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Carolyn Emery
Executive Officer

Scott Smith
General Counsel

MEETING DATE: July 9, 2025

9a | Commission
Discussion

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

	Jun 30, 25
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	1,464,905
Other Current Asset	
Miscellaneous Receivable	
Prepaid Expenses	35,547
Retirement Prepaid Expense	62,203
Total Other Current Asset	97,750
Total Current Assets	1,562,655
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	1,456,300
TOTAL ASSETS	\$ 3,065,492
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Compensated Absences	29,481
Total Current Liabilities	29,481
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	2,671,824
Total Liabilities	2,701,305
Equity	364,187
TOTAL LIABILITIES & EQUITY	\$ 3,065,492

*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



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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



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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