

## LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY

### REGULAR MEETING AGENDA

Wednesday, January 14, 2026  
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/Yu2cyOJqTtl?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. ROLL CALL**

**4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION**

(Communications received after agenda distribution for agenda items.)

**5. PUBLIC COMMENT**

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

**6. CONSENT CALENDAR**

**a.) November 12 – Regular Commission Meeting Minutes**

The Commission will consider approval of the November 12, 2025 meeting minutes.

**b.) Fiscal Year 2025-26 Quarterly Financial Report (*Second Quarter*)**

The Commission will receive the second quarter financial report for Fiscal Year 2025-2026.

**7. PUBLIC HEARING**

No public hearing items scheduled.

**8. COMMISSION DISCUSSION AND ACTION**

**a.) Fiscal Year 2025-26 Mid-Year Work Plan Update**

The Commission will receive a report on the status of goals, objectives, and other projects of the agency's 2025-2028 Work Plan.

**b.) OC LAFCO Professional Services Agreement Update**

The Commission will receive an update on the current professional services agreements.

**c.) Appointment Processes for OC LAFCO Expiring Terms and Vacancies**

The Commission will receive a report on the appointment processes for the member seats with an expiring term in 2026 or current vacancies.

**d.) Appointment of 2026 OC LAFCO Officers**

The Commission will conduct appointments of the Commission Chair and Vice Chair for 2026.

**9. COMMISSIONER COMMENTS**

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

**10. EXECUTIVE OFFICER'S REPORT**

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

**11. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

No informational items and announcements.

**12. ADJOURNMENT OF REGULAR COMMISSION MEETING**

The next Regular Commission Meeting will be held on Wednesday, February 11, 2026 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 view and listen to the meeting live on YouTube using the link provided on the website homepage ([www.oclafco.org](http://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](mailto:ccarter-benjamin@oclafco.org). Comments received no less than twenty-four (24) hours prior to the regular meeting will be distributed to the Commission and included in the record.

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

# 2026 MEETING AND EVENTS CALENDAR

*Approved November 12, 2025*

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

April						
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July						
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19	20	21	22	23	24	25
26	27	28	29	30	31	

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

February						
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22	23	24	25	26	27	28

May						
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August						
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23	24	25	26	27	28	29
30	31					


November						
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29	30					


March						
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				


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


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

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

 OC LAFCO Regular Meeting (*begins at 8:15 a.m.*)  
**Location:** County Administrative North, First Floor  
 Multipurpose Room 101, 400 W. Civic Center Dr.,  
 Santa Ana, CA 92701.

 Office closure due to legal holidays and flexible work schedule.

 No scheduled regular meeting due to legal holiday.

 2026 CALAFCO Annual Conference - October 21-23

## DRAFT MINUTES

### OC LAFCO REGULAR MEETING

Wednesday, November 12, 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/p49wpaNxyH4?feature=s\\_hare](https://youtube.com/live/p49wpaNxyH4?feature=s_hare)

#### 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 Moore** led the Pledge of Allegiance.

#### 3. ROLL CALL

The following Commissioners were present:

City Members

Wendy Bucknum  
Peggy Huang  
Carol Moore **(Alt.)**

County Member

Donald P. Wagner **(Chair)**

Special District Members

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

Public Members

Derek J. McGregor  
Lou Penrose **(Alt.)**

The following staff members and general counsel were present:

- Executive Officer Luis Tapia
- Policy Analyst I Aimee Diaz
- Policy Analyst I Leo Lara
- General Counsel Scott Smith

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

The Executive Officer noted that no supplemental communication was received.

**5. PUBLIC COMMENT**

**Chair Wagner** requested public comments on any non-agenda items. The Executive Officer 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 Executive Officer noted that there were no requests from the public to speak on the item. **Commissioner McGregor** motioned for approval of the consent calendar, and **Vice Chair Bucknum** seconded the motion.

**6a. – October 8, 2025 - Regular Commission Meeting Minutes**

**MOTION:** Approve Consent Calendar. (Derek J. McGregor)  
**SECOND:** Wendy Bucknum  
**FOR:** Derek J. McGregor, Wendy Bucknum, James Fisler, Kathryn Freshley, Peggy Huang, Donald P. Wagner  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**7. PUBLIC HEARING**

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

**8. COMMISSION DISCUSSION AND ACTION**

**8a. – Fiscal Year 2024-25 OC LAFCO Audited Financial Statements**

Executive Officer Luis Tapia introduced Jennifer Farr, Partner with Davis Farr LLP, who presented an overview of the agency's audited financial statements for the Fiscal Year ending June 30, 2025. Ms. Farr stated that an unqualified opinion was issued for the FY 2024-2025

OC LAFCO audit dated October 29, 2025, which is the highest level of opinion financial statements can receive.

**Chair Wagner** called for Commission discussion and public comments. There was no noted discussion from Commissioners, and the Executive Officer noted that there were no requests from the public to speak on the item. **Chair Wagner** noted this is a receive and file report and requires no action by the Commission.

**8b. – OC LAFCO Post-Municipal Service Review (MSR) Survey**

Policy Analyst Aimee Diaz presented the staff report and noted that this is a receive and file report.

**Chair Wagner** called for Commission discussion and public comments. Commissioners made general comments and asked clarifying questions, and the Executive Officer noted that there were no requests from the public to speak on the item. **Chair Wagner** noted this is a receive and file report and requires no action by the Commission.

**8c. – 2026 Meeting and Events Calendar**

Executive Officer Luis Tapia presented the staff report and recommended action for Commission consideration. Mr. Tapia noted that the Commission Regular Meeting scheduled for November 2026 will take place on the third Wednesday of the month, due to Veterans Day being on the second Wednesday of the month.

**Chair Wagner** called for Commission discussion and public comments. Commissioners made general comments, and **Commissioner Freshley** requested that staff add the dates for the CALAFCO 2026 Annual Conference to the Calendar. Executive Officer Luis Tapia noted that the dates of the CALAFCO annual conference would be added to the calendar and that there were no public requests to speak on the item. **Chair Wagner** called for a motion on the item. **Commissioner Huang** motioned to approve the recommended action with the recommended change to add the dates of the CALAFCO annual conference, and **Commissioner McGregor** seconded the motion.

**MOTION:** Adopt the 2026 Meeting and Events Calendar with the recommended change to add the dates of the CALAFCO annual conference. (Peggy Huang)  
**SECOND:** Derek J. McGregor  
**FOR:** Peggy Huang, Derek J. McGregor, Wendy Bucknum, James Fisler, Kathryn Freshley, Donald P. Wagner  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**8d. – Update on Alliance of Local Agency Formation Commissions**

Policy Analyst Aimee Diaz presented the staff report and noted that it is a receive and file report.

**Chair Wagner** called for Commission discussion and public comments. Commissioners made general comments and asked clarifying questions, and the Executive Officer noted that there were no requests from the public to speak on the item. **Chair Wagner** noted this is a receive and file report and requires no action by the Commission.

**8e. – Cancellation of December 2025 Regular Meeting**

Executive Officer Luis Tapia noted that there were no actionable items for the Commission's consideration for December and recommended the cancellation of the scheduled December 10, 2025, regular meeting.

**Chair Wagner** called for Commission discussion. There was no noted discussion from Commissioners. **Chair Wagner** called for a motion on the item. **Commissioner Huang** motioned for the cancellation of the December 10, 2025, regular meeting and **Vice Chair Bucknum** seconded the motion.

**MOTION:** Cancellation of the December 10, 2025 Regular Meeting. (Peggy Huang)  
**SECOND:** Wendy Bucknum  
**FOR:** Peggy Huang, Wendy Bucknum, James Fisler, Kathryn Freshley,  
Derek J. McGregor, Donald P. Wagner  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**9. COMMISSIONER COMMENTS**

Commissioners made general comments.

**10. EXECUTIVE OFFICER'S REPORT**

Executive Officer Luis Tapia provided a summary of the City of San Diego's recently proposed water and wastewater rate adjustments, as requested by the Commission during the October meeting.

**11. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

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



**12. ADJOURNMENT OF THE REGULAR COMMISSION MEETING**

**Chair Wagner** adjourned the Regular Commission Meeting at 8:43 a.m. to January 14, 2026.

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

ATTEST:

By: \_\_\_\_\_  
Luis Tapia  
Executive Officer

**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**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** January 14, 2026

**6b** | Commission  
Discussion

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

**FROM:** Executive Officer

**SUBJECT:** Fiscal Year 2025-2026 Quarterly Financial Report  
(*Second Quarter*)

The attached quarterly financial report provides an assessment of the agency's budget and investment portfolio for the period of October 1, 2025, through December 31, 2025. Upon review by the Commission, the quarterly reports are published on the transparency page of the agency's website. The next review of the agency's financial status will be presented in May 2026.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the Fiscal Year 2025-2026 Quarterly Financial Report (*Second Quarter*).

Respectfully submitted,

  
\_\_\_\_\_  
LUIS TAPIA

Attachments:

1. Fiscal Year 2025-2026 Quarterly Financial Report (*Second Quarter*)



Quarterly Financial Report  
Fiscal Year 2025-26  
(Second Quarter)

Prepared: January 14, 2026

Highlights:

FY 2025-26 Budget Overview - Pages 2-4

Balance Sheet & Reserves Analysis - Pages 5-6

## FY 2025-26 BUDGET OVERVIEW

This report provides a summary of the agency's budget and investment portfolio performance for the period of October 1, 2025 through December 31, 2025.<sup>1</sup> The Fiscal Year 2025-26 budget, which is approximately \$1.83 million, supports the operations of the Commission and the resources needed to accomplish the agency's work plan. During the second quarter, overall expenditures were at approximately 29.4 percent of the approved budget.

### Revenues

The OC LAFCO funding apportionment collected from the County, 34 cities, and 27 independent special districts totaling \$1,692,010 was at 100% at the end of the second quarter. The agency also earns interest from its investment portfolio. At the end of the second quarter, the Commission's earnings totaled \$17,571, which is approximately 49.3% of the interest revenue anticipated for the fiscal year.

Another source of OC LAFCO revenue is application filing fees. These filing fees are not used for budgeting purposes, as they are used to offset the costs associated with processing the respective applications. The Special Revenue Fund column in the chart on page 4 displays a year-to-date accounting of fees totaling \$10,958 that remain on deposit with the Commission for continued processing of the Three Arch Bay Community Services District application for the activation of latent powers and the recent submittal by the City of Irvine of an application requesting the proposed annexation of two "notch areas" in County unincorporated area to the City.

### Expenditures

The General Fund total expenditures as of December 31, 2025, are below the second quarter target level, totaling \$539,689 or approximately 29.4% of the total budget, with most expenses attributed to operational costs, such as salaries and benefits, professional services, and office lease. The following table provides a comparison of the percentage of actual funds used and the target levels for the current fiscal year.<sup>2</sup>

Total Funds Used				
	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.
<b>Target</b>	25%	50%	75%	100%
<b>Actual</b>	12%	29.4%	-	-

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

<sup>2</sup> Actual expenditures for the quarterly reporting are unaudited and subject to change.

## Balances and Investment Report

The following table illustrates the balance of OC LAFCO's bank accounts as of December 31, 2025.

As of 12/31/25	Balance
770-Payroll Account	\$ 387,027
Wells Fargo Checking	\$ 263,911
Wells Fargo Savings	\$ 219,184
<b>Total</b>	<b>\$ 870,122</b>

To maximize the interest accrued on the agency's revenues, apportionment fees are deposited in the Local Agency Investment Fund (LAIF). Throughout the fiscal year, funds are transferred from the investment account to the bank accounts to cover the agency's operational expenses. Additionally, the agency earns investment revenue through the Section 115 Public Agencies Post-Employment Benefits Trust (Trust). The balance of the Trust account at the end of the second quarter is \$119,788. The Trust has experienced three deposits totaling \$102,437 and a current gain of \$17,351 since being established by the Commission in 2021. Staff will complete a transfer to the agency's LAIF investment account during the third quarter and assess the opportunity to transfer to the Section 115 account consistent with the completion of the 2024-25 Fiscal Year audit.

The following table illustrates the balance of OC LAFCO's investment portfolio as of December 31, 2025

As of 12/31/25	Balance
LAIF	\$ 1,637,895
PARS Trust	\$ 119,788
<b>Total</b>	<b>\$ 1,757,683</b>



**APPENDIX A**  
**OC LAFCO - Quarterly Budget Overview<sup>3</sup>**  
**October 1, 2025 – December 31, 2025**

	YTD Special Revenue Funds	1st Qtr. General Fund	2nd Qtr. General Fund	YTD General Fund	TOTAL FY 25/26 Budget	General Fund
Revenue:						
Addition/(Use) of Unreserved Equity	\$ -	\$ -	\$ -	\$ -	\$ 110,340	0.0%
LAFCO Apportionment	-	1,692,010	-	1,692,010	1,692,010	100.0%
Filing Fees	11,723	-	-	-	-	0.0%
Misc Revenue	-	167	116	283	-	0.0%
Interest & Dividends	-	369	17,202	17,571	35,640	49.3%
PARS Trust Investment Gain/Loss	-	5,027	1,900	6,927	-	0.0%
<b>Total Revenue</b>	<b>\$ 11,723</b>	<b>\$ 1,697,573</b>	<b>\$ 19,217</b>	<b>\$ 1,716,790</b>	<b>\$ 1,837,990</b>	<b>93.4%</b>
Expenditures:						
Salaries	\$ 764	\$ 84,364	\$ 119,065	\$ 203,430	\$ 671,000	30.3%
Hourly Employees	-	4,195	4,336	8,531	20,800	41.0%
Benefits & Insurance						
Optional Benefit Plan	-	-	1,042	1,042	18,500	5.6%
Deferred Compensation	-	833	3,511	4,344	19,400	22.4%
Retirement Benefits	-	29,802	41,887	71,689	274,700	26.1%
Health Insurance	-	9,059	13,911	22,970	78,500	29.3%
Retiree Health Benefits	-	763	1,086	1,849	6,200	29.8%
Dental Insurance	-	436	736	1,172	5,600	20.9%
Life Insurance	-	49	82	131	420	31.2%
Medicare	-	1,254	1,780	3,033	10,300	29.4%
Unemployment Insurance	-	36	50	86	540	15.8%
Health Reimbursement	-	1,282	1,765	3,047	8,200	37.2%
Salary Continuance	-	220	311	531	1,750	30.3%
Accidental Death Insurance	-	15	24	39	120	32.5%
Executive Car Allowance	-	-	1,200	1,200	7,200	16.7%
<b>Total - Benefits &amp; Insurance</b>	<b>764</b>	<b>43,749</b>	<b>67,383</b>	<b>111,133</b>	<b>431,430</b>	<b>25.8%</b>
Information Technology	-	2,457	2,501	4,958	21,600	23.0%
Telephone & Internet	-	5,946	4,393	10,339	21,500	48.1%
County of Orange	-	807	353	1,159	13,100	8.9%
General Liability Insurance	-	5,404	5,404	10,808	21,860	49.4%
Memberships	-	7,234	6,909	14,142	28,600	49.4%
Office Equipment/Supplies	-	4,530	3,248	7,778	28,400	27.4%
Professional Services:						
Legal	-	6,832	4,504	11,336	60,000	18.9%
Accounting/Audit	-	23,405	12,903	36,308	60,900	59.6%
Human Resources	-	6,331	-	6,331	30,000	21.1%
Mapping/Archiving	-	984	984	1,968	4,000	49.2%
Other Professional Services	-	5,740	22,208	27,948	200,000	14.0%
<b>Total - Professional Services</b>	<b>-</b>	<b>43,293</b>	<b>40,597</b>	<b>83,890</b>	<b>354,900</b>	<b>23.6%</b>
Investment Admin Fees	-	91	63	154	850	18.1%
Public Noticing	-	2,405	-	2,405	14,400	16.7%
Unincorporated Areas Program	-	-	-	-	11,000	0.0%
Rents/Maintenance	-	38,335	28,760	67,095	118,700	56.5%
Equipment Leases	-	2,527	1,089	3,616	8,100	44.6%
Comm. & Staff Expense	-	540	781	1,321	5,000	26.4%
Educations & Legislative Partn	-	250	4,030	4,280	16,000	26.8%
Comm. Stipends & Taxes/Fees	-	1,124	1,923	3,046	15,750	19.3%
Professional Development	-	145	-	145	20,000	0.7%
Transportation/Travel	-	-	680	680	5,000	13.6%
Commission Meeting Expense	-	267	512	779	10,000	7.8%
<b>Total Expenditures</b>	<b>764</b>	<b>247,662</b>	<b>292,027</b>	<b>539,689</b>	<b>1,837,990</b>	<b>29.4%</b>
<b>Total Net Income (Loss)</b>	<b>\$ 10,958</b>	<b>\$ 1,449,911</b>	<b>\$ (272,810)</b>	<b>\$ 1,177,101</b>	<b>\$ -</b>	

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

## Balance Sheet and Reserves Balance Analysis

This report includes the balance sheet to provide an understanding of OC LAFCO's financial status. The financial document on this page summarizes the agency's assets and liabilities as of December 31, 2025. Please note that the figures provided in this balance sheet are unaudited and subject to change. Additionally, an analysis of the agency's reserve balances is provided on page 6.

### APPENDIX B OC LAFCO BALANCE SHEET (Unaudited) As of December 31, 2025

	<u>Dec 31, 25</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Cash and Investments</b>	
County Acct-Payroll	\$ 387,027
Wells Fargo Checking	263,911
Wells Fargo Savings	219,184
Investment Acct - LAIF	1,637,895
PARS Trust	119,788
Fair Market Value Adjustments	627
<b>Total Cash and Investments</b>	<u>2,628,431</u>
<b>Other Current Asset</b>	
Interest Receivable	-
Prepaid Expenses	15,193
Retirement Prepaid Expense	222,233
<b>Total Other Current Asset</b>	<u>237,426</u>
<b>Total Current Assets</b>	<u>2,865,857</u>
<b>Fixed Assets</b>	31,744
<b>Other Assets</b>	
Pension Deposit	93,802
Right to Use Assets	520,141
Def. Outflows Pension Related	317,133
Deferred OPEB Contributions	8,874
Deferred Outflows OPEB Related	30,000
<b>Total Other Assets</b>	<u>969,949</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 3,867,551</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	9,538
Accrued Liability	27,562
Compensated Absences	46,218
<b>Total Current Liabilities</b>	<u>83,318</u>
<b>Long Term Liabilities</b>	
Lease Liabilities	582,914
Deferred Inflows OPEB Related	39,000
Net OPEB Liability	85,000
Net Pension Liability	1,274,187
Def. Inflows Pension Related	277,153
<b>Total Long Term Liabilities</b>	<u>2,258,254</u>
<b>Total Liabilities</b>	<u>2,341,571</u>
<b>Equity</b>	<u>1,525,979</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>\$ 3,867,551</b></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 ANALYSIS  
As of December 31, 2025

Cash & Investments Description	Dec. 31, 2025 Balance	Commission Approved Balances	Balance Excess / (Deficiency)
County Payroll	\$ 387,027	\$ 280,808 <sup>1</sup>	\$ 106,219
Checking - Wells Fargo	263,911	178,690 <sup>1</sup>	85,221
Savings - Wells Fargo	219,184	205,000 <sup>1</sup>	14,184
LAIF Investment	1,637,895	-	1,637,895
PARS Trust	119,788	-	119,788
<b>Total</b>	<b>\$ 2,627,804</b>	<b>\$ 664,498</b>	<b>\$ 1,963,306 <sup>2</sup></b>

**Footnotes:**

*1 - Per the Cash and Cash Management Policy, the Commission must maintain \$280,808 during fiscal year 2025/26 in order to cover three months of payroll costs (County Payroll), \$178,690 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.*



**8a** | Commission  
Discussion**REGULAR MEMBERS**

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County Member

VICE CHAIR  
**Wendy Bucknum**  
City Member

IMMEDIATE PAST CHAIR  
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**VACANT**  
County Member

**STAFF**

**Luis Tapia**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** January 14, 2026

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

**FROM:** Executive Officer

**SUBJECT:** Fiscal Year 2025-26 Mid-Year Work Plan Update

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**BACKGROUND**

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On May 14, 2025, the Commission approved the 2025-2028 OC LAFCO Work Plan with a start date of July 1, 2025. The Plan identifies key objectives for the implementation of the agency's goals outlined in the three-year plan. At the midpoint of each fiscal year, staff provides a report to the Commission on the status of objectives and applications filed with the agency. This report provides an update on the activities of the work plan through the end of 2025.

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**DISCUSSION**

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**Project Applications**

In accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"), OC LAFCO is required to efficiently process applications for changes of organization or reorganization. Because of statutory timelines, filed applications take precedence over other agency activities and projects. During the current fiscal year, staffing resources have been attributed to an application filed by the Three Arch Bay Community Service District (Three Arch Bay CSD) for the activation of latent powers delineated in the District's principal act. Three Arch Bay CSD seeks to provide park and recreation services, including lifeguard services, maintenance of recreation facilities, and organization of recreational programs. The CKH Act requires that OC LAFCO must first approve the exercise of any new service by a district. Staff has been working diligently with the district's general manager, and the application is expected to be presented to the Commission for consideration during the initial months of 2026.

Additionally, over the past fiscal year, OC LAFCO staff provided guidance and support to the City of Irvine staff on application requirements for a proposed annexation. In December, staff received the application from the City for a proposed annexation of two unincorporated “notch areas” of approximately 1.97 acres located north of the intersection of Bee Canyon Access Road and Portola Parkway. The proposal is expected to be presented to the Commission for consideration in early summer. In addition to processing the noted applications, staff anticipate receiving at least two additional annexation applications during the second portion of the fiscal cycle from the cities of Anaheim and Cypress.

### **2025-2028 Work Plan Goals**

This section of the report provides progress summaries of the Commission’s multi-year work plan since its start on July 1, 2025. The approved plan may also be referenced through **Attachment 1** to this report.

#### *Staff Development, Retention and Recruitment*

Efforts focused on staff development and retention continued during the current fiscal year through the following efforts:

- ✓ The Commission approved the Classification and Compensation study, which updated the employee salary schedule, position classifications, and included a new position classification of a senior analyst to provide promotional opportunities.
- ✓ The Executive Officer, in collaboration with staff, completed the recruitment of a new policy analyst.
- ✓ The Commission appointed a new Executive Officer.
- ✓ Ongoing cross-training of staff in budgeting, auditing, digital archiving, and legislative affairs areas.

#### *Improve Municipal Service Review (MSR) Process for Future MSRs*

As a key mandate for the Commission, the following activities involving MSRs and this goal were completed during the first half of the current fiscal cycle:

- ✓ **Completion of MSRs**  
To date, the Commission has completed fourth-cycle MSRs for 19 cities, 21 special districts, and three county service areas. Staff is currently working on the MSR process for the north MSR region and will release a request for proposals for the coastal MSR region in January 2026. It is anticipated that the north MSR region will be presented to the Commission in June 2026. Through a robust schedule and committed resources, it is anticipated that only two regions (the coastal and southeast regions) will remain in the Commission’s MSR queue by summer 2026. Completion of the multiple MSRs represents a huge milestone for the Commission’s three-year goals. For reference, the MSR Schedule is attached to this report as **Attachment 2**.

✓ **Post-MSR Survey**

As part of the MSR process, the Commission identified the importance of receiving feedback from cities and special districts that completed the 4<sup>th</sup> cycle of MSRs. The Commission received a report in November 2025 with a summary of the responses provided by the agencies included in the Central MSR Region (the Cities of Anaheim, Irvine, Orange, Santa Ana, Tustin, and Villa Park, and East Orange Water District, Silverado-Modjeska Recreation and Parks District), and regional agencies including Orange County Mosquito and Vector Control District, and Orange County Water District.

✓ **Web-based Programs**

The fiscal indicators program was developed to house the financial data of Orange County's cities and special districts, intended to depict their fiscal health through three key indicators: revenues, expenditures, and reserves. Staff is currently updating the fiscal indicators using data from fiscal year 2023-24 for the cities and special districts included in the completed MSRs of the fourth cycle. The update to the fiscal indicators will be completed during the beginning part of spring. The MS dashboard is undergoing updates to ensure the data is current and accessible to agencies and the public. The programs are available for viewing fiscal data for Orange County's cities and special districts and search the world of municipal service delivery.

✓ **Unincorporated Island Profiles**

OC LAFCO staff has updated the unincorporated island profiles with the most recent fiscal data and demographics. The profiles provide an overview of current service-related costs and revenues, as well as potential opportunities for annexation of the unincorporated area to the adjacent city. The profiles are uploaded on the agency's website under "County Unincorporated Areas."

✓ **Disadvantaged Unincorporated Communities**

OC LAFCO staff has updated the disadvantaged unincorporated communities (DUC) profiles by identifying and mapping areas within unincorporated Orange County that meet the DUC definition. A DUC is defined as an inhabited territory located within unincorporated Orange County in which the annual median household income is less than 80 percent of the statewide median household income. The DUC profiles are uploaded on the agency's website under "Disadvantaged Unincorporated Communities."

✓ **Sphere of Influence Profiles**

OC LAFCO staff is updating the sphere of influence (SOI) maps for all cities and special districts included in an MSR during the fourth cycle. The SOI maps are uploaded on the agency's website under "Sphere of Influence."

During the February Commission regular meeting, staff will provide a presentation of the updated island profiles and disadvantaged unincorporated communities.

### *Optimize External Communication*

Objectives set by the Commission for this goal are intended to raise awareness of OC LAFCO's project and activities through ongoing communication and outreach to our local agencies and communities. Halfway through the current work plan cycle, the following objectives have been met:

- ✓ The Fall Edition of The Pulse was published and distributed to local agencies and other interested parties.
- ✓ OC LAFCO staff regularly attend meetings to enhance communication and maintain relationships with local agencies. A list of the meetings is attached to this report (**Attachment 3**).
- ✓ In part of the effort to optimize external communications, the Executive Officer has met with several agencies to provide information on OC LAFCO's current and upcoming projects. Some of those agencies include the City of Anaheim, City of Irvine, City of Los Alamitos, Costa Mesa Sanitary District, Irvine Ranch Water District, City of Placentia, Moulton Niguel Water District, Santa Margarita Water District, South Coast Water District, and Trabucco Canyon Water District.

The effort to optimize the Commission's communications resources will continue in the latter part of the fiscal cycle through meetings with stakeholders and legislators to inform them about OC LAFCO's role, projects, and key resources.

### *Alliance of LAFCOs*

The Commission approved a Memorandum of Understanding between the four LAFCOs (Los Angeles, Orange, San Diego, and San Bernardino) to focus on legislative advocacy, educational opportunities, professional networking, and shared resources. The Alliance of Local Agency Formation Commissions (Alliance) has held several meetings, resulting in the establishment of a mission statement and logo, and the scheduling of a one-day workshop for Commissioners and staff in March 2026. The Alliance is currently working to engage a firm to assist with tracking and reviewing legislation of interest to LAFCOs.

### *Promote Legislative Engagement*

During the first half of the current work plan cycle, activity on the legislative front was relatively quiet. The Commission adopted positions on two bills, Senate Bills 777 and 858, which the Governor signed into law. For the upcoming 2026 legislative session, staff will collaborate with LAFCOs from the Alliance to identify and review legislation of interest to LAFCOs.

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## **SUMMARY**

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During the second half of the current fiscal cycle, staff will continue to focus on the objectives of the Commission's multi-year work plan. Projects and activities will include processing filed


applications, continuing the fourth cycle of MSRs, meetings with legislators and stakeholders to enhance understanding of OC LAFCO's purpose and resources, and collaborating with the Alliance. The next update on the OC LAFCO Work Plan will be included in the agency's fiscal year-end comprehensive report.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the FY 25-26 Mid-Year Work Plan Update.

Respectfully submitted,



LUIS TAPIA

Attachments:

1. 2025-2028 Strategic Plan and Work Plan.
2. OC LAFCO MSR Schedule (Updated October 2025).
3. Meetings and Outreach Efforts.

## Introduction

On April 4, 2025, the Orange County Local Agency Formation Commission (OC LAFCO) held its 26th Strategic Planning Workshop. The Commission retained William (Bill) Kelly, President and CEO of Kelly Associates Management Group LLC (KAMG), to facilitate the process of developing a new three-year plan.

## Strategic Planning Workshop

During the workshop, Commissioners reviewed and discussed the 2022 – 2025 Work Plan and identified the agency's new goals and objectives for the 2025 – 2028 Work Plan. Based on the feedback from Commissioners and staff, the following four goals were identified:

- 1: Staff Development, Retention and Recruitment
- 2: Improve Municipal Service Review (MSR) Process for Future MSRs
- 3: Optimize Communication
- 4: Southern Region LAFCOs Educational and Legislative Partnership

## 2025-2028 Work Plan

The 2025 – 2028 Work Plan on the following pages depicts the agency's goals, objectives and schedules over the next three fiscal years. As a note, the Commission may amend the multi-year plan if warranted.

## GOAL 1:

### Staff Development, Retention and Recruitment

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
1.1	EO/Consultant	Conduct Classification, Compensation and Benefits Assessment.	Consultant	2024-2025	Classification, compensation, and benefits assessment complete.
1.2	EO/AEO/CC	Complete staff assessment and conduct recruitment for vacancy(ies).	Consultant	2025-2026	Staff assessment complete. Recruitment of analyst complete.
1.3	EO/Consultant	Prepare a Succession Plan by identifying and developing a strategic process for successors for key positions at OC LAFCO.	Staff/ Consultant	2025-2026	Ongoing

## GOAL 2:

### Improve Municipal Service Review (MSR) Process For Future MSRs

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
2.1	EO/AEO/ Analyst	Develop criteria for conducting the following MSR and SOI review processes for future reviews:  <ol style="list-style-type: none"> <li>1. Comprehensive</li> <li>2. Reconfirm</li> <li>3. Update</li> </ol>	Consultant	2026-2028	Not yet started.
2.2	AEO/Analyst	Develop and distribute the following MSR questionnaires:  <ol style="list-style-type: none"> <li>1. Pre-MSR/SOI – to assess which process will be conducted.</li> </ol>	Staff	2026-2028	Not yet started.
2.3	AEO/Analyst	Continued use of web-based programs (fiscal indicators, shared services, and MS dashboard) to maintain agency data for MSR determinations.	Staff	2025-2028	<b>Ongoing</b> <ul style="list-style-type: none"> <li>• Fiscal Indicators updated with data from FY 22-23.</li> <li>• Staff is updating the MS Dashboard data and its features to improve the program.</li> </ul>
2.4	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.	Staff	2025-2028	<b>As needed and/or biannually</b> <ul style="list-style-type: none"> <li>• Report presented to the Commission with feedback from: Central MSR Region (Cities of Anaheim, Irvine, Orange, Santa Ana, Tustin, and Villa Park and East Orange County Water District, Serrano Water District, and Silverado Modjeska Recreation and Parks District), Orange County Mosquito and Vector Control District, and Orange County Water District.</li> </ul>



## GOAL 3:

### Optimize Communication

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
3.1	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.	Staff	2025-2028	<b>Complete</b>  <b>Ongoing</b>
3.2	Analyst/CC	Conduct visits and disseminate media kits to OC legislators and stakeholders.	Staff	2025-2028	<b>Ongoing</b>
3.3	EO/Analyst	Distribute bi-annual news to inform of OC LAFCO activities.	Staff	2025-2028	<b>Ongoing</b> The Pulse was distributed twice this year.

## GOAL 4:

### Southern Region LAFCOs Educational and Legislative Partnership

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
4.1	EO	Establish a memorandum of understanding with southern region LAFCOs to develop a collaborative structure on issues that all/each LAFCO(s) encounter.	Commission approved an MOU with Los Angeles, San Bernardino, and San Diego, allocating \$10,000 to support the collaborative effort.	Started July 1, 2025.	Ongoing
4.2	All	Target areas of collaboration with legislative, educational, and professional associations and groups.	Staff/Alliance of LAFCOs	July 1, 2025	Ongoing
4.3	Analyst	Develop mechanisms to monitor key legislation of LAFCO interest through the partnership with the southern region LAFCOs.	Pending to complete an agreement in collaboration with the Alliance of LAFCOs and lobbyist firm for legislative services.	January 2026	Ongoing
4.4	EO/Analyst	Conduct visits and disseminate information to OC legislators and stakeholders (CSDA, CSAC, League of CA Cities, OC League of CA Cities) to establish legislative partnerships.	Staff	Annual process of disseminating OC LAFCO report information to stakeholders.	Ongoing
4.5	Analyst/CC	Distribute bi-annual news to agencies and stakeholders to inform them of OC LAFCO activities and efforts by the southern region LAFCOs.	Staff	Annually.	Ongoing  The Pulse was distributed twice this year.

MSR Region	Cities	Special Districts	Areas of Interest
<ul style="list-style-type: none"> <li>North</li> </ul> <p><b>Underway</b></p>	<ul style="list-style-type: none"> <li>Brea</li> <li>Fullerton</li> <li>La Habra</li> <li>Placentia</li> <li>Yorba Linda</li> </ul>	<ul style="list-style-type: none"> <li>Placentia Library District</li> <li>Yorba Linda Water District</li> </ul>	<ul style="list-style-type: none"> <li>Fire and Emergency Response <ul style="list-style-type: none"> <li>Integration of fire and water services for more effective response during emergency and disaster events.</li> <li>Consolidation of internal services (i.e. procurement, HR, training).</li> <li>Regionalization of service delivery involving medical calls and reduction in costs.</li> <li>Maintaining of adequate fire suppression.</li> </ul> </li> <li>Police <ul style="list-style-type: none"> <li>Consolidation of specialty services that may include: CSI, dispatch, commercial and traffic enforcement.</li> <li>External issues involving consolidation of departments.</li> </ul> </li> <li>Shared Services <ul style="list-style-type: none"> <li>Maximizing of funding opportunities supported by County for unincorporated islands.</li> <li>Shared service models to increase funding for additional services that may include: IT, purchasing, training, HR, class comps.</li> </ul> </li> <li>Development of shared services system for areas such as: landscape and fleet maintenance.</li> </ul>
<ul style="list-style-type: none"> <li>Southeast</li> </ul>	<ul style="list-style-type: none"> <li>Lake Forest</li> <li>Mission Viejo</li> <li>Rancho Santa Margarita</li> <li>San Clemente</li> <li>San Juan Capistrano</li> </ul>	<ul style="list-style-type: none"> <li>El Toro Water District</li> <li>Irvine Ranch Water District</li> <li>Moulton Niguel Water District</li> <li>Santa Margarita Water District</li> <li>South Coast Water District</li> <li>Trabuco Canyon Water District</li> <li>South Orange County Wastewater Authority (JPA)</li> </ul>	<ul style="list-style-type: none"> <li>Public Works <ul style="list-style-type: none"> <li>Location and condition of public infrastructure.</li> </ul> </li> <li>Police <ul style="list-style-type: none"> <li>Fiscal sustainability of increasing costs of contracts with County Sheriff</li> <li>Impacts of and ability to maintain related pension costs.</li> </ul> </li> <li>Water <ul style="list-style-type: none"> <li>Water quality involving low flow run-off issues.</li> <li>Assistance for agencies from treatment agencies on flow diversion and low flow funding mechanisms.</li> <li>Water rate structures and conservation.</li> </ul> </li> </ul>

MSR Region	Cities	Special Districts	Areas of Interest
<ul style="list-style-type: none"> <li>Coastal</li> </ul>	<ul style="list-style-type: none"> <li>Costa Mesa</li> <li>Huntington Beach</li> <li>Los Alamitos</li> <li>Newport Beach</li> <li>Seal Beach</li> </ul>	<ul style="list-style-type: none"> <li>Costa Mesa Sanitary District</li> <li>Irvine Ranch Water District</li> <li>Mesa Water District</li> <li>Rossmoor Community Services District</li> <li>Rossmoor/Los Alamitos Sewer District</li> <li>Sunset Beach Sewer District</li> <li>Surfside Colony CSD</li> <li>Surfside Colony SPD</li> </ul>	<ul style="list-style-type: none"> <li>Public Works               <ul style="list-style-type: none"> <li>Public outreach for better understanding of the financing of infrastructure.</li> <li>Correlation of level and cost of services.</li> <li>Economies of scale and potential shared services system for areas such as: fleet, tree trimming, and purchasing.</li> </ul> </li> <li>Solid Waste               <ul style="list-style-type: none"> <li>Impacts of having fewer haulers on competitive bidding and rates.</li> </ul> </li> <li>Parks and Recreation</li> <li>Police               <ul style="list-style-type: none"> <li>Impediments involving consolidation of agencies</li> <li>Shared services database that includes: operational and staffing costs; population growth impacts on infrastructure and land use.</li> </ul> </li> </ul>

MSR Region	Cities	Special Districts	MSR Approved	SOI Status	Next Scheduled MSR
Southwest	<ul style="list-style-type: none"> <li>Aliso Viejo</li> <li>Dana Point</li> <li>Laguna Beach</li> <li>Laguna Hills</li> <li>Laguna Niguel</li> <li>Laguna Woods</li> </ul>	<ul style="list-style-type: none"> <li>Capistrano Bay Community Services District</li> <li>Emerald Bay Community Services District</li> <li>El Toro Water District</li> <li>Laguna Beach County Water District</li> <li>Moulton Niguel Water District</li> <li>South Coast Water District</li> <li>Three Arc Bay Community Services District</li> <li>Joint Powers Authority: South Orange County Wastewater Authority</li> </ul>	August 2023	All city and six special district SOIs reconfirmed. South Coast SOI continued to discuss South Laguna annexation.	2028
West	<ul style="list-style-type: none"> <li>Cypress</li> <li>Buena Park</li> <li>Garden Grove</li> <li>Fountain Valley</li> <li>La Palma</li> <li>Stanton</li> <li>Westminster</li> </ul>	<ul style="list-style-type: none"> <li>Buena Park Library District</li> <li>Cypress Recreation and Park District</li> <li>Garden Grove Sanitary District</li> <li>Midway Sanitary District</li> </ul>	August 2023	All city and special district SOIs reconfirmed	2028
Central	<ul style="list-style-type: none"> <li>Anaheim</li> <li>Irvine</li> <li>Orange</li> <li>Santa Ana</li> <li>Tustin</li> <li>Villa Park</li> </ul>	<ul style="list-style-type: none"> <li>East Orange County Water District</li> <li>Irvine Ranch Water District</li> <li>Serrano Water District</li> <li>Silverado-Modjeska Recreation and Park District</li> </ul>	September 2025		2030

<b>MSR Region</b>	<b>Services Provided</b>	<b>MSR Approved</b>	<b>SOI Status</b>	<b>Next Scheduled MSR</b>
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	<b>Reconfirmed</b>	<b>2027</b>
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	<b>Reconfirmed</b>	<b>2025</b>
Orange County Cemetery District	Owns and operates three public cemeteries located in the cities of Anaheim, Lake Forest, and Santa Ana	October 2022	<b>Reconfirmed</b>	<b>2027</b>
Orange County Sanitation District	Provides regional sewer collection and treatment for 20 cities, four special district (containing five cities), and several unincorporated areas generally located in the northern and central parts of the County.	September 2020	<b>Reconfirmed</b>	<b>2025</b>
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	<b>Reconfirmed</b>	<b>2029</b>
Orange County Vector Control District	Provides vector control services including mosquito and pest abatement, public health protection, and environmental monitoring throughout the northern, central, and southern regions of Orange County.	July 2025	<b>Reconfirmed</b>	<b>2029</b>

# Meeting & Outreach Efforts

## July - December 2025

ATTACHMENT 3

July Meetings	<ul style="list-style-type: none"> <li>• CALAFCO Legislative Committee</li> <li>• Center for Demographic Research - Technical Advisory Committee Meeting</li> <li>• Independent Special Districts of Orange County Executive Committee</li> </ul>
August Meetings	<ul style="list-style-type: none"> <li>• Alliance of Local Agency Formation Commissions Legislative Committee Meeting</li> <li>• Alliance of Local Agency Formation Commissions Meeting</li> <li>• Independent Special Districts of Orange County Executive Committee</li> <li>• OCCOG - Monthly Meeting</li> <li>• OCBC - Infrastructure Committee Meeting</li> <li>• OCBC - Housing Committee Meeting</li> <li>• Orange County GIS Users Group Meeting</li> </ul>
September Meetings	<ul style="list-style-type: none"> <li>• Alliance of Local Agency Formation Commissions Meeting</li> <li>• Alliance of Local Agency Formation Commissions Legislative Committee Meeting</li> <li>• Independent Special Districts of Orange County Executive Committee</li> <li>• Meeting with Davis Farr regarding Annual Audit</li> <li>• OCERS Financial Update Meeting</li> <li>• OCCOG - Monthly Meeting</li> <li>• OCBC - Workforce Committee Meeting</li> </ul>
October Meetings	<ul style="list-style-type: none"> <li>• Alliance of Local Agency Formation Commissions Meeting</li> <li>• CALAFCO Conference</li> <li>• Center for Demographic Research - Technical Advisory Committee Meeting</li> <li>• Independent Special Districts of Orange County Executive Meeting</li> <li>• Independent Special Districts of Orange County Quarterly Meeting</li> <li>• OCCMA - Monthly Meeting</li> <li>• OCERS Financial Update Meeting</li> <li>• OCBC - Economic Development Committee Meeting</li> <li>• OCBC - Workforce Committee Meeting</li> </ul>
November Meetings	<ul style="list-style-type: none"> <li>• Center for Demographic Research - Management Oversight Committee</li> <li>• Independent Special Districts of Orange County Executive Meeting</li> <li>• OCCMA - Monthly Meeting</li> <li>• Orange County Business Council Housing Meeting</li> </ul>
December Meetings	<ul style="list-style-type: none"> <li>• Alliance of Local Agency Formation Commissions Meeting</li> <li>• Center for Demographic Research - Management Oversight Committee</li> <li>• Center for Demographic Research - Technical Advisory Committee Meeting</li> <li>• Independent Special Districts of Orange County Executive Committee Meeting</li> <li>• OCBC - Infrastructure Committee Meeting</li> <li>• OCBC - Workforce Committee Meeting</li> </ul>

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County Member

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**STAFF**

**Luis Tapia**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** January 14, 2026

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

**FROM:** Executive Officer  
Policy Analyst I

**SUBJECT:** OC LAFCO Professional Services Agreement Update

**8b** | Commission  
Discussion

**BACKGROUND**

OC LAFCO utilizes private sector firms to complement staff resources for a variety of professional services, such as accounting, auditing, legal counsel, project facilitation, and other services. In accordance with local policy, each year the Commission receives a report on the agency's current professional services agreements. Some of the agreements are for services that are ongoing or as needed, whereas others are for one-time projects.

**DISCUSSION**

The comprehensive list, referenced as Attachment 1 to this report, includes agreements approved by the Commission and within the signature authority of the Executive Officer. In accordance with OC LAFCO's Accounting and Financial Policies, the Commission delegates authority to the Executive Officer for: (1) the purchase of goods and materials for office use not exceeding \$10,000, and (2) the approval and execution of agreements not exceeding \$10,000.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the annual update on professional services agreements.

Respectfully Submitted,

  
LUIS TAPIA  
AIMEE DIAZ

Attachment:

1. FY 25-26 OC LAFCO Professional Services Agreements Summary



## Orange County LAFCO Professional Services Agreements Fiscal Year 2025-26

OC LAFCO Consultant	Primary Responsibilities	Agreement Status/Amount	Comments
<b>Alliance of LAFCOs</b>	Professional networking, legislative advocacy, and education.	Current/not to exceed \$10K per fiscal year	MOU between Los Angeles, Orange, San Bernardino, and San Diego LAFCO to provide professional networking opportunities, legislative advocacy, and education on LAFCO statutes.
<b>Berkson Associates</b>	Preparation of Fiscal Indicators for the 4 <sup>th</sup> Cycle MSRs and updates to fiscal indicators.	Current/not to exceed \$20K per fiscal year	Assist with fiscal analyses and preparation of fiscal indicators for MSRs and the website.
<b>Best Best &amp; Krieger LLP</b>	Legal Services	Current/Budgeted at \$60K per fiscal year	Ongoing agreement for Commission legal services; some costs reimbursable by applicants.
<b>CSUF/Center for Demographic Research</b>	Specialized Demographic Data and Reports	Current/not to exceed \$20K for FYs 2025-26	Three-year MOU for FYs 2023-2026 to provide annual updates on specialized demographic data, prepare an annual countywide annexation boundary change report, and mapping of Orange County's disadvantaged unincorporated communities.
<b>Davis Farr LLP</b>	Annual Audit Services	Budget at \$11,700 for FY 2024-25 (final year)	Four-year agreement for auditing services through 2024, with one-year extension approved for 2025. Contract in final year.
<b>Eide Bailly</b>	Accounting, Budgeting, and Bookkeeping	Current/ not to exceed \$49,200 per fiscal year	Ongoing agreement for accounting, bookkeeping, and budget services awarded through a competitive quote process.

<b>Paycor</b>	Commissioner Payroll Processing	Current/not to exceed \$1,700 per fiscal year	Ongoing agreement for processing of Commissioner stipends, mileage reimbursements, and W-2s awarded through a competitive process.
<b>Respond Tech</b>	Information Technology Support Services	Current/ not to exceed \$10K per fiscal year	Ongoing agreement for information technology services awarded through a competitive quote process.
<b>RSG Inc.</b>	North MSR and SOI Reviews	Current/ not to exceed \$84,965	One time agreement for preparation of municipal service reviews and SOI reviews for the North Region.

### REGULAR MEMBERS

CHAIR  
**Donald P. Wagner**  
County Member

VICE CHAIR  
**Wendy Bucknum**  
City Member

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

**James Fislér**  
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**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** January 14, 2026

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

**FROM:** Executive Officer  
Policy Analyst I

**SUBJECT:** Appointment Processes for OC LAFCO Expiring  
Terms and Vacancy

### BACKGROUND

In accordance with Government Code Section 56334, the term of office for each OC LAFCO Commissioner shall be four years, and there are no term limits. Pursuant to the OC LAFCO Bylaws, the term of office for each Commissioner begins on July 1st of the year appointed and expires June 30th of the final year of the term. On June 30, 2026, terms for the OC LAFCO member seats shown in the table below will expire.

2026 OC LAFCO Expiring Terms		
Incumbent	Member Seat	Current Term
<b>Donald Wagner</b>	County Member (Regular)	2022-2026
<b>Peggy Huang*</b>	City Member (Regular)	2022-2026
<b>Douglass Davert</b>	Special District Member (Regular)	2022-2026
<b>Derek J. McGregor</b>	Public Member (Regular)	2022-2026
<b>Kathryn Freshley</b>	Special District Member (Alternate)	2022-2026

\*Commissioner is completing the original term that began in 2022.

The following are summaries of the appointment processes conducted by the appointing authorities for each of the OC LAFCO seats, including the current vacancy of the regular and alternate county member seats.

### County Member Seats

County member seats are appointed annually at the discretion of the Chair of the Board of Supervisors (BOS) with final approval by the County

BOS. Appointments for this year will be considered by the BOS in early 2026. New county members appointed will be administered the Oath of Office during a Regular Commission Meeting or electronically.

### City Member Seats

The City Selection Committee (comprised of 34 Orange County City Mayors) is responsible for appointing the Regular and Alternate City Members to OC LAFCO. When a term is expiring or a vacancy exists, the process is conducted by the Orange County Clerk of the Board (COB) during a committee meeting, which occurs in May and November each year. Commission staff provides notification of OC LAFCO expiring terms and vacancies in advance to the COB. Notification to the COB satisfies the Commission's responsibility with respect to this process. Once the appointments have been made by the Committee, the Oath of Office will be administered at the following Regular Commission meeting.

### Special District Member Seats

OC LAFCO staff has a more prominent role in the appointment process for Special District Members in accordance with Government Code Section 56332 and the Special Districts Selection Committee By-Laws. A schedule of key appointment events and responsibilities for the Regular and Alternate Special District seats expiring June 30, 2026 is outlined below. The members appointed through this process will be administered the Oath of Office and seated at the July 8, 2026 Regular Commission meeting.

<b>2026 Appointment Process Schedule for OC LAFCO Regular and Alternate Special District Member Seats</b>	
<b>ACTION</b>	<b>DATE</b>
LAFCO Executive Officer emails notification letters with nomination forms and Declaration of Qualification to Vote to independent special district presiding officers (c/o district clerk) and special district general managers.	<b>March 9, 2026</b>
Deadline for submitting nominations and declarations to OC LAFCO by 4:00 p.m.*	<b>April 13, 2026 (4 PM)</b>
Ballots emailed to special district presiding officers/designees (c/o district clerk).	<b>May 4, 2026</b>
Ballots due to OC LAFCO by 4:00 p.m.	<b>June 8, 2026 (4 PM)</b>
OC LAFCO staff (or designee) tabulates ballots and announces results.	<b>June 15, 2026</b>
Oath of Office Administered (Commission Hearing).	<b>July 8, 2026</b>
<i>* Pursuant to Government Code Section 56332(c)(1), if only one candidate is nominated for a vacant seat, that candidate shall be deemed selected with no further proceedings.</i>	

### Public Member Seat

The appointment process for the Public Member seat is conducted by the Commission. In accordance with the Commission's policy for the appointment of public members, upon the Chair's direction, a special notice advertising the position and soliciting resumes from interested candidates is prepared and distributed. The Commission's Executive Committee screens all applications and selects finalists to interview with the full Commission. Additionally, any Commissioner may also nominate a candidate from the applications submitted for an interview with the full Commission. A schedule of key appointment events and responsibilities for the Regular Public Member seat expiring June 30, 2026 is outlined below. The Regular Public Member appointed through this process will be administered the Oath of Office and seated at the July 8, 2026 Regular Commission meeting.

<i>2026 Appointment Process Schedule for OC LAFCO Regular Public Member Seat</i>	
<b>ACTION</b>	<b>DATE</b>
Announcement of Regular Public Member Seat upcoming vacancy distributed to city clerks, special district secretaries, clerk of the BOS, OC libraries and published in the <i>OC Register</i> .	<b>April 6, 2026</b>
Application submittal period for the Regular Public Member Seat upcoming vacancy.	<b>April 6, 2026 – May 6, 2026</b>
Application Screening Process conducted by the Commission's Executive Committee.	<b>May 11, 2026 – May 19, 2026</b>
Commission interviews and appointment of a Regular Public Member.	<b>June 8, 2026</b>
Oath of Office Administered (Commission Hearing).	<b>July 8, 2026</b>


### RECOMMENDED ACTION

Staff recommends the Commission:

1. Receive and file the report on the appointment processes for the OC LAFCO expiring terms and vacancy.

Respectfully Submitted,

  
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LUIS TAPIA

  
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LEO LARA

### 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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Special District Member

**Carol Moore**  
City Member

**Lou Penrose**  
Public Member

**VACANT**  
County Member

### STAFF

**Luis Tapia**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** January 14, 2026

**8d** | Commission  
Discussion

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

**FROM:** Executive Officer  
Commission Clerk

**SUBJECT:** Appointment of 2026 OC LAFCO Officers

### BACKGROUND

In accordance with the OC LAFCO Bylaws, the Chair and Vice Chair shall be appointed annually by the Commission majority, and newly appointed officers shall take office immediately. In addition to other duties outlined in the Bylaws, the Chair shall preside at all meetings of the Commission and conduct the business of the Commission pursuant to and in compliance with the Commission procedures. The Chair shall preserve order and decorum at all meetings and decide all questions of order and procedure, subject to the action of the majority of the Commission. In the event of the Chair's absence, or inability to act as the Chair, the Vice Chair shall have all the powers and duties of the Chair.

For reference, a list of the current and prior-year OC LAFCO officers is shown below.

OC LAFCO Officers			
Year	Chair	Vice Chair	Immediate Past Chair
<b>Current</b>	Donald P. Wagner <i>County Member</i>	Wendy Bucknum <i>City Member</i>	Douglass Davert <i>Special District Member</i>
<b>2025</b>	Donald P. Wagner <i>County Member</i>	Wendy Bucknum <i>City Member</i>	Douglass Davert <i>Special District Member</i>
<b>2024</b>	Douglass Davert <i>Special District Member</i>	Donald P. Wagner <i>County Member</i>	Derek J. McGregor <i>Public Member</i>

Additionally, the Bylaws indicate that the Executive Committee of the Commission shall be comprised of the current Chair, Vice Chair and Immediate Past Chair. The Executive Committee serves in an advisory role to the full Commission on the agency budgets, strategic and work plans, Public Member selection process and other personnel matters, as warranted.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Appoint a Chair and Vice Chair for 2026.

Respectfully Submitted,

  
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LUIS TAPIA  
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CHERYL CARTER-BENJAMIN