Fisler Special District Member	Independent Special District Selection Committee	2024-2028
Derek J. McGregor Public Member	Commission	2022-2026
Peggy Huang City Member	City Selection Committee	2022-2026
Alternate Members		
Kathryn Freshley Alternate Special District Member	Independent Special District Selection Committee	2022-2026
Carol Moore Alternate City Member	City Selection Committee	2024-2028
Lou Penrose Alternate Public Member	Commission	2021-2025
Luis Tapia, Interim Assistant Executive Officer Scott C. Smith, General Counsel		
¹ County Regular and Alternate Member seats are currently vacant.		

MEETING AND CONTACT INFORMATION

The Commission's regular meetings are held on the second Wednesday of each month, beginning at 8:15 a.m. The meetings are conducted at the County Administration North (CAN), First Floor

Multipurpose Room 101, 400 W. Civic Center Drive, Santa Ana, CA 92701. The OC LAFCO administrative offices are centrally located at 2677 North Main Street, Suite 1050, Santa Ana, CA 92705. 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.

III. REVIEW OF OCMVCD SERVICES

PRIOR MUNICIPAL SERVICE REVIEWS

OCMVCD's last comprehensive MSR was completed in 2005, followed by a reconfirmation of MSR determinations in subsequent reviews conducted in 2008 and 2013. The District's 2005 MSR noted that the district should explore acquiring an adjacent property or a new location to accommodate OCMVCD's operations sufficiently. During that MSR process, the District's Board of Trustees increased the capital improvement fund to approximately \$1.8M to address OCMVCD's infrastructure deficiencies, including the timely replacement of the District's fleet vehicles. Following the 2005 MSR, OCMVCD replaced 31 vehicles and established a schedule for future vehicle replacements.

HISTORY OF DISTRICT

The Orange County Mosquito and Vector Control District (OCMVCD) was established in 1947 to provide vector control services to the county's residential and business communities following an examination conducted by the State of California involving the presence of mosquitoes in various Orange County areas. Vectors are defined by the California Department of Public Health as "any insect or other arthropod, rodent or other animal of public health significance capable of harboring or transmitting the causative agents of human disease, or capable of causing human discomfort and injury."

Originally established under the name of the Orange County Vector Control District, the District's abatement responsibilities were expanded nearly 30 years following its inception to include the protection of County communities from other vectors, such as flies, ants, and rats, and education and prevention of vector-borne diseases services.

OCMVCD Mission Statement:

"The mission of the Orange County and Vector Control District is to educate and protect Orange County from vectors and prevent vector-borne diseases in an environmentally responsible manner."

In 2015, the District officially changed its name to reflect and align with its service responsibilities and jurisdiction. Today, the District's service area includes a population of approximately 3.1 million, encompassing residential and business communities. In 2024, OCMVCD noted in its District's Year In Review the treatment of 419 acres of flood channels and 7,777 inspections and treatments to pools and spas in Orange County.

IV. AGENCY PROFILE

This section provides information on OCMVCD, including the governing structure, population, service area, services provided, and a demographic summary of the District. A summary of OCMVCD's financial trends for Fiscal Years 2021-22 to 2023-24 are also shown in this section.

Table 2: OCMVCD Information and Demographics

Orange County Mosquito and Vector Control District Formed in 1947	
District Information	
Address	13001 Garden Grove Boulevard, Garden Grove, CA 92843
Primary Contact	Lora Young, General Manager
Contact Information	(714) 971-2421
Website	https://www.ocvector.org
Governance	35 Trustees, appointed by their respective city and the Orange County Board of Supervisors.
District Type	Independent Special District
Total Agency Staff	70 Full-Time Employees
Service Area Information	
District Service Area (Sq. Mi.)	799
Communities Served	34 cities and county unincorporated areas
Population Served	Approximately 3.1 million
Population	
2020 Population	3,186,326
2024 Population	3,150,835
2030 Population	3,287,447
Unincorporated Population	131,391
Area (Square Miles)	799.8
2024 Housing	
Housing Units	1,157,425
Owner Occupied (%)	56.5%
Renter Occupied (%)	43.5%
2024 Employment	
Employed	1,522,600
Unemployed	57,800
Unemployment rate	3.7%
Services Provided	
<ul style="list-style-type: none"> Public health protection by controlling the populations of rats, flies, mosquitoes, Red Imported Fire Ants, and other vector-related problems. 	

General Fund Cash Flow FY 2021-22 to FY 2023-24

Financial Summary ¹	2021-22	2022-23	2023-24
Revenue	\$16,241,370	\$18,408,624	\$20,452,123
Expenditures	\$13,811,529	\$14,584,755	\$14,843,306
Net	\$2,429,841	\$3,823,869	\$5,608,817
Reserves	\$10,296,720	\$12,637,224	\$14,470,947

V. GROWTH AND POPULATION PROJECTIONS

The efficient and effective delivery of municipal services relies on deliberate planning for the existing population and anticipated growth in Orange County. Understanding the impacts of existing and future levels of demand for services assists service providers with planning, maintaining, and expanding adequate service infrastructure.

The current population in OCMVCD's service area is approximately 3.1 million residents and, as reflected in Table 3, is projected to increase to approximately 3.34 million by 2040. In concert with population growth, additional housing units throughout the county are expected to be built.

With the addition of more livable spaces to accommodate population growth, there may be an assumption of a lesser presence of mosquitoes or vectors due to the decrease in rural land or open space. Contrary to this theory, constructing a new structure provides a habitat where vectors can thrive and repopulate. Therefore, it is expected that with an increase in population and housing, the demand for services provided by OCMVCD will concurrently increase, as depicted in Table 3. The District's current capacity and adequacy of its facilities, services, and future opportunities are discussed in section seven of this MSR.

Table 3: OCMVCD Population Projections		
Year	Population	Housing
2024	3,150,835	1,157,425
2025	3,239,474	1,176,165
2030	3,287,447	1,220,390
2040	3,345,665	1,252,783
Source: Orange County Progress Report 2024 ²		

¹ "Reserves" are based on unassigned fund balance.

Source: OC LAFCO Fiscal Indicators, OCMVCD's Audited Financial Statements.

² Center for Demographic Research, *Orange County Progress Report 2025*, Vol. 53

VI. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES (DUCs)

Collectively, OCMVCD's jurisdictional boundary includes eleven (11) DUCs adjacent to the cities of Anaheim, Stanton, and Westminster. There are four DUCs situated within the unincorporated area of Southwest Anaheim, two others within the City of Stanton's sphere of influence, and five DUCs located in the City of Westminster's sphere of influence.

The DUCs within the Southwest Anaheim area include 192 acres. The City of Anaheim provides water and wastewater services within these areas. Garden Grove Sanitary District provides solid waste services for the DUCs through an agreement with the County.

The DUCs located within the City of Stanton's SOI receive municipal services from various agencies. Located near the intersection of Dale and Chapman Ave, the Dale/Augusta DUC includes 27 acres and receives water services from the City of Garden Grove and Hynes Estates Mutual Water Company. The Mac/Syracuse DUC is located near the intersection of Katella Avenue and Magnolia Street, consists of 34 acres, and receives water services from Golden State Water Company, a private water purveyor. Garden Grove Sanitary District provides wastewater services to both DUCs, and solid waste services to the same areas are provided by Republic Waste Services.

The five DUCs located within the City of Westminster's SOI also receive municipal services from various providers. Collectively, the DUCs encompass a total of 288 acres, three of which are located east of Beach Boulevard in an unincorporated area referenced as Bolsa/Midway. Water service to the Bolsa/Midway DUC is provided by four providers, including the City of Westminster, Midway City Mutual Water Company, Eastside Water Association, and South Midway City Mutual Water Company. The remaining two DUCs, referred to as Bolsa/Pacific and Bolsa/McFadden, are located west of Beach Boulevard and receive retail water services from the City of Westminster. Midway City Sanitary District provides wastewater and solid waste disposal services to all five DUCs located in the City of Westminster's SOI.

The County of Orange provides all other general and municipal services within the DUCs. This includes land use planning, fire protection and prevention, law enforcement, street sweeping, library services, animal control, code enforcement, and parks and recreation.

VII. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

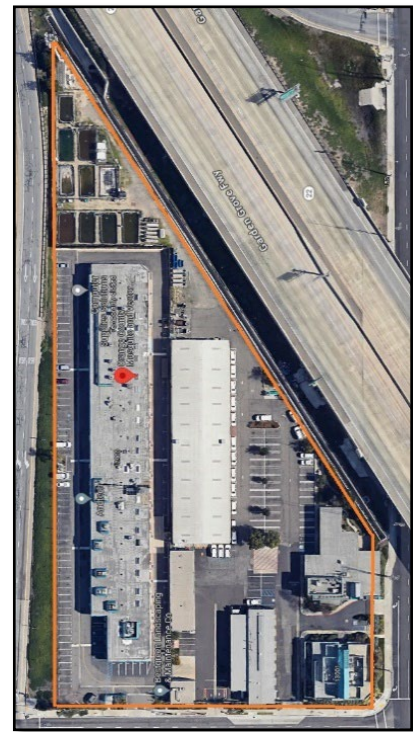
One of the most critical components of providing municipal services is having the capacity and adequate public facilities to provide effective and efficient services. For OCMVCD, it involves the District's having sufficient infrastructure to support its operation's needs. The section of this MSR includes a review of OCMVCD's facilities and services.



OCMVCD FACILITIES

With a significant service area that spans from the northern jurisdictional limits of the cities of La Habra and Brea to the boundaries of south Orange County adjacent to the City of San Clemente, OCMVCD's headquarters modestly accommodates various facilities, including its administrative offices, a laboratory, and storage areas for fleet and treatment equipment infrastructure. Throughout the years, the District has been challenged with completing improvements to the property due to the limitations of the existing space and right-of-way restrictions. Noted in 2005, one of the MSR findings indicated that the OCMVCD's facilities were not adequate for the District's operations due to the limitation of its size. During that same MSR process, the OCMVCD Board of Trustees approved a Facilities Improvement Fund to facilitate improvements to the District's headquarters or purchase land that would accommodate the staff and operations of OCMVCD.

Exhibit 2: OCMVCD Headquarters



In alignment with that directive, in 2011, OCMVCD purchased a property, Haster Business Park, adjacent to the District's headquarters. The purchase of the business park added approximately two acres to the District's then 3.24-acre operations. However, the District quickly outgrew the space, facing challenges such as operational efficiencies, parking constraints, and limitations on future program growth. Further build-out of the now approximate five-acre headquarters is restricted due to the proximity of the facilities to the SR 22 freeway. Despite the ongoing challenges of addressing these deficiencies and increasing service demand, the District continues to deliver effective vector control services. To address these challenges and accommodate the growing need for vector control services, in 2024, the Board of Trustees made the decision to develop a plan for rebuilding on the current property, utilizing the existing space more efficiently. District staff is currently

working on developing a plan as directed by the Board of Trustees to ensure minimal disruption to services during construction while accommodating both current and future operational needs.

OCMVCD EQUIPMENT

Maintaining the District's vehicle fleet is a critical component of OCMVCD's delivery of vector control services. The District's most recent comprehensive MSR noted the need for the replacement of aged vehicles in order to facilitate adequate services.

Recognizing the significance of this deficiency, the Board of Trustees established a vehicle replacement fund and schedule dedicated to replacing land and water vehicles. The District



maintains 98 vehicles within its fleet, including lightweight pick-up trucks, one medium-weight pickup truck, and right-wheeled jeeps. The District's fleet is utilized to complete daily field work, treatment of large areas, and the underground storm drain program. In addition to land vehicles, OCMVCD owns five golf carts, two Jon boats, and two drones. Golf carts are used for treatments within golf courses, large parks, or school sites. The boats are used to treat areas not accessible by land vehicles, which include lakes and ponds. Similarly, drones are used to view and

conduct control in sensitive habitat areas that are not accessible through land or water vehicles. Typically, the District replaces approximately six vehicles per year based on mileage, vehicle age, and maintenance issues.

During this MSR process, OCMVCD acknowledged new State regulations requiring the replacement of fleet vehicles with electric vehicles. Established to adopt regulations to reduce emissions and promote cleaner technologies, the California Air Resources Board adopted a regulation requiring local government agencies with medium and heavy-duty on-road vehicles to transition to electric vehicles in part to the State's effort to achieve carbon neutrality by 2045 or sooner. Vehicles under this regulation include solid waste trucks, buses, vans, and other heavy vehicles. The new law will not directly impact the District's fleet at this time. However, the District has expressed that it would need to commit significant investments into the agency's infrastructure should the regulation be expanded to include the characteristics of the District's fleet.

OCMVCD budgets annually for necessary equipment and is able to fund all the equipment needed to provide services. The district is currently exploring enhancing existing infrastructure to combat the spreading of vector-borne diseases by the mosquito population. OCMVCD is considering the purchase of new technologies, such as the Irradiation Sterile Insect Technique, to enhance its mosquito control efforts. This new technology would allow for a greater volume of mosquitoes to be sterilized. Another technology tool employed by OCMVCD is the use of

drones in nature preserves and wetlands to assist with the control of mosquitoes while minimizing impacts on the environment.

OCMVCD SERVICES

To carry out the District's mission, OCMVCD adopted its Integrated Vector Management Plan (IVM) to carry out the agency's forward planning strategies to reduce the presence of vectors in Orange County. Similar to a city's General Plan or a water district's Urban Water Management Plan, the OCMVCD IVM Plan combines scientific research and best management practices to fulfill the services and efforts discussed in the following sections.

Vector Control & Monitoring Services

A method and service implemented by OCMVCD from the IVM Plan is monitoring mosquito populations and vector-borne diseases. To facilitate this service, the District places over 100 mosquito traps throughout the County and collect samples to address the potential diseases (West Nile virus, St. Louis, and Western Equine Encephalitis) carried by mosquitoes that may present harm to Orange County's population. Traps used by OCMVCD include carbon dioxide-baited traps and gravid mosquito traps.



- **Carbon Dioxide Baited Trap**
 - The carbon dioxide trap is used to attract and capture recently mated females. After females mate, they need to find a blood source to be able to produce eggs. The carbon dioxide trap mimics an animal's breathing emissions.
- **Gravid Mosquito Trap**
 - The gravid trap is a foul-smelling trap that egg-laying female mosquitoes are attracted to as a potential place to lay their eggs.



Building on these monitoring efforts, the District integrates and maintains the collected data from the sampled mosquitoes on its agency's website. Additionally, OCMVCD staff conducts daily inspections of potential breeding sources such as drains, gutters, and ditches to identify and mitigate areas where stagnant water could facilitate mosquito development.

Effective mosquito control goes beyond monitoring and relies on a combination of biological, chemical, and physical methods. Biological controls include using Mosquitofish in isolated water sources such as non-chlorinated swimming pools and small ponds. Mosquitofish survive in diverse environmental conditions, making them a valuable tool for controlling mosquito larvae in specific settings. These fish are only used by OCMVCD according to environmental regulations in appropriate environments to protect natural ecosystems.



Innovative approaches are also being explored to complement traditional methods. For instance, the Sterile Insect Technique (SIT) is an emerging technology that OCMVCD is piloting in partnership with the neighboring district, Greater Los Angeles County Vector Control District. This technique involves mass rearing and sterilizing male mosquitoes using radiation, then releasing them to suppress invasive species like Aedes or “ankle biter” mosquitoes. By producing infertile eggs when mating with wild females, SIT offers a promising avenue for reducing populations resistant to chemical interventions.



Chemical controls remain a critical tool in managing mosquito populations, particularly in high-risk areas or during mosquito-borne disease outbreaks such as West Nile Virus. OCMVCD applies EPA-registered pesticides with minimal environmental impact through various delivery methods, including trucks, drones, and aircraft.

Physical control methods form the foundation of effective mosquito management, though they can be labor-intensive, depending on who you

ask. These methods include removing standing water, improving drainage, and maintaining clear flood channels, which significantly reduce mosquito populations. Removing standing water helps eliminate prime habitats for mosquito larvae.

EDUCATION SERVICES

Educating Orange County residents about vectors and vector-borne diseases is a critical component of the District’s mission, which is carried out through District programs and other tools focused on increasing public awareness of control and prevention methods. The District’s outreach efforts include the use of media, community events, and informational presentations. OCMVCD developed a program that is implemented in classrooms by collaborating with local schools and teachers to educate about mosquitoes and other services offered by the District. OCMVCD’s educational program includes a curriculum that follows core science and writing

standards, and students learn about the impacts of mosquito-borne diseases on human populations. Additionally, students learn how to share the responsibility of mosquito control. In 2024 alone, the program reached 15 schools and up to 1,233 students.

The District's educational presentations also extend to service-based organizations, businesses, neighborhood association meetings, and other agencies and organizations impacted by vectors. According to the OCMVCDs 2024 Year in Review Summary, District staff provided 35 presentations, attended 64 events, and conducted 16 media interviews to educate about the District's mission and services. OCMVCD also works annually in partnership with the county's 34 cities and the county of Orange to conduct messaging campaigns.



VIII. FINANCIAL ABILITY TO PROVIDE VECTOR CONTROL SERVICES

The development of the Fiscal Indicators web-based program (formerly fiscal trends) began in 2008. The intent of the program began with the opportunity to generally compare the performance of Orange County local agencies and ultimately became a resource for the Commission in the preparation of MSRs through the housing of accurate and meaningful data. Since that time, the web program has experienced functional improvements and structure enhancements that assist in evaluating the efficiency and effectiveness of municipal service delivery in Orange County. More recently, the fiscal indicators have been simplified while maintaining the goal of being effective as one of OC LAFCO's livable and ongoing resources.

OC LAFCO FISCAL INDICATORS

Fiscal indicators help measure and describe prospects for fiscal health. Indicators can flag trends that warrant further evaluation and planning to avoid potential service reductions and declining reserves. The OC LAFCO fiscal indicators were originally based on the State of California Auditor's indicators of cities' fiscal risk.³ Multi-year trends in growth (or decline) of agency operating revenues and expenditures and levels of reserves are adapted and applied to agencies in Orange County. Agency annual financial reports provide the source data for three key indicators used by OC LAFCO and further described below:

- **Annual Change in Revenues** compares revenue growth over multiple years to long-term inflation (historically about 2-3%). Low revenue growth below inflation indicates a potential long-term problem keeping pace with inflationary cost increases. Declining revenues can be a symptom of the pandemic and/or weakening economic conditions.

³ The California Auditor no longer publishes its risk analysis.

Indicator	Range (Average Annual Change)
Declining Revenues	Less than 0%
Low Growth	0% - 3%
Moderate Growth	3% - 6%
High Growth	> 6%

- **Annual Change in Expenditures** compares expenditure growth to long-term inflation. Expenditure growth consistently above inflation and/or above revenue growth indicates a potential structural imbalance and future revenue shortfalls. Excessive expenditure could require reserve drawdowns and service reductions.

Indicator	Range (Average Annual Change)
Declining Expenditures	Less than 0%
Low Growth	0% - 3%
Moderate Growth	3% - 6%
High Growth	> 6%

This indicator generally favors low or declining expenditures. A comparison of revenue indicators, if favorable, can help confirm that declining expenditures are a benefit and not an adverse response to weak revenues.

- **Adequate Operating Reserves are essential to manage cash flow during the year, handle contingencies, provide a “rainy day” account for future economic downturns.** Operating reserves typically provide at least two months of operating funds (i.e., 16.7% of annual expenditures). If financial audits do not distinguish operating from capital and other reserves, other metrics include total unallocated fund balances or unrestricted net position. “Cash” does not always indicate unencumbered funds available for cash flow and contingencies. Additional reserves above the 16.7% are usually required for capital improvements, pensions, & other uses.

Reserve Indicator	Range
Low Growth	Less than 17% of Expenditures
Moderate Growth	17% - 40%
High Growth	> 40%

Depending on the type of agency and the timing of revenues and expenditures, higher minimum reserves may be required. Some agencies do not distinguish operating from capital and other reserves in their audit documents which may produce a “high” reserve indicator; further analysis is necessary to determine the adequacy of capital reserves.

The fiscal indicators are intended to provide an initial review of annually reported financial data. Further in-depth analysis may be needed to better understand the cause of financial trends and potential remedies. For example, additional research could clarify whether declining

expenditures positively reflect prudent management or are the result of weak revenues. Other factors that could influence indicators include the impacts of the pandemic; the economic climate; State and Federal regulatory changes; infrastructure needs and improvements; changes in service levels and contracts; unfunded OPEB and pension obligations; development, population growth, and increased need for services.

OC LAFCO FISCAL INDICATORS FOR OCMVCD

The financial capacity of OCMVCD is adequate for providing services at the current service levels. This MSR relies on data from the concurrent Fiscal Indicators project conducted by Berkson & Associates on behalf of OC LAFCO, which assesses the agency's short-term financial trends. Table 4 provides a summary of trends reported by the Fiscal Indicators. Three variables (revenues, expenditures, and reserves) are measured for OCMVCD over six fiscal years (FY 18-19 to FY 23-24). The variables are then ranked on a scale from "high" to "declining." For revenues and reserves, the "high" designation indicates the most positive outcome, while "declining" represents the lowest. The inverse applies for expenditures with "high" indicating the most negative outcome and "declining" indicating the most positive one.

The Orange County Mosquito and Vector Control District experienced increasing revenues and relatively low expenditure growth from FY 2018-19 through FY 2023-24. Property taxes are a significant revenue source for OCMVCD. The revenue indicator shows a moderate growth rate as property values throughout the County have increased incrementally over the last three fiscal years. Expenditures grew at a minimal rate, less than revenue growth. Generally, the Board of Trustees budget for expenditures conservatively, and net balances are at the discretion of the Board. The Board's practice for net balances in previous years has been to allocate them to the Retirement Contingency Reserve for pension liabilities and the Facilities Improvement Reserve.

Table 4: Growth of Agency			
	Revenues	Expenditures	Reserves
Indicator	Moderate Growth	Low Growth	High
Percent (%)	5.9%	1.4%	97.5% of
	Avg. Annual % Change	Avg. Annual % Change	Expenditures

DEBT ADMINISTRATION

According to OCMVCD's financial statements, as of June 30, 2024, the District has an outstanding long-term debt of \$4,321,641. The outstanding debt is attributed to employee compensated absences, pension liability, and subscription-based information technology arrangements. While these are not typically classified as debt in other agency audits, the auditor for OCMVCD has included them as part of the long-term debt due to their treatment of these items as significant long-term financial commitments.

FUND BALANCES AND RESERVES

OCMVCD's projected revenues for fiscal year 2023-24 total \$20,452,123 with approximately 90% of its revenues generated from the collection of taxes and assessments. Of the Taxes and Assessments, 49% comes from the District's share of the ad valorem property tax and similar distributions, while the remaining 51% is from the District's property tax benefit assessments. The District's key funding sources are listed below:

- **Taxes and Assessments**
 - Revenues generated from property tax and District 2 benefit assessments, which are charges levied on property owners to fund operations and services that specifically benefit their property.
- **Intergovernmental**
 - Revenues generated from property tax passthroughs of existing Successor Agencies.
- **Charges for Services**
 - Revenues generated from various additional services provided by the District and charged to parcel owners.
- **Investment Income**
 - Revenues generated from cash held at bank and investment institutions largely consisting of interest income.
- **Property-related Income**
 - Revenues generated from residual funds distributed by the Successor Agency and State Housing and Opportunity Expenditures.
- **Miscellaneous**
 - Various revenues generated by the District, including proceeds from the sale of old equipment or auctioned vehicles.

OCMVCD's projected expenditures for fiscal year 2023-24 total \$14,843,306. The District's key expenditure sources are listed below:

- **General Government**
 - Cost of labor, operations, and administrative items associated with office staff.
- **Health and Sanitation**
 - Cost of labor, operations, and maintenance related to field operations and laboratory activities.
- **Capital Outlay**
 - Cost of capital equipment purchases by OCMVCD typically including vehicles and machinery.
- **SBITA Principal**
 - Cost of principal portion of software subscription, with amortization over the life of the subscription which is three years.
- **SBITA Interest**
 - Cost of interest portion of software subscription, with amortization over the life of the subscription which is three years.

Table 5: OCMVCD General Fund Cash Flow FY 21-22 to FY 23-24

Revenues			
	FY 2021-22	FY 2022-23	FY 2023-24
Taxes and Assessments	\$16,219,508	\$17,379,304	\$18,104,416
Intergovernmental	\$191,012	\$7,355	\$167,494
Charges for Services	\$136,953	\$68,257	\$126,561
Investment Income (Loss)	\$687,622	\$553,787	\$1,749,071
Property-related Income	\$352,691	\$299,610	\$194,947
Miscellaneous	\$28,828	\$100,311	\$109,634
Total Revenues	\$16,241,370	\$18,408,624	\$20,452,123
Expenditures			
	FY 2021-22	FY 2022-23	FY 2023-24
General Government	\$2,394,943	\$2,457,022	\$2,440,900
Health and Sanitation	\$11,058,512	\$11,777,793	\$12,093,410
Capital Outlay	\$358,074	\$320,584	\$279,640
Debt Service	0	0	0
SBITA Principal	0	\$26,971	\$28,049
SBITA Interest	0	\$2,385	\$1,307
Total Expenditures	\$13,811,529	\$14,584,755	\$14,843,306
Revenues/Expenditures			
	FY 2021-22	FY 2022-23	FY 2023-24
Net Change in Fund Balance	\$2,429,841	\$3,823,869	\$5,608,817
Reserves			
	FY 2021-22	FY 2022-23	FY 2023-24
Year-End Fund Balance	\$10,296,720	\$12,637,224	\$14,470,947 (97.5% of Expenditures)

OCMVCD's current reserve and fund balances as of November 2024 are in compliance with the District's reserve policy. The OCMVCD 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 two major fund balances, Operating and Other Funds, are further described below.

- **Operating Reserves** is established to address risks involving economic downturns, limitations on increases to the District's benefit assessments, insurance and claims experience, and future operating needs. The District's policy requires the operating fund to maintain a balance of two to six months (minimum of 17 up to 50 percent) of annual operating fund expenditures.
- **Other Reserves**, for budgeting purposes, contains sub-categories that have been established for specified uses only that include the following:
 - **Vehicle Replacement and Equipment Reserve**
Managed to fund vehicle and equipment replacement.
 - **Facilities Improvement Reserve**
Managed to fund the rehabilitation of existing facilities.
 - **Liability Reserve**
Managed to fund accrued employee vacation leave balances in the form of paid-time off or upon resignation or termination
 - **Emergency Vector Control Reserve**
Managed to fund major emergencies relative to vector control services.
 - **Habitat Remediation Reserve**
Managed to fund habitat remediation projects.
 - **Retiree Medical Insurance Reserve**
Managed to fund a portion of post-employment benefits (OPEB).
 - **Retirement Contingency Reserve**
Managed to address uncertainties of future pension costs.

IX. OPPORTUNITIES FOR SHARED FACILITIES

Cooperative efforts and agreements amongst multiple agencies present opportunities to support more efficient and cost-effective delivery of municipal services through the sharing of facilities and resources. As the sole provider of vector control services in Orange County, partnership opportunities for OCMVCD with other agencies that do not provide this specialized service are limited. However, the District participates in a cost-sharing agreement with the Greater Los Angeles County Vector Control District. The effort involves sharing equipment for the Sterile Insect Technique, which saves the District approximately \$70,000.

X. ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS

Overall, the OCMVCD implements policies and procedures that ensure accountability, transparency, and accessibility to the public. Established in 1947, the District operates accordingly under the Mosquito Abatement and Vector Control Districts Principle Enabling Act and is governed by a 35-member Board of Trustees appointed by an Orange County city or the Board of Supervisors. Terms of office for trustee members are set by their respective appointing authority to two-year or four-year terms. A roster of the current trustees is provided in Exhibit 3. The internal operations and adopted policies are supported and implemented respectively by the District's 70 full-time staff and approximately 55 seasonal employees during the summer months to assist with the increase of mosquito and mosquito-borne disease activity, as depicted in the organizational chart as Exhibit 3.

To facilitate accountability, transparency and accessibility to the public, the District maintains a robust website that houses a wide range of information, including an overview of the vector services provided to residents, audited financial statements, and a map of service area, agency meeting agendas, notices and minutes, and committee and other written reports and studies. Additionally, the appointment terms, current vacancies, and election process for trustee members are also published on the agency's website.

Exhibit 3: OCMVCD Board of Trustees

Exhibit 3: OCMVCD Board of Trustees		
Date Formed:	July 2, 1947	
Principal Act:	Mosquito Abatement and Vector Control Districts Principle Enabling Act (1915)	
Headquarters	13001 West Garden Grove Blvd., Garden Grove, CA 92843	
Board Meetings:	3 rd Thursday, 10:00 a.m.	
Board of Trustees	Appointing Authority	Term Ending
Richard Hurt	Aliso Viejo	2027
Carlos Leon	Anaheim	2028
Cecilia Hupp, President	Brea	2028
Lamiya Hoque	Buena Park	2027
William Turpit	Costa Mesa	2027
Leo Medrano	Cypress	2026
John Gabbard	Dana Point	2027
Kim Constantine	Fountain Valley	2026
Shana Charles	Fullerton	2028
Ariana Arestegui	Garden Grove	2029
Gracey Van Der Mark	Huntington Beach	2026
Tammy Kim	Irvine	2026
James Gomez	La Habra	2027
Debbie S. Baker	La Palma	2026

Board of Trustees	Appointing Authority	Term Ending
Mark Orgill	Laguna Beach	2027
Erica Pezold	Laguna Hills	2026
Gene Johns	Laguna Niguel	2027
Pearl Lee	Laguna Woods	2027
Robert Pequeño	Lake Forest	2028
Tanya Doby	Los Alamitos	2026
Robert Ruesch, Vice President	Mission Viejo	2026
Erik Weigand	Newport Beach	2027
Sean Chavarria	Orange	2026
Chad Wanke	Placentia	2027
April Josephson	Rancho Santa Margarita	2027
Steve Knoblock	San Clemente	2026
John Taylor	San Juan Capistrano	2027
Nelida Mendoza	Santa Ana	2026
Nathan Steele	Seal Beach	2027
Gary Taylor	Stanton	2027
Rebecca Gomez	Tustin	2028
Crystal Miles, Secretary	Villa Park	2026
Carlos Manzo	Westminster	2027
Peggy Huang	Yorba Linda	2027
Lisa Fernandez	Board of Supervisors	2027
Board Compensation	<p>Board compensation includes a monthly stipend of \$100 and reimbursables for District related events and conferences occurring more than one day such as milage, meals, conferences, and transportation.</p> <p>OCMVCD does not provide benefits (healthcare, dental, retirement) to Trustee members.</p>	

XI. WORKS REFERENCED

- California State University, Fullerton Center for Demographic Research. (July 2024). *Orange County Progress Report 2024, Vol. 53: Orange County Mosquito and Vector Control District*.
- Orange County Mosquito and Vector Control District. (2020). *Annual Budget 2020-2021*.
- Orange County Mosquito and Vector Control District. (2022). *Annual Budget Fiscal Year 2022-2023*.
- Orange County Mosquito and Vector Control District. (2019). *Annual Budget Fiscal Year 2019-2020*.
- Orange County Mosquito and Vector Control District. (2018). *Annual Budget Fiscal Year 2018-2019*.
- Orange County Mosquito and Vector Control District. (2017). *Annual Budget Fiscal Year 2017-18*.
- Orange County Mosquito and Vector Control District. (2018). *Basic Financial Statements With Report on Audit by Independent Certified Public Accountants Fiscal Year Ended June 30, 2018*.
- Orange County Mosquito and Vector Control District. (2019). *Basic Financial Statements With Report on Audit by Independent Certified Public Accountants Fiscal Year Ended June 30, 2019*.
- Orange County Mosquito and Vector Control District. (2020). *Basic Financial Statements With Report on Audit by Independent Certified Public Accountants Fiscal Year Ended June 30, 2020*.
- Orange County Mosquito and Vector Control District. (2023). *Financial Statements and Supplementary Information Year Ended June 30, 2023*.
- Orange County Mosquito and Vector Control District. (2022). *Financial Statements and Supplementary Information Year Ended June 30, 2022*.
- Orange County Mosquito and Vector Control District. (2021). *Financial Statements and Supplementary Information Year Ended June 30, 2021*.
- Orange County Mosquito and Vector Control District. (2023). *Fiscal Year 2023-2024 Budget*.
- Orange County Mosquito and Vector Control District. (2021). *Fiscal Year 2020-2021 Budget*.
- Orange County Mosquito and Vector Control District. (2020). *Fund Balances/Reserves Policy. Policy No. 39*.
- Orange County Mosquito and Vector Control District. (2022). *Statement of Investment Policy for Liquid Assets Fiscal Year 2022-2023 Policy No. 38*.
- Orange County Mosquito and Vector Control District. (2024). *Year in Review Summary*.

MSR 23-07

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

**MAKING DETERMINATIONS AND APPROVING THE
MUNICIPAL SERVICE REVIEW FOR THE
ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**

July 9, 2025

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 previous cycles of MSRs, and has prepared an MSR for the Orange County Mosquito and Vector Control District (OCMVCD) to address the seven MSR determinations; and

WHEREAS, the MSR identified in this Resolution (MSR 23-07) contains a statement of determinations as required by California Government Code Section 56430 for OCMVCD; and

WHEREAS, copies of the 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 Interim Executive Officer, pursuant to Government Code Section 56427, set July 9, 2025, as the hearing date on the 2025 MSR and Statement of Determinations and gave the required notice of public hearing; and

WHEREAS, the Interim Executive Officer, pursuant to Government Code Section 56430, has prepared a report, including his 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 OCMVCD; and

WHEREAS, this Commission called for and held a public hearing on the MSR report and Statement of Determinations on July 9, 2025, and at the hearing this Commission received all written comments submitted with respect to this MSR and the report of the Interim Executive Officer; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the MSR for OCMVCD was determined to be exempt from CEQA under State CEQA Guidelines §15262, Feasibility and Planning Studies.

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

Section 1. Environmental Actions.

- a) The “Municipal Service Review for the Orange County Mosquito and Vector Control District (MSR 23-07)” together with the written Statement of Determinations are determined by the Commission, as the lead agency, to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies. The Commission directs the Interim Executive Officer to file a Notice of Exemption, shown as “Exhibit 1,” with the Orange County Clerk-Recorder as the lead agency under Section 15062.

Section 2. Determinations.

- a) This review is assigned the following distinctive short-form designation: “Municipal Service Review for the Orange County Mosquito and Vector Control District (MSR 23-07).”
- b) The Interim Executive Officer’s staff report and recommendation for the approval of the MSR for the Orange County Mosquito and Vector Control District, dated July 9, 2025, are hereby approved.
- c) The Commission has adopted the accompanying Statement of Determinations for OCMVCD, shown as “Exhibit 1A.”

Section 3. Mail Copy of Resolution.

The Interim Executive Officer shall mail a copy of this resolution as provided in Government Code Section 56882.

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 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, 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 July 2025.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July 2025.

DONALD P. WAGNER
Chair of the Local Agency Formation
Commission of Orange County

By: _____
Donald P. Wagner

EXHIBIT: 1

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:	"Municipal Service Review for the Orange County Mosquito and Vector Control District (MSR 23-07)"
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 Mosquito and Vector Control District. The District's service boundary is coterminous with the County of Orange's jurisdictional boundary encompassing 799.8 square miles and approximately 3.150 million residents.
4. (a) Project Location – District	Orange County Mosquito and Vector Control 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 Mosquito and Vector Control 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)	
(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:		Aimee Diaz, Policy Analyst I
	Telephone:		(714) 640-5100
11.	If filed by applicant: Attach Preliminary Exemption Assessment (Form "A") before filing.		
12.	Has a Notice of Exemption been filed by the public agency approving the project? Yes <input type="checkbox"/> No <input checked="" 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: July 9, 2025		

Signature: _____ Date: _____ Title: Interim 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 Mosquito and Vector Control District

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

OCMVCD currently provides vector control services to approximately 3.1 million people in Orange County, including residential and business communities. Over the next 15 years, the population within the District's service area is expected to increase to approximately 3.2 million. As new developments for housing are completed to accommodate the population increase, the presence of mosquitoes or vectors will increase. The District is planning to allocate the necessary resources accordingly to meet the increase in vector control service requests by residents.

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

There are eleven (11) disadvantaged unincorporated communities (DUCs) located within the boundary of OCMVCD. 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.

In 2011, OCMVCD acquired additional property adjacent to its existing district headquarters in order to address the deficiency of its capacity for public facilities. However, the District quickly outgrew the space, facing challenges such as operational efficiencies and parking constraints. Despite these challenges, the District continues to provide effective vector control services. To address these limitations, in 2024, the Board of Trustees decided to move forward with developing a plan to rebuild and remodel on the current property, utilizing the existing space more efficiently. Staff is developing this plan with efforts to minimize disruption to services during construction.

DETERMINATION 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES.

The financial capacity of OCMVCD is adequate for existing vector control service levels. Based on OC LAFCO financial indicators, the agency reports moderate revenues, low expenditures, and high reserves. The District notes that the reserves are largely attributed to the Capital Improvement Fund and will be used to support the development of a plan for rebuilding onsite to accommodate OCMVCD operations. OCMVCD's key funding sources are taxes and assessments, which provide approximately 90% of its annual revenues.

EXHIBIT 1A: MSR STATEMENT OF DETERMINATIONS
for the Orange County Mosquito and Vector Control District

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

The District currently participates in a shared agreement with the Greater Los Angeles County Vector Control District involving equipment for providing vector control services. As the sole provider of vector control services to Orange County communities, opportunities for shared agreements between OCMVCD and other agencies are limited.

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

OCMVCD is an independent special district that operates under the Mosquito Abatement and Vector Control Districts Principle Enabling Act. The District maintains an accessible website that includes a wide range of information, including an overview of the vector services provided to residents, audited financial statements, service area map, agency meeting agendas, notices and minutes, and other written reports and studies. Additionally, the website includes information on appointment terms, current vacancies, and election processes for the trustee members.

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 23-08

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

**MAKING DETERMINATIONS AND RECONFIRMING THE
SPHERE OF INFLUENCE FOR THE
ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT**

July 9, 2025

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

WHEREAS, California Government Code Section 56425 requires that the Local Agency Formation Commission of Orange County (OC 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 OC LAFCO and defines the probable physical boundaries and service area of a local agency as determined by OC 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, OC LAFCO has previously reviewed and adopted SOIs for the Orange County Mosquito and Vector Control District as required by Government Code Section 56425 and during the initial MSR/SOI review cycle in 2005, second MSR/SOI review cycle in 2008, and during the third MSR/SOI review cycle in 2013; and

WHEREAS, on July 9, 2025, OC LAFCO adopted a new Statement of Determinations for the SOI review conducted for the Orange County Mosquito and Vector Control 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 Mosquito and Vector Control 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 Mosquito and Vector Control 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 Interim Executive Officer, pursuant to Government Code Section 56427, set July 9, 2025, as the hearing date of the SOI review and gave the required notice of public hearing; and

WHEREAS, the Interim Executive Officer, pursuant to Government Code Section 56425, has prepared a report, including his 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 Mosquito and Vector Control District; and

WHEREAS, this Commission called for and held a public hearing on the SOI review for the Orange County Mosquito and Vector Control District on July 9, 2025, and at the hearing this Commission received all written comments submitted with respect to the SOI review and report of the Interim Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this review, including but not limited to, factors specified in Government Code Sections 56425 and 56430; and

WHEREAS, pursuant to the California Environmental Quality Act, the SOI review and reconfirmation of the SOI for the Orange County Mosquito and Vector Control 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. Environmental Actions.

- a) The “Sphere of Influence Review for the Orange County Mosquito and Vector Control District (SOI 23-08)” together with the written Statement of Determinations are determined by the Commission, as the lead agency, to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.

- b) The Commission directs the Interim Executive Officer to file a Notice of Exemption, shown as “Exhibit 2,” with the Orange County Clerk-Recorder as the lead agency under Section 15062.

Section 2. Determinations.

- a) This review is assigned the following distinctive short-form designation: “Sphere of Influence Review for the Orange County Mosquito and Vector Control District (SOI 23-08).”
- b) The Interim Executive Officer’s staff report and recommendation to reaffirm the SOI, including the SOI map attached as “Exhibit 2B” hereto for the Orange County Mosquito and Vector Control District, dated July 9, 2025, are hereby approved.
- c) The Commission has adopted the accompanying Statement of Determinations for the Orange County Mosquito and Vector Control District, shown as “Exhibit 2A.”

Section 3. Mail Copy of Resolution.

The Interim Executive Officer shall mail a copy of this Resolution as provided in Government Code Section 56882.

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, 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 July 2025.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of July 2025.

DONALD P. WAGNER
Chair of the Local Agency Formation
Commission of Orange County

By: _____
Donald P. Wagner

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 Mosquito and Vector Control District (SOI 23-08)”
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 the Orange County Mosquito and Vector Control District. The District’s service boundary is coterminous with the County of Orange’s jurisdictional boundary encompassing 799.8 square miles and approximately 3.150 million residents.
4. (a) Project Location – District	Orange County Mosquito and Vector Control District
(b) Project Location – County	Orange
5. Description of nature, purpose, and beneficiaries of Project:	Conduct a review of the Orange County Mosquito and Vector Control 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:	Aimee Diaz, Policy Analyst I
	Telephone:	(714) 640-5100
11.	If filed by applicant: Attach Preliminary Exemption Assessment (Form “A”) before filing.	
12.	Has a Notice of Exemption been filed by the public agency approving the project? Yes <input type="checkbox"/> No <input checked="" 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: July 9, 2025	

Signature: _____ Date: _____ Title: Interim 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 Mosquito and Vector Control District

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

OCMVCD's SOI boundary is coterminous with Orange County's jurisdictional boundary and includes 34 cities and unincorporated areas. The County and respective cities govern land use throughout the District's SOI and service area, which is identified as residential, commercial, industrial, agricultural, and open space lands. The District addresses the present and future needs of the population served through the agency's integrated vector management plan and fiscal budget.

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

OCMVCD provides adequate services within its respective service area and designated sphere of influence. To support its current and future operational needs, the District is developing a plan to rebuild and remodel existing buildings at its headquarters, ensuring the continued capacity to accommodate operational demands.

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

OCMVCD currently has adequate facilities and infrastructure to provide vector control services. However, the District is in an ongoing process of increasing its equipment and facility size to appropriately accommodate both growth within OCMVCD's service area and the increased need for vector control services.

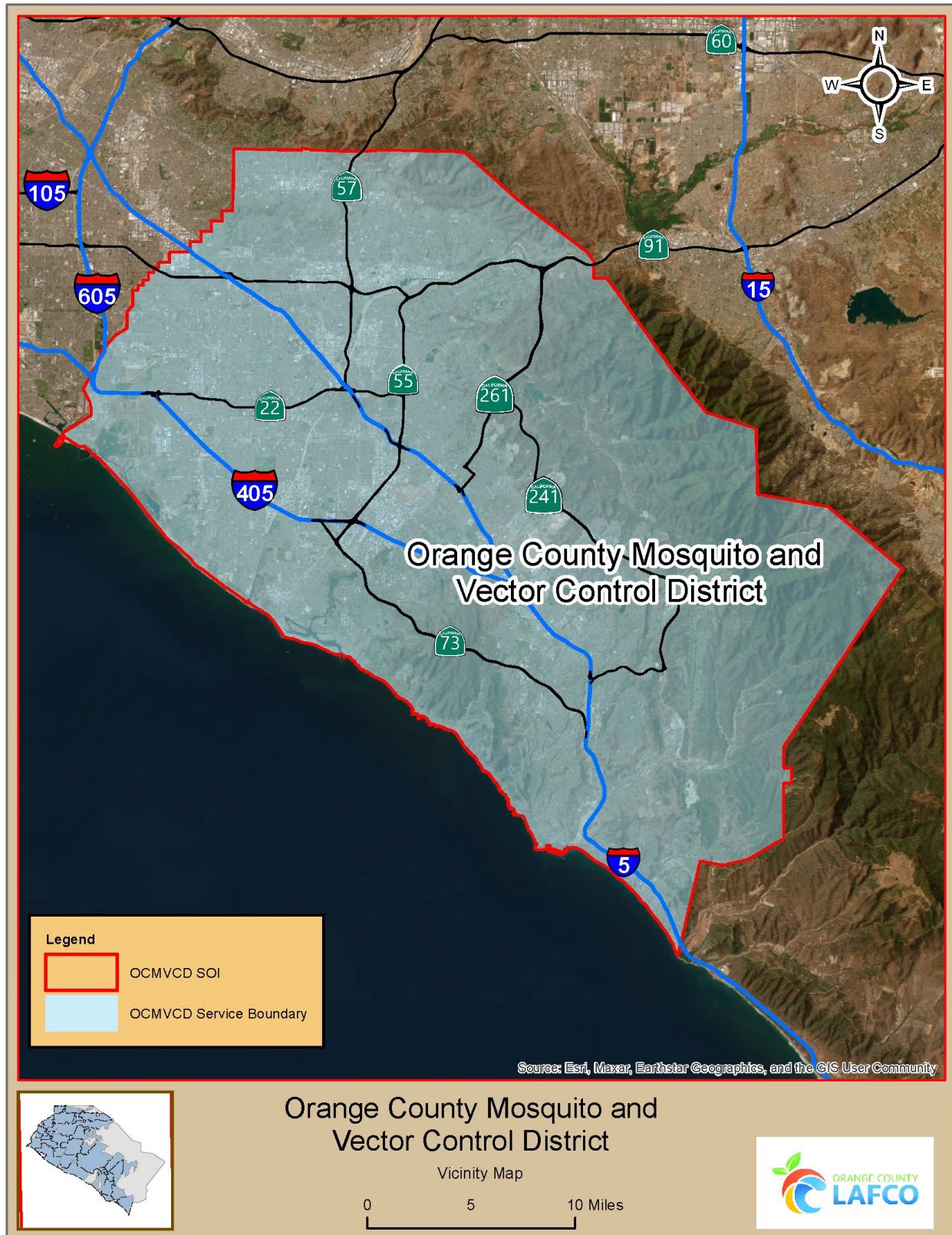
DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

OCMVCD was established to ensure the efficient delivery of vector control services and effectiveness in reducing the potential for vector-borne diseases in Orange County's residential and business communities.

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.

A total of 11 disadvantaged unincorporated communities (DUCs) were identified within the boundary of OCMVCD during this review. The District does not provide public facilities or services related to sewers, municipal and industrial water, or structural fire protection services. However, vector control services provided by OCMVCD are available and accessible to all Orange County communities, including DUCs, located within the District's SOI.

EXHIBIT 2B



9a | Commission
Discussion**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

Peggy Huang
City Member

Derek J. McGregor
Public 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: July 9, 2025

TO: Local Agency Formation Commission
of Orange County

FROM: Interim Executive Officer

SUBJECT: Fiscal Year 2024-2025 Year-End Comprehensive
Report

BACKGROUND

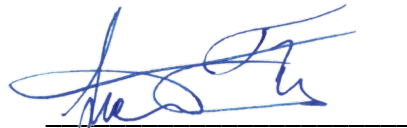
Throughout the fiscal year, the Commission receives quarterly financial reports and mid-year and year-end reports on the agency's work plan. The attached comprehensive report combines the review of the accomplishments of the 2022-2025 Work Plan and an assessment of the agency's budget and investment portfolio for July 1, 2024 through June 30, 2025. The status of approved projects and activities is referenced as **Attachment 2** to this report and includes the following recommended update:

RECOMMENDED ACTION

Staff recommends the Commission:

1. Receive and file the Year-End Comprehensive Report for Fiscal Year 2024-2025.

Respectfully submitted,


LUIS TAPIA

Attachments:

1. Fiscal Year 2024-2025 Year-End Comprehensive Report
2. 2022-25 OC LAFCO Work Plan (Upd.7-2025)
3. OC LAFCO MSR Program Schedule (Upd.7-2025)



Year-End Comprehensive Report

Fiscal Year 2024-25

Prepared: July 9, 2025

HIGHLIGHTS:

FY 2024-25 Work Plan Accomplishments– Pages 2-5

FY 2024-25 Commission Mandates and Analytics – Pages 5-6

FY 2024-25 Budget Year-End Assessment – Pages 7-9

Balance Sheet & Reserves Analysis – Pages 10-11

INTRODUCTION

The Year-End Comprehensive Report presents an overview of the Commission's Work Plan accomplishments and the agency's budget and investment portfolio performance for Fiscal Year 2024-25.

WORK PLAN ACCOMPLISHMENTS

This section highlights the Commission's accomplishments during the last fiscal year of its three-year 2022-2025 Work Plan. In addition to the processing of filed applications and responding to the legislative mandate to prepare Municipal Service Reviews, a Work Plan has been adopted by the Commission that includes objectives assigned to the following strategic goals – *Goal One: Staff Development, Retention, and Recruitment*; *Goal Two: Improve Municipal Service Review (MSR) Process for Future MSRs*; *Goal Three: Promote Legislative Engagement*; and, *Goal Four: Optimize External Communication*.

The last fiscal year of the three-year Work Plan came to an end on June 30, 2025. The agency's overall performance includes the completion of many objectives within the timeline established by the Commission. A discussion of each goal and the accomplishments and respective status of each objective are provided in the next section of this report and referenced in **Attachment 2**.

Goal One: *Staff Development, Retention, and Recruitment*

Staff development, retention, and recruitment continued to be an area of priority during the FY 24-25 fiscal cycle. During the last quarter of the cycle, the agency experienced some staff attrition through transitional and unanticipated vacancies of the Executive Officer and Policy Analyst II. While the temporary loss of two key positions has presented some interruptions to projects and activities, the ongoing objective of this goal involving cross-training of staff has allowed for operational efficiencies to continue. Additionally, a recruitment to fill the currently vacant Policy Analyst I position is nearing completion, and it is anticipated that a new member will join the OC LAFCO team in August. Staff is currently working on the Employee Classification and Compensation Study with Kelly Associates Management Group, and the report will be presented to the Commission during the July regular meeting for consideration.



Professional development involving staff continued to be supported and encouraged by executive management during this cycle. Staff participated in LAFCO-related and external activities to expand their acumen in the areas of human resources, leadership, government, and municipal fiscal analyses.

During the past fiscal cycle, OC LAFCO completed the following activities to align with the key priorities of staff development, retention, and recruitment:

- ✓ Conduct recruitment for the vacancy of the Policy Analyst I (underway).
- ✓ \$20K annual funding for staff participation in professional development and training activities.
- ✓ Conducting employee classification and compensation(underway).
- ✓ Conducting cross-training of staff in multiple areas of the agency operations (underway).

Retaining and recruiting strong talent remains a priority for the Commission as the new three-year Work Plan 2025–2028 commences on July 1 and will play a critical role in the agency's success in this area.

Goal Two: *Improve Municipal Service Review (MSR) Process for Future MSRs*

With 75 percent of the objectives completed for this goal, the MSR process has experienced many changes under the current work plan that have resulted in efficiencies in report preparation, data collection, and feedback from agencies. The report preparation and data collection areas have been enhanced through budgeting and the use of consultants to complement staff's expertise and resources. This has resulted in the completion of MSRs for 34 agencies and a joint powers authority over the past three fiscal years of the Work Plan, with two others that include 12 additional agencies underway and will be completed by September 2025. Additionally, staff has released a request for proposals for the North Region MSR, which includes seven agencies.

In addition to using surveys before and after the process to gather data and feedback from cities and special districts, the MSR process also includes conducting agency interviews. These direct discussions with agency staff have allowed OC LAFCO staff and consultants to collect additional information and receive clarification on information provided in the surveys to ensure accuracy. The interviews also provide an additional opportunity for the agency staff to receive answers or clarification on the MSR process.

Enhancements to the MSR process discussed in this section have contributed to the completion of approximately 54 percent of the Commission's current five-year cycle MSR program, with the expectation that this will increase to 77 percent during the next fiscal cycle. The updated MSR program schedule is attached to this report for reference and is also available to the agencies and other interested parties on the agency's website.

Goal Three: *Promote Legislative Engagement*

During the FY 2024-25, the legislative cycle included modest activity that required the Commission to take action by adopting positions on proposed legislation of LAFCO interest. The Commission's monitoring of the state and federal legislation led to the adoption of six positions on bills focused on wastewater services to disadvantaged communities, sale of generated electricity by a water district, LAFCO's ability to require indemnification from applicants, property tax exchange for district formation proposals, federal assistance funding for special districts, and LAFCO's role with abandoned endowment care cemeteries.

With the end of the fiscal year, Commissioner McGregor and staff are transitioning out of the CALAFCO Legislative Committee, as OC LAFCO will not renew its membership with CALAFCO. The executive officers from San Bernardino, San Diego, and Los Angeles LAFCOs are initiating discussions on establishing a standing staff committee to continue monitoring legislation of LAFCO interest for the upcoming fiscal year. Staff will provide the Commission with an update during the Commission's September general meeting.

Goal Four: *Optimize External Communication*

The Commission's communication tools and resources remain key in keeping OC LAFCO Commissioners and staff connected with our local agencies and other external organizations and groups. Below is a list of the strategic plan objectives for this goal completed during FY 2024-25:

- ✓ Published Fall edition of the Pulse with distributions to local agencies and other external organizations and associations.
- ✓ Distributed introduction letters and OC LAFCO media kits to new OC legislators and other interested stakeholders.

Additional objectives that were also completed or started during the past fiscal year to support effective efforts of internal and external communication include the following efforts:

- Completion of website enhancements and improvements.
- Electronic access improvements of OC LAFCO local bylaws, policies, and procedures.

Finally, to ensure OC LAFCO stays connected with various external groups, staff and Commissioners continued participation with the following groups over the past fiscal year:

- ❖ CALAFCO Board of Directors (Commissioner McGregor, Board Director)
- ❖ CALAFCO Legislative and Advisory Committees (Commissioner McGregor and Luis Tapia, Interim Executive Officer)

- ❖ CALAFCO Southern Region (Imperial, Orange, Los Angeles, Riverside, San Bernardino, San Diego LAFCOs) – staff and Commissioners, with Commissioner McGregor service as the 2024-25 Chair.
- ❖ Center for Demographic Research (CDR) - staff
- ❖ Independent Special Districts of Orange County (ISDOC) (Commissioner Fisler and Luis Tapia Interim Executive Officer, Aimee Diaz Policy Analyst I)
- ❖ Orange County City Managers Association – staff
- ❖ Orange County Council of Governments (OCCOG Immediate Past Wagner, Vice Chair Bucknum, Luis Tapia Interim Executive Officer)
- ❖ Orange County Business Council – staff
- ❖ UC Berkeley, LAFCO and Water/Wastewater Systems Consolidation Working Group (Luis Tapia, Interim Executive Officer)

COMMISSION MANDATES

While not included within the Commission's Work Plan, the Commission is required to efficiently process filed applications and conduct MSRs and sphere reviews and updates in accordance with the timelines prescribed in State law and adopted local policies. Because of statutory timelines and mandates, filed applications and MSRs take precedence over other agency activities and projects.

The past fiscal cycle presented a slow-down in filed applications, however, staff resources were allocated to efforts and inquiries involving potential changes of organization. Summaries below include highlights of these efforts.

Completed

MSR/SOI Reviews:

- Orange County Water District (OCWD) Municipal Service Review – *Approved March 12, 2025.*

Underway

Application

- Three Arch Bay Community Service District Latent Powers – *Early Fall.*

MSR/SOI Reviews:

- Orange County Mosquito Vector Control District – *Complete by July 2025.*
- Central Region – *Anticipated Completion – September 2025.*
- North Region MSR Request for Proposals – *Select a consultant and present a contract for Commission Consideration – September 2025.*

Potential Applications

- City of Cypress is exploring an annexation to the Cypress Recreation & Park District.
- City of Irvine exploring annexation of two unincorporated areas within the City's SOI.
- City of Anaheim is exploring the annexation of several right-of-way unincorporated areas within the City's SOI.
- City of Westminster is exploring the annexation of four islands within the City's SOI.
- Irvine Ranch Water District is exploring the annexation of two areas.

FY 2024-25 ANALYTICS

An objective within the Commission's Work Plan includes presenting a year-end analytics report on MSR agency feedback and the use of the agency's web-based programs, including social media. Staff has continued to utilize the agency's website as a platform to communicate key OC LAFCO events and projects, including monthly meetings, new commissioner appointments, and project activity of high interest.

The completion of the enhancements to the agency's website in 2023 included the analytical tool ("google analytics") used to gauge the website's performance by external users.

Website Analytics (January 1 – June 30, 2025):

- ❖ 3,700 total visitors.
- ❖ 3,600 new visitors visited the website through google search.
- ❖ 1,461 people visited the website through direct connection at oclafco.org.
- ❖ 2,239 people visited the website through other paths.
- ❖ Most commonly viewed pages: **homepage, unincorporated areas, agency meetings, municipal service reviews.**

Social Media Analytics (January 1 – June 30, 2025):

- ❖ **Facebook** (99 friends)
- ❖ **X (formerly Twitter)** (101 followers)

The agency's social media volume experienced a minor increase, indicating that interest in OC LAFCO's activities is most likely explored through the agency's website.

YEAR-END BUDGET OVERVIEW

This report provides an update on the agency's budget and investment portfolio performance for the period of July 1, 2024, through June 30, 2025.¹ 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.

Revenues

The OC LAFCO revenues (agency apportionments and interest earnings) exceeded budget projections at the end of the fiscal cycle. The year-to-date agency revenues received include \$1,581,320 in agency apportionments and \$45,251 in interest earnings received from the Commission's investment accounts. The fiscal year budget for 2024-25 included moderate projections for the interest earnings that were based on the market performance at that time. However, interest earnings at year-end were performing well and exceeded those projections.

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. During the 2024-2025 fiscal year, the agency had filing fees for two applications on deposit as shown in the financial overview as revenue within the Special Revenue Fund column. The Special Fund column in the table on page 10 includes year-to-date accounting of the application fees and expenses incurred during the current fiscal year.

Expenditures

Throughout FY 2024-25, the General Fund expenditures were trending between eight and approximately 35.3 percent below quarterly target levels, and as of June 30, 2025, expenditures are at approximately 67.4 percent of the overall budget of approximately \$1.86 million. The following table provides a comparison of the percentage of actual funds used and the target levels for the 2024-2025 budget cycle.²

Total Funds Used (as of June 30, 2025)				
	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Target	25%	50%	75%	100%
Actual	17%	39%	54.4%	64.7%

As indicated in the table on page 10, at close of the fourth quarter, overall expenses are projected to be approximately 35.3 percent below the approved budget total by June 30. Ending below the target level is largely attributed to savings within the salaries and benefits line items resulting from unanticipated staff vacancies and professional services. Other year-

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

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

end expenditures are generally within target levels, and larger costs are attributed to key operational expenditures that include salaries, benefits, and office equipment-supplies. Line items, general liability insurance and memberships reflect a slightly larger cost above the budgeted amount due to a minor increase in the estimates used during the preparation of the annual budget. Line items, including unincorporated islands, transportation/travel/registration fees, and commission meeting expenses reflect low percentages of expenses due to delays (external and internal) in projects, potential applications, and other relative actions.

Balances and Investment Report

The following table illustrates the balance of OC LAFCO's bank accounts as of June 30, 2025:

As of 06/30/25	Balance
770-Payroll Account	\$384,765
Wells Fargo Checking	\$230,828
Wells Fargo Savings	\$218,501
Total	<u>\$834,094</u>

To maximize the interest accrued on the agency's revenues, apportionment fees have been deposited in the Local Agency Investment Fund (LAIF) and OC Fund accounts. However, the Commission was notified by the County's Office of the Treasurer-Tax Collector that the OC Fund account would not be available past February 2025. Consequently, the LAIF account served as the only agency investment account. Throughout the fiscal year, funds are transferred from the investment account to the bank accounts to cover the agency's operational expenses. Additionally, the past fiscal year saw continued improvement involving the investment earnings of the agency's Section 115 Public Agencies Post-Employment Benefits Trust (Trust). The balance of the Trust account is \$109,802, and includes a Commission approved transfer of \$25,437 made in April 2025 and interest earnings as of June 30, 2025.

The following table illustrates the complete balance of OC LAFCO's investment portfolio as of June 30, 2025.

As of 06/30/25	Balance
LAIF	\$ 523,303
PARS Trust	\$ 109,802
Total	<u>\$633,105</u>

APPENDIX A
OC LAFCO – Year-End Budget Overview
July 1, 2024 – June 30, 2025

	YTD Special Revenue Funds	1st Qtr. General Fund	2nd Qtr. General Fund	3rd Qtr General Fund	4th Qtr General Fund	YTD General Fund	TOTAL FY 24/25 Budget	General Fund
Revenue:								
Addition/(Use) of Unreserved Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,340	0.0%
LAFCO Apportionment	-	1,523,813	57,507	-	-	1,581,320	1,581,320	100.0%
Filing Fees	92,260	-	-	-	-	-	-	0.0%
Misc Revenue	-	191	-	306	-	497	-	0.0%
Interest & Dividends	-	575	16,853	15,037	12,787	45,251	38,390	117.9%
PARS Trust Investment Gain/Loss	-	4,902	(1,018)	(20)	2,269	6,133	-	0.0%
Total Revenue	\$ 92,260	\$ 1,529,481	\$ 73,343	\$ 15,323	\$ 15,056	\$ 1,633,202	\$ 1,860,050	87.8%
Expenditures:								
Salaries	\$ 9,658	\$ 130,810	\$ 157,449	\$ 103,862	\$ 82,567	\$ 474,689	\$ 657,300	72.2%
Hourly Employees	-	4,225	4,899	4,462	4,485	18,071	20,800	86.9%
Benefits & Insurance								
Optional Benefit Plan	-	-	15,225	-	-	15,225	18,500	82.3%
Deferred Compensation	-	3,641	4,238	2,379	1,151	11,409	19,000	60.0%
Retirement Benefits	-	51,520	64,578	42,585	31,040	189,723	265,900	71.4%
Health Insurance	-	12,965	18,819	12,755	10,424	54,962	88,900	61.8%
Retiree Health Benefits	-	1,336	1,654	1,051	850	4,891	22,000	22.2%
Dental Insurance	-	320	533	616	499	1,968	11,600	17.0%
Life Insurance	-	65	98	72	54	289	420	68.9%
Medicare	-	1,938	2,758	1,537	1,395	7,629	10,200	74.8%
Unemployment Insurance	-	41	54	33	30	158	200	79.0%
Health Reimbursement	-	1,638	2,030	1,476	1,169	6,312	7,800	80.9%
Salary Continuance	-	344	424	270	219	1,258	1,650	76.2%
Accidental Death Insurance	-	16	25	21	16	79	120	65.5%
Executive Car Allowance	-	1,200	2,400	1,200	600	5,400	7,200	75.0%
Total - Benefits & Insurance	9,658	75,025	112,836	63,994	47,448	299,302	453,490	66.0%
Information Technology	-	4,295	2,567	3,267	1,313	11,441	21,600	53.0%
Telephone & Internet	-	3,684	5,071	5,974	3,021	17,750	20,500	86.6%
County of Orange	-	1,242	369	2,473	-	4,084	12,000	34.0%
General Liability Insurance	-	3,302	3,302	5,128	4,323	16,056	15,760	101.9%
Memberships	-	10,002	10,179	10,376	10,026	40,583	40,400	100.5%
Office Equipment/Supplies	-	6,317	8,744	4,105	3,829	22,995	26,100	88.1%
Professional Services:								
Legal	-	15,427	10,396	15,713	9,233	50,768	60,000	84.6%
Accounting/Audit	-	14,304	22,170	8,203	8,203	52,880	57,000	92.8%
Human Resources	-	137	8,500	7,500	7,500	23,637	35,000	67.5%
Mapping/Archiving	-	984	984	984	984	3,935	4,000	98.4%
Other Professional Services	75,479	20,900	15,688	2,188	20,490	59,265	200,000	29.6%
Total - Professional Services	75,479	51,751	57,737	34,587	46,409	190,484	356,000	53.5%
Investment Admin Fees	-	133	119	24	4	280	850	33.0%
Public Noticing	-	-	-	1,638	3,998	5,636	12,000	47.0%
Unincorporated Areas Program	-	-	-	-	-	-	11,000	0.0%
Rents/Maintenance	-	37,246	18,623	37,246	19,167	112,282	115,000	97.6%
Equipment Leases	-	1,552	3,504	1,411	1,151	7,618	8,100	94.1%
Comm. & Staff Expense	-	1,092	968	1,095	926	4,081	5,000	81.6%
Comm. Stipends & Taxes/Fees	-	3,096	1,914	2,835	3,075	10,919	16,450	66.4%
Professional Development	-	-	650	-	-	650	20,000	3.3%
Transportation/Travel	-	9,176	5,189	637	50	15,052	35,300	42.6%
Commission Meeting Expense	-	287	501	354	996	2,138	12,400	17.2%
Refund of Deposit	-	-	-	-	-	-	-	0.0%
Total Expenditures	85,137	343,235	394,621	283,467	232,788	1,254,111	1,860,050	67.4%
Total Net Income (Loss)	\$ 7,123	\$ 1,186,246	\$ (321,278)	\$ (268,145)	\$ (217,732)	\$ 379,091	\$ -	

*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, which does not include all year end adjustments.

Balance Sheet and Reserves Balance Analysis

This report includes the balance sheet to provide an understanding of OC LAFCO's financial status. The financial document in this year-end report summarizes the agency's assets and liabilities as of June 30, 2025. Additionally, an analysis of the agency's reserve balances is provided on page 11.

APPENDIX B OC LAFCO BALANCE SHEET As of June 30, 2025

	<u>Jun 30, 25</u>
ASSETS	
Current Assets	
Cash and Investments	
County Acct-Payroll	\$ 384,765
Wells Fargo Checking	230,828
Wells Fargo Savings	218,501
Investment Acct - LAIF	523,303
PARS Trust	109,802
Fair Market Value Adjustments	(2,294)
Total Cash and Investments	<u>1,464,905</u>
Other Current Asset	
Miscellaneous Receivable	
Prepaid Expenses	35,547
Retirement Prepaid Expense	62,203
Total Other Current Asset	<u>97,750</u>
Total Current Assets	<u>1,562,655</u>
Fixed Assets	46,538
Other Assets	
Right to Use Assets	621,896
Pension Deposit	226,128
Def. Outflows Pension Related	569,401
Deferred OPEB Contributions	8,874
Deferred Outflows OPEB Related	30,000
Total Other Assets	<u>1,456,300</u>
TOTAL ASSETS	<u><u>\$ 3,065,492</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Compensated Absences	29,481
Total Current Liabilities	<u>29,481</u>
Long Term Liabilities	
Lease Liabilities	676,929
Deferred Inflows OPEB Related	39,000
Net OPEB Liability	85,000
Net Pension Liability	1,704,989
Def. Inflows Pension Related	165,906
Total Long Term Liabilities	<u>2,671,824</u>
Total Liabilities	<u>2,701,305</u>
Equity	364,187
TOTAL LIABILITIES & EQUITY	<u><u>\$ 3,065,492</u></u>

*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.

APPENDIX C
OC LAFCO RESERVE BALANCE
As of June 30, 2025

Cash & Investments Description	June 30, 2025 Balance	Commission Approved Balances	Balance Excess / (Deficiency)
County Payroll	\$ 384,765	\$ 282,898 ₁	\$ 101,867
Checking - Wells Fargo	230,828	182,115 ₁	48,713
Savings - Wells Fargo	218,501	205,000 ₁	13,501
LAIF Investment	523,303	-	523,303
PARS Trust	109,802	-	109,802
Total	\$ 1,467,199	\$ 670,013	\$ 797,186₂

Footnotes:

1 - 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.

2 - Remaining Available Cash to fund Operations and Reserves.

2022-2025 Work Plan

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

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

GOAL 1:

Staff Development, Retention and Recruitment

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
1.1	EO	Conduct Classification, Compensation and Benefits Assessment.	Consultant	2024-2025	Expected Completion July 2025.
1.2	EO/AEO/CC	Complete staff assessment and conduct recruitment for vacancy(ies).	Consultant	2022-2023	Staff assessment complete. Analyst recruitment complete.
1.3	EO/CC	Complete cross-training of staff in budgeting and auditing areas.		2022-2023	Complete

GOAL 2:

Improve Municipal Service Review (MSR) Process For Future MSRs

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
2.1	All	Create MSR schedule that eliminates the MSR cycles and identifies the next scheduled comprehensive MSR as five years from last date of agency MSR and SOI review.		2022-2025	Complete
2.2	EO/AEO/ Analyst	Develop criteria for conducting the following MSR and SOI review processes for future reviews: <ol style="list-style-type: none"> 1. Comprehensive 2. Reconfirm 3. Update 	Consultant	2025	Not started
2.3	AEO/Analyst	Develop and distribute the following MSR questionnaires: <ol style="list-style-type: none"> 1. Pre-MSR/SOI – to assess which process will be conducted. 2. Post-MSR/SOI -- to receive feedback on the MSR/SOI process. 		2025 2022	Not started Complete
2.4	AEO/Analyst	Continued use of web-based programs (fiscal indicators, shared services, and MS dashboard) to maintain agency data for MSR determinations.		2022-2025	Upgrades of programs complete. <i>Maintenance of programs ongoing.</i>
2.5	AEO/Analyst/CC	Present year-end report to the Commission that provides analytics on MSR agency feedback and the use of the agency's web-based programs.		2023-2025	Completed annually.

GOAL 3:

Promote Legislative Engagement

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

GOAL 4:

Optimize External Communication

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
4.1	All	Use agency communications tools (bi-annual news, website, video FAQs, fiscal indicators and shared services programs) to engage agencies and public to inform of OC LAFCO activities.		2023-2025	Complete Ongoing
4.2	Analyst/CC	Conduct visits and disseminate media kits to OC legislators and stakeholders.		2023-2025	Complete
4.3	Analyst	Deploy video FAQs on website to inform OC LAFCO stakeholders.	Consultant	2022	Complete
4.4	EO/Analyst	Distribute bi-annual news to inform of OC LAFCO activities.	Consultant	2022-2025	"The Pulse" published twice each year.



OC LAFCO

4TH Cycle - Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program

YEAR 2024-25

MSR Region	Areas of Interest	Cities	Special Districts
Orange County Water District Completed March 2025	<ul style="list-style-type: none"> ■ Water: recycled water efforts, addressing the drought and water conservation. ■ Use of MSRs as a tool/resource to update on services provided by the district. ■ Focused review of potential consolidation of OCWD and MWDOC 		Countywide District
Central Expected Completion September 2025	<ul style="list-style-type: none"> ■ Police ■ Public Works <ol style="list-style-type: none"> 1. Affordable housing. 2. Lack of alignment regarding Infrastructure limitations and legislative mandates on affordable and regular housing. 3. Population growth demands on existing infrastructure. ■ Accessory dwellings' impact on service delivery. 	Anaheim Irvine Orange Santa Ana Tustin Villa Park	East Orange County WD Irvine Ranch WD Serrano WD Silverado-Modjeska Parks & Rec. District
Southeast	<ul style="list-style-type: none"> ■ Public Works <ol style="list-style-type: none"> 1. Location and condition of public infrastructure. ■ Police <ol style="list-style-type: none"> 1. Fiscal sustainability of increasing costs of contracts with County Sheriff. 2. Impacts of and ability to maintain related pension costs. ■ Water <ol style="list-style-type: none"> 1. Water quality involving low flow run-off issues. 2. Assistance for agencies from treatment agencies on flow diversion and low flow funding mechanisms. 1. Water rate structures and conservation. 	Lake Forest Mission Viejo Rancho Santa Margarita San Clemente San Juan Capistrano	El Toro WD Irvine Ranch WD Moulton Niguel WD Santa Margarita WD South Coast WD Trabuco Canyon WD South Orange County Wastewater Authority(JPA)
Orange County Vector Control District Expected Completion July 2025	<ul style="list-style-type: none"> ■ Public Works: mosquito breeding and conveyance systems. ■ Parks and Recreation: mosquito breeding and lack of grounds maintenance. 		Countywide District



OC LAFCO

4TH Cycle - Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program

YEAR 2024-25

MSR Region	Areas of Interest	Cities	Special Districts
North Request For Consultant Proposals Underway	<ul style="list-style-type: none"> ■ Fire and Emergency Response <ol style="list-style-type: none"> 1. Integration of fire and water services for more effective response during emergency and disaster events. 2. Consolidation of internal services (i.e. procurement, HR, training). 3. Regionalization of service delivery involving medical calls and reduction in costs. 4. Maintaining of adequate fire suppression. ■ Police <ol style="list-style-type: none"> 1. Consolidation of specialty services that may include: CSI, dispatch, commercial and traffic enforcement. 2. External issues involving consolidation of departments. ■ Shared Services <ol style="list-style-type: none"> 1. Maximizing of funding opportunities supported by County for unincorporated islands. 2. Shared service models to increase funding for additional services that may include: IT, purchasing, training, HR, class comps. ■ Development of shared services system for areas such as: landscape and fleet maintenance. 	Brea Fullerton La Habra Placentia Yorba Linda	Placentia LD Yorba Linda WD
Coastal	<ul style="list-style-type: none"> ■ Public Works <ol style="list-style-type: none"> 1. Public outreach for better understanding of the financing of infrastructure. 2. Correlation of level and cost of services. 3. Economies of scale and potential shared services system for areas such as: fleet, tree trimming, and purchasing. ■ Solid Waste <ol style="list-style-type: none"> 1. Impacts of having fewer haulers on competitive bidding and rates. ■ Parks and Recreation ■ Police <ol style="list-style-type: none"> 2. Impediments involving consolidation of agencies Shared services database that includes: operational and staffing costs; population growth impacts on infrastructure and land use. 	Costa Mesa Huntington Beach Los Alamitos Newport Beach Seal Beach	Costa Mesa SD Irvine Ranch WD Mesa WD Rossmoor CSD Rossmoor/Los Alamitos SD Sunset Beach SD Surfside Colony CSD Surfside Colony SWSD



OC LAFCO
Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program

COMPLETED MSR's

MSR Region	Services Provided	MSR Approved	SOI Status	Next Scheduled MSR
County Service Area Nos. 13, 22, and 26	Fund wastewater and park and recreation services countywide and within unincorporated areas adjacent to the cities of Buena Park and Yorba Linda.	August 2022	Reconfirmed	2027
Municipal Water District of Orange County	Manages Orange County's imported water supply and resource planning, with the exception of the cities of Anaheim, Fullerton, and Santa Ana.	September 2020	Reconfirmed	2025
Orange County Cemetery District	Owns and operates three public cemeteries located in the cities of Anaheim, Lake Forest and Santa Ana.	October 2022	Reconfirmed	2027
Orange County Sanitation District	Provides regional sewer collection and treatment for 20 cities, four special districts (containing five cities), and several unincorporated areas generally located in the northern and central parts of the County.	September 2020	Reconfirmed	2025
Orange County Water District	Responsible for managing the Basin in order for the 19 retail water suppliers ("Groundwater Producers") that have wells in the basin to serve approximately 2.44 million northern and central Orange County residents.	March 2025	Reconfirmed	2029



OC LAFCO
Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program

COMPLETED MSR's

MSR Region	Cities	Districts	MSR Approved	SOI Status	Next Scheduled MSR
Southwest	Aliso Viejo Dana Point Laguna Beach Laguna Hills Laguna Niguel Laguna Woods	Capistrano Bay CSD Emerald Bay CSD El Toro WD Laguna Beach County WD Moulton Niguel WD South Coast WD Three Arch Bay CSD JPA: South Orange County Wastewater Authority	August 2023	All city and six special district SOIs reconfirmed. South Coast SOI continued to discuss South Laguna annexation.	2028
West	Cypress Buena Park Garden Grove Fountain Valley La Palma Stanton Westminster	Buena Park LD Cypress Rec. & Park District Garden Grove SD Midway SD	September 2023	All city and special district SOIs reconfirmed.	2028

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

Peggy Huang
City Member

Derek J. McGregor
Public Member

VACANT
County Member

ALTERNATES

Kathryn Freshley
Special District Member

Carol Moore
City Member

Lou Penrose
Public Member

VACANT
County Member

STAFF

Luis Tapia
Interim Executive Officer

Scott Smith
General Counsel

MEETING DATE: July 9, 2025

9b | Commission
Discussion

TO: Local Agency Formation Commission
of Orange County

FROM: Interim Executive Officer

SUBJECT: Legislative Report (July 2025)

BACKGROUND

This report provides an update on Senate Bill 777, previously reviewed by the Commission during the June 11 regular meeting. Additionally, the report includes a summary of the California Association of Local Agency Formation Commissions (CALAFCO) annual Omnibus Bill effort, which serves as the vehicle for proposed technical and non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act).

UPDATE ON PREVIOUSLY REVIEWED LEGISLATION

Senate Bill 777 (Richardson) Abandoned endowment care cemeteries: local agency possession and responsibility.

During the June 11 regular meeting, the Commission received a summary on Senate Bill 777 related to abandoned endowment care cemeteries and adopted an **Oppose** position. An abandoned endowment care cemetery is defined as having an endowment care fund trust, formerly licensed by the Cemetery and Funeral Bureau (Bureau), whose certificate of authority has been canceled, surrendered, or revoked, and for which ownership has not been transferred. SB 777 previously proposed that within 30 days of being notified by the Bureau of the existence of an abandoned endowment care cemetery, the local LAFCO would identify a receiving local agency for the cemetery, including the County or a city, and finalize the transition to the local agency within six months.

Several LAFCOs and CALAFCO, submitted letters of opposition that expressed concerns, including the bill's inability to provide a process for LAFCOs to designate a local agency suited to take over the cemetery, lack of funding to support the transition and maintenance of the cemetery, and lack of experience of cities and counties to take over the management of the cemetery. In response to the letters, the author amended SB 777 with the following amendments:

- Require the Bureau to send notice to a city, county, or city and county after one year of identifying an abandoned endowment care cemetery district starting on January 1, 2026.
- Require the city, county, or city and county within 120 days of receiving a notice from the Bureau to submit a resolution of application to the local LAFCO for a change of organization (i.e., annexation or creation of a new district).
- LAFCO shall be required to process the application within one year and annex the abandoned endowment care cemetery district to an existing cemetery district or create a new public cemetery district in accordance with the CKH Act.
- Implements an increase to the current fees by 150% that are delineated in the Cemetery Funeral Act (i.e., application fees for funeral directors, cemetery manager license, filing fees for annual reports, embalmers, among others).
- Establishes an Abandonment Grant Fund Program by January 1, 2026, funded by 50% of the funds collected through the fees under the Cemetery Funeral Act. The program would serve to fund the costs associated with submitting an application for a change of organization to LAFCO and provide some funding for the maintenance of the cemetery.

The amendments to the bill addressed some of the concerns submitted to the author, however, the bill still does not provide legitimate solutions to funding an abandoned endowment care cemetery. Additionally, considering that the bill does not provide funding to address current maintenance issues and long-term sustainability, it is a non-starter to propose a change of organization through the LAFCO process. Staff recommends that the Commission maintain its **Oppose** position. The recommended position also aligns with the Commission's legislative policy of opposing legislation that does not ensure good governance and does not enhance LAFCO authority.

OC LAFCO POSITION: **Oppose** position adopted June 11, 2025. No additional action recommended.

SUPPORT: None on record.

OPPOSE: California Association of Local Agency Formation Commissions, California Special Districts Association, California State Association of Counties, Coachella Valley Public Cemetery District, Imperial LAFCO, League of California Cities, Los Angeles LAFCO, Marin LAFCO, Mendocino LAFCO, Nevada County LAFCO, Orlando Cemetery District, Riverside LAFCO, Rural County Representatives of California, Russian River Cemetery District, Sacramento LAFCO, San Bernardino LAFCO, Sonoma LAFCO, Urban Counties of California, Vacaville-Elmira Cemetery District.

BILL LOCATION/STATUS: Assembly Business and Professions Committee

NEW LEGISLATION

SB 858 (Senate Local Government Committee): Local Government Omnibus Act of 2025.

The Omnibus Bill is the annual vehicle used by CALAFCO to introduce technical and non-substantive amendments to the CKH Act that address minor inconsistencies and provide clarification to remove ambiguity in the law. In previous years, CALAFCO co-sponsored the Omnibus Bill with the Assembly Local Government Committee. Due to the restructuring of the agency, CALAFCO missed the deadline to submit an Omnibus Bill during the current legislative cycle. However, having missed the deadline, CALAFCO staff approached the Senate Local Government Committee for the opportunity to include proposed changes to the CKH Act as part of the committee's Omnibus Bill. The committee members agreed to incorporate two proposed changes listed below, which were vetted by LAFCOs throughout the state and deemed non-substantive:

- Correct a typo in the California Government Code Section 37396(b), which regulates the types of leases a city, county, or city and county can enter into for annexed property that is non-contiguous to a city or county. Correct a typo by replacing Government Code Section 56472 with 56742.
- Correct a reference in Government Code Section 57002 of the CKH Act regarding the noticing requirements for protest proceedings. Replace Government Code Section 56150 with 57025.

CALAFCO has submitted the proposed changes to the Senate Local Government Committee and will soon be reflected as part of SB 858. Staff is not recommending a position at this time but will provide the Commission with an update, accompanied by a staff recommendation, at a future meeting once the amendments are incorporated into the bill.

RECOMMENDED ACTION: None at this time.

SUPPORT: California Association of Clerks & Election Officials, California Association of County Treasurers and Tax Collectors, County of Kern, East Bay Municipal Utility District.

OPPOSE: None on Record.

BILL LOCATION/STATUS: Assembly Local Government Committee.

RECOMMENDED ACTION

Staff Recommends the Commission:

1. Maintain an Oppose position on SB 777.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Luis Tapia', is written over a horizontal line.

LUIS TAPIA

Attachment:

1. Senate Bill 777 (Richardson)


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SB-777 Cemeteries. (2025-2026)

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Date Published: 06/16/2025 09:00 PM

AMENDED IN ASSEMBLY JUNE 16, 2025

AMENDED IN SENATE MARCH 26, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

SENATE BILL

NO. 777

Introduced by Senator Richardson

February 21, 2025

An act to amend [Sections 7612.6, 7653, 7712.5, 7729, 7729.11, 7730.3, 7730.8, 7730.10, 7730.11, and 7731.4 of the Business and Professions Code, and to amend](#) the heading of Chapter 7 (commencing with Section 8825) of Part 3 of Division 8 of, and to add Chapter 6 (commencing with Section 8800) to Part 3 of Division 8 of, the Health and Safety Code, relating to ~~cemeteries.~~ [cemeteries, and making an appropriation therefor.](#)

LEGISLATIVE COUNSEL'S DIGEST

SB 777, as amended, Richardson. ~~Abandoned endowment care cemeteries: local agency possession and responsibility.~~ [Cemeteries.](#)

~~Existing~~

[\(1\) Existing](#) law, the Cemetery and Funeral Act, establishes the Cemetery and Funeral Bureau within the Department of Consumer Affairs and sets forth its powers and duties relating to the licensure and regulation of, among others, cemeteries and cemetery authorities, which includes cemetery associations, ~~corporations sole,~~ [corporations](#), limited liability companies, and other persons owning or controlling cemetery lands or property. ~~Existing~~ [A violation of the act is a crime.](#)

[Existing law requires a cemetery authority to file with the bureau an annual written report that includes, among other things, the amount collected and deposited in endowment care funds segregated as to the amounts for crypts, niches, and grave space, as specified. Existing law requires that information to be accompanied by an annual audit report, prepared in accordance with generally accepted accounting principles, of the endowment care fund and special care fund signed by a certified public accountant or public accountant. Existing law requires the scope of the audit to include the inspection, review, and audit of the general purpose financial statements of](#)

the endowment care fund and special care fund, including the balance sheet, statement of revenues, expenditures, and changes in fund balance.

This bill would require the annual audit report to include a cemetery's 4th quarter bank statement. The bill would require the cemetery authority's financial institution to provide the bank statement electronically, and directly, to the bureau. The bill would require the above-described annual written report to include a map of the deceased and their location by parcel. The bill would require the bureau to submit the map to the applicable county recorder.

By expanding the crime of violating the Cemetery and Funeral Act, and to the extent the bill would impose a higher level of service on counties, the bill would impose a state-mandated local program.

(2) Existing law authorizes a cemetery authority that maintains a cemetery to place its cemetery under endowment care and to establish, maintain, and operate an endowment care fund. Ninety days following the cancellation, surrender, or revocation of a certificate of authority, existing law gives the bureau title to any endowment care funds of a cemetery authority and possession of all necessary books, records, property, real and personal, and assets, and requires the bureau to act as conservator over the management of the endowment care funds.

~~This bill would require a local agency formation commission for the county in which an abandoned endowment care cemetery is located to identify a local agency to be responsible for the care, maintenance, and embellishment of the cemetery, as specified. The bill would vest fee title of the cemetery in the local agency and would restrict the local agency's use of the property to uses consistent with cemetery purposes. The bill would give the local agency title to any endowment care funds of the prior cemetery authority held by the bureau, and would require the local agency to take possession of all necessary books, records, real property, personal property, and assets of the fund. The bill would require the assets to be liquidated, and the proceeds placed in a special fund to be expended on care, maintenance, or embellishment of the abandoned endowment care cemetery. The bill would define an abandoned endowment care cemetery and would make conforming changes. By imposing additional duties on local agencies, this bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides for the formation and change of organization of cities and special districts and establishes a local agency formation commission (LAFCO) in each county. Existing law, the Public Cemetery District Law, provides for the formation of public cemetery districts, and authorizes those districts to own, operate, improve, and maintain cemeteries and provide interment services within their boundaries.

This bill would require the bureau to notify the applicable city, county, or city and county with jurisdiction over Lincoln Memorial Park Cemetery, Dambacher Mountain Memorial Cemetery, Verdugo Hills Cemetery, Chapel of the Light, Evergreen Cemetery, and Mount Tamalpais Cemetery, or cemeteries that become abandoned endowment care cemeteries, as defined, after January 1, 2026. Upon receipt of notice, the bill would require the city, county, or city and county, within 120 days, to adopt and submit a resolution of application to the LAFCO in the applicable county for a change of organization to form a new public cemetery district or reorganize an existing public cemetery district for the purpose of maintaining the abandoned endowment care cemetery. The bill would require the bureau to cover the costs for creating a new public cemetery district or reorganizing an existing public cemetery district pursuant to these provisions, and would require the bureau to provide the necessary resources to the city, county, or city and county to facilitate the LAFCO process, as specified. The bill would require the LAFCO to determine whether to form a new public cemetery district or reorganize an existing public cemetery district within one year of receiving an application for a change of organization pursuant to these provisions. Upon that determination being made, the bill would require the bureau to work with the vacated owner or the county assessor to secure the title of the abandoned cemetery to ensure that fee title of the abandoned endowment care cemetery ultimately vests in the public cemetery district.

By imposing new duties on cities and counties, the bill would impose a state-mandated local program.

Existing law imposes various fees under the Cemetery and Funeral Act, including, among others, the application and renewal fees for a funeral director's, embalmer's, or cemetery manager's license, regulatory charges for

cemetery authorities, timely filing fees for specified annual reports, and fees to obtain or renew a hydrolysis facility license. Existing law creates the Cemetery and Funeral Fund, a continuously appropriated fund, in the State Treasury for the deposit of those fees. Existing law requires moneys in the fund to be expended on actual and necessary expenses incurred in implementing the act.

This bill would increase those fees by 150%. The bill would require the bureau to establish and administer the Abandonment Grant Funding Program (program) to provide long-term viability to ensure services are maintained for abandoned endowment care cemeteries. The bill would require the program to be funded by 50% of moneys assessed from the increased fees, and would expand the purposes of the Cemetery and Funeral Fund to include the program. Because additional moneys would be deposited into a continuously appropriated fund, and by expanding the purposes of a continuously appropriated fund, the bill would make an appropriation.

This bill would authorize a private entity, as specified, to acquire title to an abandoned endowment care cemetery. The bill would require a public cemetery district or a private entity that takes over an abandoned endowment care cemetery to have access to the endowment fund, including principal and interest, of the applicable abandoned endowment care cemetery, and program funding to manage cemetery maintenance, burial services, and security items, and to address issues, including, but not limited to, prior repairs, deferred maintenance, or vandalism of property or gravesites, as necessary.

By imposing new duties on public cemetery districts, this bill would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

This bill would make legislative findings and declarations as to the necessity of a special statute for Lincoln Memorial Park Cemetery, Dambacher Mountain Memorial Cemetery, Verdugo Hills Cemetery, Chapel of the Light, Evergreen Cemetery, and Mount Tamalpais Cemetery.

Vote: ~~majority~~2/3 Appropriation: ~~no~~yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. *Section 7612.6 of the Business and Professions Code is amended to read:*

7612.6. (a) Each cemetery authority shall file with the bureau annually, on or before June 1, or within five months after close of their fiscal year provided approval has been granted by the bureau as provided for in Section 7612.7, a written report in a form prescribed by the bureau setting forth the following:

- (1) The number of square feet of grave space and the number of crypts and niches sold or disposed of under endowment care by specific periods as set forth in the form prescribed.
- (2) The amount collected and deposited in both the general and special endowment care funds segregated as to the amounts for crypts, niches, and grave space by specific periods as set forth either on the accrual or cash basis at the option of the cemetery authority.
- (3) A statement showing separately the total amount of the general and special endowment care funds invested in each of the investments authorized by law and the amount of cash on hand not invested, which statement shall actually show the financial condition of the funds.
- (4) A statement showing separately the location, description, and character of the investments in which the special endowment care funds are invested. The statement shall show the valuations of any securities held in the endowment care fund as valued pursuant to Section 7614.7.
- (5) A statement showing the transactions entered into between the corporation or any officer, employee, or stockholder thereof and the trustees of the endowment care funds with respect to those endowment care funds. The statement shall show the dates, amounts of the transactions, and shall contain a statement of the reasons for those transactions.

(6) (A) *A map of the deceased and their location by parcel.*

(B) *The bureau shall submit the map described in subparagraph (A) to the applicable county recorder.*

(b) (1) The report shall be verified by the president or vice president and one other officer of the cemetery corporation. The information submitted pursuant to paragraphs (2), (3), (4), ~~and (5)~~ (5), and (6) of subdivision (a) shall be accompanied by an annual audit report, prepared in accordance with generally accepted accounting principles, of the endowment care fund and special care fund signed by a certified public accountant or public accountant. The scope of the audit shall include the inspection, review, and audit of the general purpose financial statements of the endowment care fund and special care fund, which shall include the balance sheet, the statement of revenues, expenditures, and changes in fund balance.

(2) *The annual audit report described in paragraph (1) shall include a cemetery's fourth quarter bank statement. The cemetery authority's financial institution shall provide the bank statement electronically, and directly, to the bureau.*

(c) If a cemetery authority files a written request prior to the date the report is due, the bureau may, in its discretion, grant an extension for no more than an additional nine months within which to file the report.

SEC. 2. *Section 7653 of the Business and Professions Code is amended to read:*

7653. (a) The bureau shall adopt, and may from time to time amend, rules and regulations prescribing standards of knowledge and experience and financial responsibility for applicants for certificates of authority. In reviewing an application for a certificate of authority, the bureau may consider acts of incorporators, officers, directors, and stockholders of the applicant, which shall constitute grounds for the denial of a certificate of authority under Division 1.5 (commencing with Section 475).

(b) Upon receipt of an application for a certificate of authority, the bureau may cause an investigation to be made of the physical status, plans, specifications, and financing of the proposed cemetery, and any other qualifications required of the applicant under this act, and for this purpose may subpoena witnesses, administer oaths, and take testimony.

(c) At the time of the filing of the application required by this section, the applicant shall pay to the Cemetery and Funeral Fund the sum of ~~seven hundred fifty dollars (\$750)~~ *one thousand eight hundred seventy-five dollars (\$1,875)* to defray the expenses of investigation. In the event the sum shall be insufficient to defray all of the expenses, the applicant shall, within five days after request, deposit an additional sum sufficient to defray those expenses, provided that the total sum shall not exceed ~~nine hundred dollars (\$900)~~ *two thousand two hundred fifty dollars (\$2,250)*.

SEC. 3. *Section 7712.5 of the Business and Professions Code is amended to read:*

7712.5. (a) The bureau shall adopt, and may from time to time amend, rules and regulations prescribing standards of knowledge and experience and financial responsibility for applicants for a crematory license. In reviewing an application for a crematory license, the bureau may consider acts of the applicant, including acts of incorporators, officers, directors, and stockholders of the applicant, which shall constitute grounds for the denial of a crematory license under Division 1.5 (commencing with Section 475).

(b) Upon receipt of an application for a crematory license, the bureau may cause an investigation to be made of the physical status, plans, specifications, and financing of the proposed crematory, the character of the applicant, including, if applicable, its officers, directors, shareholders, or members, and any other qualifications required of the applicant under this article, and for this purpose may subpoena witnesses, administer oaths, and take testimony.

(c) At the time of the filing of the application required by this article, the applicant shall pay to the Cemetery and Funeral Fund the sum of ~~seven hundred fifty dollars (\$750)~~ *one thousand eight hundred seventy-five dollars (\$1,875)* to defray the expenses of investigation. In the event the sum shall be insufficient to defray all of the expenses, the applicant shall, within five days after request therefor, deposit an additional sum sufficient to defray such expenses, provided that the total sum shall not exceed ~~nine hundred dollars (\$900)~~ *two thousand two hundred fifty dollars (\$2,250)*.

SEC. 4. *Section 7729 of the Business and Professions Code is amended to read:*

7729. The amount of the fees prescribed by this chapter shall be fixed according to the following schedule:

- (a) The application fee for a funeral director's license shall be ~~three hundred eighty dollars (\$380);~~ *nine hundred fifty dollars (\$950).*
- (b) The application fee for change of location of a funeral establishment's license shall be ~~four hundred seventy dollars (\$470);~~ *one thousand one hundred seventy-five dollars (\$1,175).*
- (c) The application fee for permission to assign a funeral establishment's license shall be ~~five hundred sixty dollars (\$560);~~ *one thousand four hundred dollars (\$1,400).*
- (d) The license renewal fee payable by a licensed funeral director shall be ~~three hundred eighty dollars (\$380);~~ *nine hundred fifty dollars (\$950).* The fee for a delinquent renewal of a funeral director's license shall be 150 percent of the timely renewal fee.
- (e) The application fee for an embalmer's license and the examination on the state's laws required under paragraph (2) of subdivision (a) of Section 7646 for the license shall be ~~two hundred eighty dollars (\$280);~~ *seven hundred dollars (\$700).*
- (f) The renewal fee payable by a licensed embalmer shall be ~~one hundred ninety dollars (\$190);~~ *four hundred seventy-five dollars (\$475).* The fee for a delinquent renewal of an embalmer's license shall be 150 percent of the timely renewal fee.
- (g) The application fee for a certificate of registration as an apprentice embalmer shall be ~~one hundred twenty dollars (\$120);~~ *three hundred dollars (\$300).*
- (h) The fee for an application by a funeral establishment for approval to train apprentice embalmers and for renewal of that approval shall be ~~one hundred ninety dollars (\$190);~~ *four hundred seventy-five dollars (\$475).*
- (i) The application fee for a funeral director's examination shall be ~~one hundred ninety dollars (\$190);~~ *four hundred seventy-five dollars (\$475).*
- (j) The fee for a timely filing of an individual report or a combined report on preneed trust funds shall be ~~five hundred dollars (\$500);~~ *one thousand two hundred fifty dollars (\$1,250).* The fee for a late filing of any report on preneed trust funds shall be 150 percent of the applicable timely fee.
- (k) The application fee for permission to change the name appearing on a funeral establishment's license shall be ~~three hundred dollars (\$300);~~ *seven hundred fifty dollars (\$750),* and for permission to change the name on any other license or certificate, shall be ~~twenty-five dollars (\$25);~~ *sixty-two dollars and fifty cents (\$62.50).*
- (l) The application fee for a duplicate funeral director's license, a duplicate funeral establishment's license, a duplicate embalmer's license, or a duplicate certificate of registration as an apprentice embalmer, shall be ~~fifty dollars (\$50);~~ *one hundred twenty-five dollars (\$125).*
- (m) The fee for filing a report of a change of corporate officers, managers, or preneed trust fund trustees shall be ~~fifty dollars (\$50);~~ *one hundred twenty-five dollars (\$125).*
- (n) The application fee for a funeral establishment license shall be ~~seven hundred fifty dollars (\$750);~~ *one thousand eight hundred seventy-five dollars (\$1,875).*
- (o) The license renewal fee for a licensed funeral establishment shall be ~~seven hundred fifty dollars (\$750);~~ *one thousand eight hundred seventy-five dollars (\$1,875).* The fee for a delinquent renewal of a funeral establishment license shall be 150 percent of the timely renewal fee.

SEC. 5. *Section 7729.11 of the Business and Professions Code is amended to read:*

7729.11. The fee for a timely filing of an annual report on the endowment care fund and special care fund by a certificate of authority shall be ~~five hundred dollars (\$500);~~ *one thousand two hundred fifty dollars (\$1,250).* The fee for a late filing of an annual report on the endowment care fund and special care fund shall be 150 percent of the applicable timely fee.

SEC. 6. *Section 7730.3 of the Business and Professions Code is amended to read:*

7730.3. For change of name or of address of licensee on the records of the bureau, the fee shall be ~~twenty-five dollars (\$25);~~ *sixty-two dollars and fifty cents (\$62.50).*

SEC. 7. *Section 7730.8 of the Business and Professions Code is amended to read:*

7730.8. (a) The fee for a cemetery manager examination shall be ~~eight hundred dollars (\$800);~~ *two thousand dollars (\$2,000).*

(b) The license fee to obtain a cemetery manager license shall be ~~one hundred thirty dollars (\$130);~~ *three hundred twenty-five dollars (\$325).*

(c) The renewal fee for a cemetery manager license shall be ~~one hundred fifty dollars (\$150);~~ *three hundred seventy-five dollars (\$375).*

SEC. 8. *Section 7730.10 of the Business and Professions Code is amended to read:*

7730.10. Every cemetery authority operating a cemetery shall pay an annual regulatory charge for each cemetery of ~~seven hundred fifty dollars (\$750);~~ *one thousand eight hundred seventy-five dollars (\$1,875).* In addition to an annual regulatory charge for each cemetery, an additional quarterly charge ~~eleven dollars and fifty cents (\$11.50)~~ *of twenty-eight dollars and seventy-five cents (\$28.75)* for each burial, entombment, or inurnment made during the preceding quarter shall be paid to the bureau and these charges shall be deposited in the Cemetery and Funeral Fund. If the cemetery authority performs a burial, entombment, or inurnment, and the cremation was performed at a crematory located on the grounds of the cemetery and under common ownership with the cemetery authority, the total of all additional charges shall be not more than ~~eleven dollars and fifty cents (\$11.50);~~ *twenty-eight dollars and seventy-five cents (\$28.75).*

SEC. 9. *Section 7730.11 of the Business and Professions Code is amended to read:*

7730.11. (a) The bureau shall establish the fee to obtain or renew a hydrolysis facility license, which shall not exceed the reasonable cost of license administration.

(b) Every licensee operating a hydrolysis facility pursuant to a license issued pursuant to this article shall pay an additional charge ~~eleven dollars and fifty cents (\$11.50)~~ *of twenty-eight dollars and seventy-five cents (\$28.75)* per hydrolysis made during the preceding quarter, which charges shall be deposited into the Cemetery and Funeral Fund.

SEC. 10. *Section 7731.4 of the Business and Professions Code is amended to read:*

7731.4. (a) All moneys paid into the State Treasury and credited to the Cemetery and Funeral Fund shall be expended in accordance with law for ~~the~~ *both of the following:*

- (1) The payment of all actual and necessary expenses incurred in carrying out the provisions of this act.*
- (2) The Abandonment Grant Funding Program, as described in Section 8803 of the Health and Safety Code.*

(b) This section shall become operative on July 1, 2016.

~~SECTION 4.~~ **SEC. 11.** Chapter 6 (commencing with Section 8800) is added to Part 3 of Division 8 of the Health and Safety Code, to read:

CHAPTER 6. Abandonment of Endowment Care Cemeteries

8800. For purposes of this chapter, ~~“abandoned the following definitions apply:~~

(a) “Abandoned endowment care cemetery” means a cemetery for which an endowment care fund was maintained, that was formerly licensed by the bureau, and for which the certificate of authority has been canceled, surrendered, or revoked and ownership has not been transferred pursuant to Section 8585 within one year of the cancellation, surrender, or revocation.

(b) “Private entity” means a non-public entity that acquires title to an abandoned endowment care cemetery pursuant to this chapter. “Private entity” includes, but is not limited to, a corporation, LLC, or individual.

(c) “Public cemetery district” means a public cemetery district, as described in Part 4 (commencing with Section 9000), that is formed or reorganized and acquires title to an abandoned endowment care cemetery pursuant to this chapter.

~~8801.(a) Upon the expiration of the one-year period described in Section 8800, the bureau shall notify the local agency formation commission for the county in which the abandoned endowment care cemetery is located that there is an abandoned endowment care cemetery in that county.~~

~~(b) No later than 30 days following the notification from the bureau described in subdivision (a), the local agency formation commission shall commence proceedings to identify a local agency take over the care, maintenance, and embellishment of the abandoned endowment care cemetery. The local agency formation commission shall complete its proceedings and identify the receiving local agency within six months of receiving the notification from the bureau.~~

~~(c) Upon completion of the proceeding described in subdivision (b), fee title of an abandoned endowment care cemetery shall vest in, and be recorded with, the local agency identified by the local agency formation commission.~~

~~(d) Any local agency acquiring fee title to a cemetery pursuant to this section shall be responsible for the care, maintenance, and embellishment of the abandoned endowment care cemetery, and shall only use the property for uses consistent with cemetery purposes.~~

~~8802. (a) Upon the transfer of title described in Section 8801, the local agency shall also take title of any endowment care funds of the prior cemetery authority held by the bureau pursuant to Section 7613.11 of the Business and Professions Code, and shall take possession of all necessary books, records, real property, personal property, and assets of the fund.~~

~~(b) The assets of the fund described in subdivision (a) shall be liquidated, and the proceeds shall be placed in a special fund. The moneys within the special fund shall only be expended on care, maintenance, or embellishment of the abandoned endowment care cemetery acquired by the local agency pursuant to this chapter and for which the endowment care funds were maintained.~~

~~8803. A local agency that acquires title to an abandoned endowment care cemetery shall keep a record of, and honor, all remaining contracts for burial executed by the prior cemetery authority.~~

8801. (a) Upon the expiration of the one-year period described in Section 8800, the bureau shall notify the applicable city, county, or city and county with jurisdiction over each of the following abandoned endowment care cemeteries:

- (1) Lincoln Memorial Park Cemetery.*
- (2) Dambacher Mountain Memorial Cemetery.*
- (3) Verdugo Hills Cemetery.*
- (4) Chapel of the Light.*
- (5) Evergreen Cemetery.*
- (6) Mount Tamalpais Cemetery.*

(b) Upon the expiration of the one-year period described in Section 8800, the bureau shall review, and shall subsequently notify the applicable city, county, or city and county of, other cemeteries that are not listed in subdivision (a) and that become an abandoned endowment care cemetery after January 1, 2026.

(c) (1) Upon receipt of notice pursuant to subdivision (a) or (b), a city, county, or city and county shall, within 120 days, adopt and submit a resolution of application to the local agency formation commission (LAFCO) in the applicable county for a change of organization to form a new public cemetery district or reorganize an existing public cemetery district pursuant to Part 3 (commencing with Section 56650) of Division 3 of Title 5 of the Government Code and Chapter 2 (commencing with Section 9010) of Part 4 of this division for the purpose of maintaining the abandoned endowment care cemetery.

(2) (A) For an application for a change of organization required by this subdivision, the bureau shall provide the information required by Section 56652 of the Government Code.

(B) The bureau shall ensure that a resolution of application prepared pursuant to this section establishes long-term viability for the public cemetery district.

8802. (a) (1) When a LAFCO receives an application for a change of organization pursuant to Section 8801, the bureau shall provide the necessary resources to the city, county, or city and county to facilitate the LAFCO process, including resources for preparing documents required by the California Environmental Quality Act (CEQA).

(2) The bureau shall cover the costs for creating a new public cemetery district or reorganizing an existing public cemetery district pursuant to this chapter, including costs associated with all of the following:

- (A) The LAFCO process.*
- (B) The Department of Fish and Wildlife.*
- (C) The county clerk and recorder.*
- (D) The State Board of Equalization.*

(b) Within one year of receiving an application for a change of organization pursuant to Section 8810, the LAFCO shall determine whether to form a new public cemetery district or reorganize an existing public cemetery district to maintain the abandoned endowment care cemetery.

(c) After a determination is made pursuant to subdivision (b), the bureau shall work with the vacated owner or the county assessor to secure the title of the abandoned cemetery to ensure that fee title of the abandoned endowment care cemetery ultimately vests in the public cemetery district.

8803. *(a) The bureau shall establish and administer the Abandonment Grant Funding Program to provide long-term viability to ensure services are maintained for abandoned endowment care cemeteries.*

(b) Commencing January 1, 2026, the program shall be funded by 50 percent of moneys from the assessed fees described in Sections 7653, 7712.5, 7729, 7729.11, 7730.3, 7730.8, 7730.10, and 7730.11 of the Business and Professions Code.

(c) The bureau shall have discretion over the disbursement of program funds and shall disburse those funds in accordance with the purpose described in subdivision (a).

(d) The bureau may use program funds to cover the reasonable costs of administering the program.

8804. *(a) The public cemetery district formed or reorganized pursuant to Section 8802 shall have access to the endowment fund, including principal and interest, of the applicable abandoned endowment care cemetery, and Abandonment Grant Funding Program funding to manage cemetery maintenance, burial services, and security items, and to address issues, including, but not limited to, prior repairs, deferred maintenance, or vandalism of property or gravesites, as necessary.*

(b) The public cemetery district shall determine the hours of operation, maintenance schedules, embellishment, and modicum of security, including gate locks, cameras, or alarms.

8805. *(a) A private entity that is licensed and regulated pursuant to the Cemetery and Funeral Act may acquire title to an abandoned endowment care cemetery.*

(b) If eligible, a private entity that acquires title to an abandoned endowment care cemetery shall manage the cemetery's endowment care trust fund, including principal and interest, in accordance with Chapter 5 (commencing with Section 8700).

(c) The bureau may provide funds from the Abandonment Grant Funding Program to a private entity that acquires title to an abandoned endowment care cemetery. Use of program funds shall be limited to the purposes described in Section 8804.

8806. *(a) A public cemetery district or private entity that acquires title to an abandoned endowment care cemetery shall keep a record of, and honor, all remaining contracts for burial executed by the prior cemetery authority.*

(b) (1) A public cemetery district or a private entity that acquires title to an abandoned endowment care cemetery shall not be responsible for any actions of the vacated owner, including, but not limited to, mismanagement of the endowment fund or cemetery.

(2) This subdivision shall not be applied to impair the obligation of any contract that is in effect as of January 1, 2026, in a manner that would violate either Section 9 of Article I of the California Constitution or Section 10 of Article I of the United States Constitution.

SEC. 2. SEC. 12. The heading of Chapter 7 (commencing with Section 8825) of Part 3 of Division 8 of the Health and Safety Code is amended to read:

CHAPTER 7. Abandoned Nonendowment Care Cemeteries

~~SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.~~

SEC. 13. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because, due to unique circumstances, Lincoln Memorial Park Cemetery, Dambacher Mountain Memorial Cemetery, Verdugo Hills Cemetery, Chapel of the Light, Evergreen Cemetery, and Mount Tamalpais Cemetery are abandoned and not being maintained.

SEC. 14. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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VACANT

County Member

STAFF**Luis Tapia**

Interim Executive Officer

Scott Smith

General Counsel

MEETING DATE: July 9, 2025**TO:** Local Agency Formation Commission
of Orange County**FROM:** Interim Executive Officer
Kelly Associates Management Group**SUBJECT:** Compensation and Classification Study**BACKGROUND**

During the 2017 Strategic Planning session, the Commission discussed the importance of maintaining up-to-date classifications and compensation metrics for staff positions to attract and retain qualified employees. Subsequently, the Commission identified a Comprehensive Organization Assessment as an objective in its 2017-18 Work Plan. The assessment was conducted and presented by Kelly Associates Management Group (KAMG), which the Commission approved, including the current staff classification and compensation metrics.

During the 2022 Strategic Planning session, the Commission continued to emphasize the importance of conducting periodic organizational assessments to ensure that classification and compensation metrics for positions are up to date. The Commission included the assessment in its three-year Work Plan 2025-2028 under Goal One: *Staff Development, Retention, and Recruitment*. In January 2025, the Commission approved a contract with KAMG to conduct a study to review the classification and compensation metrics of the agency's positions and provide recommendations. KAMG's assessment includes recommendations for Commission consideration.

DISCUSSION

The Classification and Compensation Study consists of three major components: 1) Position Classifications, 2) Position Compensation, and 3) Employee Benefits. The study conducted by KAMG (William Kelly (Bill)) compared employee position classifications and compensations with similar LAFCOs, including Los Angeles, Riverside, San Bernardino, San Diego, and Ventura. During the data collection process of the study, Bill held discussions with staff from the five LAFCOs and OC LAFCO staff to gather information on the position classifications and compensations. Additionally, Bill and the Interim Executive Officer met with the Ad Hoc

Executive Committee to discuss the study's methodology and recommendations for the Commission's consideration.

The Classification and Compensation Study, provided by KAMG, is attached as Attachment 1. Bill will present the study during the July Commission regular meeting and be available to address any questions on the item during the meeting.

SUMMARY OF CONSULTANT RECOMMENDATIONS

Following its analysis of the information gathered from OC LAFCO and the additional LAFCOs, KAMG developed the following recommendations for Commission discussion and consideration:

Classification and Compensation Structure

- Adjust the ten-step salary ranges for the classifications, including Assistant Executive Officer, Policy Analyst II, and Office Manager/Commission Clerk. Adopt the revised position description for the Office Manager/Commission Clerk.
- Adopt the updated ten-step performance salary schedule (per Exhibit 3 of the Compensation and Classification Study) and continue to utilize the County's annual Fiscal Year Report to compute the appropriate yearly Cost of Living Adjustments for the positions.

Establishment of a New Classification Position for Promotional Purposes

- Establishment of a new *Senior Policy Analyst* classification for the agency to address the need for a higher degree of complicated policy and financial analysis and offer staff a natural career ladder for professional development within the agency. The position would serve as a promotional opportunity for existing staff and not an increase in staffing.

RECOMMENDED ACTIONS

Staff Recommends the Commission:

1. Approve the recommendations prepared by Kelly Associates Management Group as outlined in the Classification and Compensation Study and the "Observation and Recommendations" section of the report.

Respectfully Submitted,


LUIS TAPIA
WILLIAM R. KELLY

Attachment:

1. Compensation and Classification Study



Orange County Local Agency Formation Commission

Classification and Compensation Study

July 9, 2025



July 9, 2025

Mr. Luis Tapia
Interim Executive Officer
Orange County Local Area Formation Commission
2677 North Main Street, Suite 1050
Santa Ana, CA 92705

SUBJECT TRANSMITTAL OF CLASSIFICATION AND COMPENSATION STUDY

Dear Mr. Tapia:

Kelly Associates Management Group LLC (KAMG) is pleased to present to the Orange County Local Agency Formation Commission (OC LAFCO) our employee classification and compensation study. The OC LAFCO Board identified the importance of completing an organizational assessment as part of the LAFCO 2022-25 Work Plan and provided funding for this undertaking. On February 8, 2025 OC LAFCO issued a contract to KAMG to conduct the employee classification and compensation study.

The most important assets that any public or private organization has are its employees. Management theory has proven time and again that successful organizations always emphasize the hiring, retention and development of staff as the primary keys for achieving their strategic goals and objectives. In the past, OC LAFCO has served as a training ground for some of the best and brightest employees, only to see them leave after just a short period of time for other agencies that provide more competitive salaries and benefits. KAMG applauds the Commission's continued efforts to ensure that staff classification and compensation metrics are kept up to date. In doing so, the Commission has sought to maintain its reputation as a leader among LAFCOs and continue to attract and retain forward-thinking staff that possesses strong educational and professional experience in policy and local government.

The attached report was prepared by KAMG President/CEO William (Bill) Kelly and Principal David Gruchow and begins by providing a description of the methodology employed in conducting the classification and compensation analysis along with our findings and recommendations.

This assessment will provide the OC LAFCO Commission an opportunity to consider options to ensure that OC LAFCO continues to be competitive in the market place and will attract and retain high caliber employees. This, then, will ensure that OC LAFCO remains a leading LAFCO agency capable of producing results and is innovative in its approach to problem solving.



kelly associates
Management Group

KAMG appreciates the opportunity to serve OC LAFCO and we are prepared to assist in any follow-up actions the Commission may wish to pursue.

Sincerely,

KELLY ASSOCIATES MANAGEMENT GROUP LLC

William R. Kelly
President/CEO

Orange County Local Agency Formation Commission Classification and Compensation Study



OC LAFCO Commissioners

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Wendy Bucknum, Vice Chair
Douglas Davert, Special Districts Member
James Fisler, Special District Member
Peggy Huang, City Member
Derek J. McGregor, Public Member
Kathryn Freshley, Alternate Special District Member
Carol Moore, Alternate City Member
Lou Penrose, Alternate Public Member

OC LAFCO Staff

Luis Tapia, Interim Executive Officer

Consulting Staff

Kelly Associates Management Group LLC
William R. Kelly, President/CEO
David A. Gruchow, Principal

July 9, 2025

**Prepared for the Orange County Local Agency Formation Commission
by**





Orange County Local Agency Formation Commission Classification and Compensation Study

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*Orange County Local Agency Formation Commission
Classification and Compensation Study*



**Orange County Local Agency Formation Commission
Classification and Compensation Study**

The following discussion provides background concerning the classification and compensation study along with a discussion of KAMG's findings and recommendations.

I. Background

This total compensation survey was conducted in accordance with the best practices for gathering and comparing information. The goal of such a survey is to assess compensation practices for those entities that OC LAFCO would typically compete with when recruiting staff. Consequently, a selection of California LAFCOs was determined to be the best fit for survey purposes. Agencies included in the survey are: Los Angeles County LAFCO, Riverside County LAFCO, San Bernardino County LAFCO, San Diego County LAFCO, Ventura County LAFCO. While OC LAFCO utilizes the County of Orange for support services and benefits, OC LAFCO is aligned more closely with the above survey agencies in terms of size and function. The County of Orange has numerous bodies performing like-duties and responsibilities, whereas the survey agencies, like OC LAFCO, have single employee classifications often performing a broader range of duties than like positions in the County of Orange. In reality, employees in smaller organizations often have a broader range of responsibilities than those assigned to large organizations that tend to "pigeon-hole" employees to a specific set of duties or assigned areas of responsibility.

The study's compensation component focused on top step salaries for comparative employee classifications of the survey agencies. These compensation survey items were used to compare OC LAFCO salaries to the "mean" salaries of the survey agencies. Additionally, the job descriptions for the comparable classifications were reviewed to ensure the comparison classification was appropriate.

KAMG also examined other employer benefit programs and offerings such as retirement, medical, dental, life insurance, long term disability insurance, deferred compensation, bilingual pay, holidays, administrative leave, auto allowance and other miscellaneous benefits. While "Total Compensation" surveys are a meaningful way of capturing the common benefits provided for specific employee classifications, it should be noted that the wide disparity in benefit plans offered among those agencies surveyed makes it difficult to draw any reasonable assumptions about "compensation equity". For example, agencies that participate in their county's retirement plans are constrained by the requirements of those plans relating to employer and employee contributions. Also, those agencies which, by policy, pay out lump sum cafeteria-style amounts rather than offering specific medical or time-off benefits may end up paying less than other agencies. Because these kinds of program variations can result in wildly

Orange County Local Agency Formation Commission
Classification and Compensation Study

different costs to the organizations, KAMG believes that incorporating them into the calculation of mean compensation amounts for comparison to OC LAFCO does not adequately measure compensation equity.

KAMG's classification and compensation study employed a strictly organizational approach to workflow, comparative salaries and benefits. Our focus was on employee positions and responsibilities as they compared to like positions in other agencies as well as salary ranges established for positions with a similar breadth and depth of duties.

II. Top Step Salary Comparison

When assessing top step salaries, KAMG compared the survey agencies against the following OC LAFCO classifications:

- Executive Officer
- Assistant Executive Officer
- Policy Analyst II
- Office Manager/Commission Clerk

Since OC LAFCO's Policy Analyst I is an entry level position, KAMG assumed the current 10% salary differential from Policy Analyst II would be maintained. Table 1 below summarizes the employee classifications from the survey agencies that were used for comparison purposes:

Table 1
Comparison Classifications by Survey Agency

LAFCO	Executive Officer	Asst Exec Officer	Policy Analyst II	Office Manager/ Commission Clerk
Los Angeles	Executive Officer	Dep Exec Officer	Local Gov't Analyst	(no comparable) ¹
Riverside	Executive Officer	Asst Exec Officer	(no comparable) ¹	Commission Coord
San Diego	Executive Officer	Asst Exec Officer	Analyst II	Commission Clerk
Ventura	Executive Officer	Dep Exec Officer	(no comparable) ¹	(no comparable) ¹
San Bernardino	Executive Officer	Asst Exec Officer	Project Manager	Clerk to the Commission

¹ "No Comparable" indicates that the agency either does not employ similar staff, or that the position descriptions for similarly-titled positions are significantly different, or that annual salaries are significantly different as to skew the average for the class.

Table 2 compares current salary ranges for OC LAFCO classifications with the mean top step salaries for the survey agencies:

Orange County Local Agency Formation Commission
Classification and Compensation Study

Table 2
Comparison of OC LAFCO Top Step to Survey Agencies Mean

Classification	OC LAFCO Top Step	Mean of Survey Agencies Top Step
Executive Officer ¹	\$239,828	\$240,331
Assistant Executive Officer	\$164,874	\$168,900
Policy Analyst II	\$98,792	\$104,475
Office Manager/Commission Clerk	\$76,457	\$90,440 ²

¹ Salary Determined by the Commission, not subject to steps

² Does not include the Ventura Office Manager/Clerk of the Commission position due to significant salary differential

While not all of the survey agencies had comparable positions to each of the OC LAFCO positions, the results do indicate a need to address OC LAFCO salaries based on those paid to similar agencies.

The top step salary survey average results are as follows:

- Executive Officer 0.21% below the survey mean
- Assistant Executive Officer 2.44% below the survey mean
- Policy Analyst II 5.75% below the survey mean
- Office Manager/Commission Clerk 18.3% below the survey mean

KAMG noted a significant difference between the top step salary for OC LAFCO's Office Manager/Commission Clerk position and the mean salary for those survey agencies that have similar classifications. In reviewing position descriptions, we found that other agencies tend to utilize their Office Manager/Clerk of the Commission positions at a more executive, management level than the position at OC LAFCO due to these agencies' relatively small staffs and other operational needs. This has the effect of rendering salary comparisons very difficult.

Exhibit 3 provides a recommended salary range for all OC LAFCO classifications (with the exception of the Executive Officer salary which is set by the Commission as a set amount rather than a salary range) which directly reflect the information obtained from the top step salary survey.

Orange County Local Agency Formation Commission
Classification and Compensation Study

III. Employee Benefits

As was previously mentioned, there are broad differences among the survey agencies in regards to providing employee benefits such as retirement, medical, paid time off, deferred comp, etc. While employees certainly benefit from these plans and programs, including their costs to the agency as part of a formula for determining total compensation is misleading and can result in unintended assumptions about “compensation equity” between organizations.

Based on KAMG’s review of the benefit programs of the survey agencies, we believe OC LAFCO’s benefit package is consistent with industry best practices and that it does not negatively affect its competitiveness when recruiting new employees.

IV. Senior Analyst Position

OC LAFCO’s management has advised KAMG of its intent to recommend the establishment of a new Senior Policy Analyst classification to the organization. This position would address the need for a higher degree of complicated policy and financial analysis and would afford staff a natural career ladder for professional development. The position would be used for a promotional opportunity for existing staff or a lateral consideration from an outside agency, if any existing staff resigns. i.e.no increase in the staffing level.

In order to develop position specifications and compensation parameters, KAMG consulted the LAFCO organizations in Riverside, San Bernardino, San Diego, and Los Angeles Counties. We also assessed how the proposed duties and responsibilities compare with the existing OC LAFCO Policy Analyst II classification. Exhibit 1 provides the new Senior Policy Analyst position description.

Two of the organizations consulted provided the following annual compensation data:

- Los Angeles LAFCO Senior Government Analyst \$130,000
- San Bernardino LAFCO Senior Analyst \$129, 832

The mean of these salaries is \$129,916. The current top step salary for the OC LAFCO Policy Analyst II position is \$98,792. Consequently, a new Senior Policy Analyst position would require an equity adjustment of 31.5% to be consistent with the survey agencies. However, OC LAFCO has endeavored to keep the salary differential between graded classifications at 10% (applying this practice to the new Senior Policy Analyst position would result in an annual salary of \$108,671). In light of the fact that this would be a new classification with enhanced duties and responsibilities, KAMG recommends that the annual salary be set at 15% above the Policy

Orange County Local Agency Formation Commission
Classification and Compensation Study

Analyst II position (\$113,611 subject to any equity adjustments to the Policy Analyst II position). While this would still be below the survey market, it would allow the position to evolve over time within the organization along with the potential for further equity enhancements in the future.

V. Observations and Recommendations

KAMG presents the following recommendations to OC LAFCO regarding top step salary compensation:

1. Cost of Living Adjustments

Following KAMG's 2018 Class and Compensation Study, OC LAFO implemented a 10-step salary schedule with 2.5% increments between each step (approved in March 2018). That Study also recommended that employees receive a Cost of Living Adjustment (COLA) as reflected in the annual Fiscal Year Rate Report issued by the County of Orange. KAMG believes that such COLA's are consistent with the practice among a majority of public agencies to ensure that they keep in step with inflation and are able to retain their employees.

RECOMMENDATION: KAMG recommends that OC LAFCO continue to utilize the County's annual Fiscal Year Rate Report to compute appropriate Cost of Living Adjustments.

2. Adjustments to Survey Mean

KAMG believes that the ten-step salary ranges for the following classification should be adjusted to the survey mean as indicated below:

Table 3
Top Step Adjustments

Classification	Current Top Step	Recommended Equity Adjust.	Recommended Top Step
Assistant Executive Officer	\$164,874	2.40%	\$168,831
Policy Analyst II ¹	\$98,792	5.75%	\$104,473
Office Manager/Commission Clerk	\$76,457	10.0%	\$84,103

¹ The Policy Analyst I salary would be based on 10% of the adjusted Policy Analyst II salary

By adjusting the Policy Analyst II top step to \$104,473 the recommended top step for the new Senior Policy Analyst position would be set at \$120,144 (15% above the Policy Analyst II).

***Orange County Local Agency Formation Commission
Classification and Compensation Study***

Based on discussions with OC LAFCO management, KAMG believes that the position description for the Office Manager/Commission Clerk position contains various tasks and responsibilities that are not consistent with other agencies. A revised position description is included in Exhibit 2. Consequently, KAMG does not believe a full 18.3% adjustment to the mean is warranted and recommends that the adjustment for this classification be set at 10%.

RECOMMENDATION: Adjust employee compensation (per Exhibit 3).

EXHIBIT 1

POSITION DESCRIPTION FOR SENIOR POLICY ANALYST

**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION
JOB DESCRIPTION**

SENIOR POLICY ANALYST

LAFCO is mandated to encourage orderly growth and development and the logical formation and reorganization of local agency boundaries and service area with appropriate consideration of preserving agricultural and open space lands within Orange County.

Under general supervision, provide project management for specific state mandated programs of LAFCO as established by local policy and State law.

DISTINGUISHING CHARACTERISTICS

The Senior Policy Analyst is a senior level of the Policy Analyst series with increased responsibilities and duties compared to the Policy Analyst I/II positions. Distinguishing characteristics include being assigned to substantively complex proposals and studies along with regularly representing LAFCO to the general public and other local governmental agencies. The position requires strong, ongoing self-direction and sound judgement in accomplishing assigned projects from the conceptual stage through implementation along with the ability to readily assess political implications of findings, recommendations, and decisions. An adaptive ability to practice and cultivate effective teamwork and collaboration as a first-line supervisor also distinguishes this position from others in the series.

EXAMPLES OF ESSENTIAL FUNCTIONS

Based on assignment, essential job functions include, but are not limited to, the following: *(Management reserves the right to add, modify, change or rescind work assignments as needed).*

Act as first line supervisor; assign and review work of subordinate Analysts; train/mentor lower level analytical and/or support staff.

Prepare and/or supervise preparation of maps and other illustrations.

Research, compile, and analyze proposals with a high degree of complexity; make recommendations and prepare and present staff reports.

Conduct special studies involving inter-jurisdictional and inter-agency coordination.

Review and analyze application materials for compliance with State law and Commission requirements.

Perform research in support of assigned proposals and for senior administrative staff.

Assist in the development of policies and internal processes.

Assist in the preparation of the annual budget.

Make oral presentations to the Commission and community groups and manage public participation related to LAFCO matters.

Supervise the preparation of descriptions of proposals for legal notices.

Ensure compliance with California Environmental Quality Act (CEQA).

Communicate statutory requirements, application requirements, Commission policies and procedures to applicants, public agency staff and interested citizens.

Review federal, state and local legislative proposals affecting LAFCO operations.

Communicate with media as required on LAFCO matters.

Represent LAFCO at statewide organization events and meetings.

MINIMUM QUALIFICATIONS

Any combination of education, training and experience that would provide the required knowledge, skills, and abilities in qualifying. A typical combination includes:

Education and Experience:

Graduation from a recognized college with a Bachelor's degree in Public Administration, Business Administration, Planning, Urban Studies, Geography, Economics, Environmental Science, Political Science, or a related field and a minimum of four years of administrative experience in which the primary duty was conducting a variety of analytical studies and writing narrative reports of findings in areas such as organizational operations, fiscal analysis, and service delivery. Or a Master's degree with two years applicable experience.

Knowledge Required:

Extensive knowledge of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Understand political implications of findings, recommendations, and decisions.

Planning and implementing projects as assigned with limited supervision.

Knowledge of government organization functions and services.

Possess advanced understanding of the California Environmental Quality Act.

Familiarity with principles and practices of public administration, community development and planning, and public finance.

Ability to collect, analyze, and interpret relevant data.

Perform advanced-level qualitative and quantitative analysis.

Ability to compose clear and accurate memos, letters, and agenda reports.

Ability to skillfully proof and edit others' written reports, letters, etc.

Possess clear Business English.

Communicate clearly, concisely, and effectively orally and in writing.

Familiarity with current technology and trends in the profession.

Telephone, office, and online etiquette

Ability to communicate effectively with individuals representing diverse cultures and backgrounds.

Exercise good judgement and initiative.

Skills and Abilities:

To plan, organize and conduct research on public service issues, develop and analyze alternatives, and prioritize multiple tasks.

To understand, interpret and implement statutory requirements and written procedures

To effectively represent LAFCO in contacts with governmental agencies, community groups, and various business, regulatory, and legislative organizations.

To mediate issues involving multiple agencies and interested parties;

To exercise independent judgment and discretion in sensitive and controversial matters.

To establish, maintain, and foster positive and effective working relationships with subordinate staff.

To organize, prioritize and coordinate own work and those of subordinate staff in order to meet critical time lines.

To function effectively under pressure.

To use standard office software, such as Microsoft Word, Excel, etc. as well as a Geographical Information System (GIS) to capture, store, manipulate, analyze, manage, and present spatial or geographic information.

Licenses and Certifications:

Possession of, or ability to obtain, a valid Class C California Driver's License by time of appointment.

PHYSICAL DEMANDS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; to operate a motor vehicle and to visit various LAFCO meeting sites~ vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone. This is a primarily sedentary office position. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Must possess the ability to lift, carry, push, and pull materials and objects up to 25 pounds.

WORK ENVIRONMENT

Employees work in an office environment with moderate noise levels and controlled temperature conditions.

EXHIBIT 2

REVISED POSITION DESCRIPTION FOR OFFICE MANAGER/COMMISSION CLERK

**ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION
JOB DESCRIPTION**

OFFICE MANAGER/COMMISSION CLERK

DEFINITION

LAFCO is mandated to encourage orderly growth and development and the logical formation and reorganization of local agency boundaries and service area with appropriate consideration of preserving agricultural and open space lands within Orange County.

Under general supervision, provides highly responsible administrative support and assists with the day-to-day operations of LAFCO.

DISTINGUISHING CHARACTERISTICS

The Office Manager/Commission Clerk will maintain internal efficiencies that support OC LAFCO's organizational effectiveness that meet statutory requirements and include proactive outreach to our funding agencies and the public within the adopted budget.

Works directly with the Executive Officer and Assistant Executive Officer to manage LAFCO's day-to-day internal and external administrative, communications, and budgetary needs. In addition, the incumbent functions as the official "Commission Clerk" for LAFCO with responsibility for performing specific legally mandated duties.

EXAMPLES OF ESSENTIAL FUNCTIONS – Based on assignment, essential job functions include, but are not limited to, the following: *(Management reserves the right to add, modify, change or rescind work assignments as needed).*

Prepare, organize, print and distribute the agenda for LAFCO Commission meetings, including preparation of the preliminary agenda, assemble and copy agenda material and supporting documents, arrange for the distribution agenda materials to Commissioners, staff and the public.

Prepare, post and distribute notices of public meetings and hearings; prepare, publish, and distribute other legal notices in accordance with state, county and LAFCO requirements.

Attend Commission meetings and transcribe meeting minutes to create the official record; index, retrieve, and provide for retention of documents related to LAFCO and Commission proceedings; ensure documents are in the correct format, include required attachments and obtain appropriate signatures prior to recording or sending elsewhere for further action.

Receive, process, and monitor economic interest statements and election process for elected and appointed officials and employees.

Oversee the management, retention and disclosures of LAFCO records and documents in accordance with Commission policies and state and federal laws.

Under the direction of the Executive Officer or Assistant Executive Officer, provide responses to Public Records Requests involving LAFCO records, and through guidance from LAFCO general counsel, oversees compliance with the California Public Records Act.

Assist staff and the public with questions regarding official documents or activities of LAFCO. Proofread reports, forms, minutes, agendas and other material for accuracy, completeness and compliance with established standards.

Screen and route incoming correspondence; type correspondence and reports; answer telephone and respond to inquiries or route to the appropriate personnel; maintain files; retrieve and gather information to assist staff members and the public.

Schedule appointments and meetings; make reservations for conferences and seminars and makes travel arrangements.

Manages the calendar of the Executive Officer.

Purchase supplies and equipment; oversee equipment maintenance; oversees process for onboarding of new hires; coordinates required systems with County staff (i.e. personnel, organize accounts payable for the accountant); route invoices to the agency's accountant, Assistant Executive Officer, and Executive Officer and prepare payments for invoices. Monitor consultant files. Assist in the preparation of financial reports and financial statements for specific projects as requested.

Scan, organize, index, and file correspondence, resolutions, agreements, and other written materials, within established policy guidelines. Comply with document retention policies and purge files as required.

Performs other related duties as assigned.

MINIMUM QUALIFICATIONS

Any combination of education, training and experience that would provide the required knowledge, skills, and abilities in qualifying. A typical combination includes:

Education and Experience:

An Associate of Art's Degree from an accredited college or university or equivalent experience. Minimum of three years of related secretarial experience. Prior public sector experience desirable. Type a minimum of 50 NMPM.

Knowledge of:

Organization and function of public agencies and boards.

Records management and retention principles and practices, including legal requirements for recording, retention, storage, and disclosure.

English usage, grammar, spelling, and punctuation.

Modern office practices, methods, and computer equipment and applications related to the work.

Skills and ability:

Provide varied, confidential, and responsible secretarial and office administrative work requiring the use of independent judgment, tact, and discretion.

Prepare official minutes, resolutions, correspondence, and other written materials.

Interpret, apply, explain, and ensure compliance with applicable federal, state and local laws, rules, regulations, and Commission policies and procedures.

Organize, maintain, and update office database and records systems.

Organize own work, coordinate projects, set priorities, and meet critical timelines.

Use English effectively to communicate in person, over the telephone, and in writing.

Establish, maintain, and foster positive and effective working relationships with those contacted in the course of work.

Licenses and Certifications:

Possession of a valid Class C California Driver's License by time of appointment.

PHYSICAL DEMANDS

Must possess mobility to work in a standard office setting and use standard office equipment, including a computer; to operate a motor vehicle and to visit various LAFCO meeting sites; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone. This is a primarily sedentary office position. Finger dexterity is needed to access, enter, and retrieve data using a computer keyboard or calculator and to operate standard office equipment. Positions in this classification occasionally bend, stoop, kneel, reach, push, and pull drawers open and closed to retrieve and file information. Must possess the ability to lift, carry, push, and pull materials and objects up to 25 pounds.

WORK ENVIRONMENT

Employee works in an office environment with moderate noise levels and controlled temperature conditions.

EXHIBIT 3

RECOMMENDED SALARY RANGES FOR OC LAFCO CLASSIFICATIONS

EXHIBIT 3
CURRENT OCLAFCO SALARY RANGES
WITH RECOMMENDED SALARY ADJUSTMENTS

	Assistant Executive Officer	Policy Analyst II	Policy Analyst I	Senior Policy Analyst	Office Manager/ Commission Clerk
Step 1					
Current	\$132,019.50	\$79,105.73	\$71,917.94		\$61,221.22
Proposed	\$135,187.97	\$83,654.31	\$76,053.22	\$95,662.91	\$67,343.34
Step 2					
Current	\$135,319.99	\$81,083.38	\$73,715.89		\$62,751.75
Proposed	\$138,567.67	\$85,745.67	\$77,954.55	\$98,115.81	\$69,026.93
Step 3					
Current	\$138,702.99	\$83,110.46	\$75,558.78		\$64,320.54
Proposed	\$142,031.86	\$87,889.31	\$79,903.41	\$100,631.60	\$70,752.59
Step 4					
Current	\$142,170.57	\$85,188.22	\$77,477.75		\$65,928.56
Proposed	\$145,582.66	\$90,086.54	\$81,932.72	\$103,211.90	\$72,521.42
Step 5					
Current	\$145,724.83	\$87,317.93	\$79,383.95		\$67,576.77
Proposed	\$149,222.23	\$92,338.71	\$83,948.53	\$105,858.36	\$74,334.45
Step 6					
Current	\$149,367.95	\$89,500.88	\$81,368.55		\$69,266.19
Proposed	\$152,952.78	\$94,647.18	\$86,047.24	\$108,572.68	\$76,192.81
Step 7					
Current	\$153,102.15	\$91,738.40	\$83,402.76		\$70,997.85
Proposed	\$156,776.60	\$97,013.36	\$88,198.42	\$111,356.59	\$78,097.64
Step 8					
Current	\$156,929.70	\$94,031.86	\$85,487.83		\$72,772.79
Proposed	\$160,696.01	\$99,438.69	\$90,403.38	\$114,211.89	\$80,050.07
Step 9					
Current	\$160,852.95	\$96,382.66	\$87,625.03		\$74,592.11
Proposed	\$164,713.42	\$101,924.66	\$92,663.47	\$117,140.40	\$82,051.32
Step 10					
Current	\$164,874.27	\$98,792.22	\$89,815.65		\$76,456.92
Proposed	\$168,831.25	\$104,472.77	\$94,980.05	\$120,144.00	\$84,102.61

REGULAR MEMBERS

CHAIR
Donald P. Wagner
County Member

VICE CHAIR
Wendy Bucknum
City Member

IMMEDIATE PAST CHAIR
Douglass Davert
Special District Member

James Fiser
Special District Member

Peggy Huang
City Member

Derek J. McGregor
Public Member

VACANT
County Member

ALTERNATES

Kathryn Freshley
Special District Member

Carol Moore
City Member

Lou Penrose
Public Member

VACANT
County Member

STAFF

Luis Tapia
Interim Executive Officer

Scott Smith
General Counsel

MEETING DATE: July 9, 2025

9d | Commission
Discussion

TO: Local Agency Formation Commission
of Orange County

FROM: Interim Executive Officer

SUBJECT: Appointment for the Southern Alliance of California
Local Agency Formation Commissions

BACKGROUND

In February 2025, the Commission took action not to renew its membership with the California Association of Local Agency Formation Commissions (CALAFCO). Following the Commission's action, in June 2025, Commissioner McGregor informed the Southern Region of the California Local Agency Formation Commissions which membership included the southern region LAFCOs (Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego), that effective July 1, 2025, OC LAFCO would no longer participate as a member or in its activities. Concurrently, the Commission approved a memorandum of understanding with Los Angeles, San Bernardino, and San Diego LAFCOs (MOU) to form a collaborative effort on providing and receiving services and programs, including educational opportunities involving LAFCO statutes, training on best practices in local government, professional networking, and legislative advocacy.

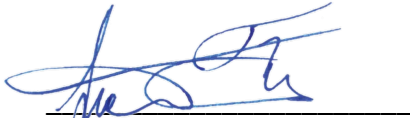
Staff from the four LAFCOs have commenced planning for upcoming meetings to implement the efforts outlined in the MOU. To ensure representation from the four LAFCOs, each LAFCO will appoint two commissioners to attend the meetings. Staff recommends that the Commission appoint two Commissioners to represent OC LAFCO, one as a regular member and one as an alternate member. Currently, the attendance of the Commissioners is for representation, however, as the group continues to develop, Commissioners may be asked to participate in some of the activities and responsibilities.

RECOMMENDED ACTION

Staff recommends the Commission:

1. Appoint two OC LAFCO Commissioners as the regular and alternate members to attend activities of the Southern Alliance of California Local Agency Formation Commissions.

Respectfully submitted,



LUIS TAPIA