

**LOCAL AGENCY FORMATION COMMISSION OF  
ORANGE COUNTY**

**REGULAR MEETING AGENDA**

**Wednesday, March 11, 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/OJT-cvbTgAg?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 agendized items.)**

**5. PUBLIC COMMENT**

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

**6. CONSENT CALENDAR**

**a.) February 11, 2026 – Regular Commission Meeting Minutes**

The Commission will consider approval of the February 11, 2026 meeting minutes.

## 7. PUBLIC HEARING

### a.) Fiscal Year 2026-27 OC LAFCO Proposed Budget and Fee Schedule

The Commission will consider the adoption of the Proposed FY 2026-27 OC LAFCO Budget and a resolution approving the agency's fee schedule.

## 8. COMMISSION DISCUSSION AND ACTION

### a.) Legislative Report (March 2026)

The Commission will receive an update on previously reviewed proposed legislation and an update on the Alliance of LAFCOs Legislative Committee's activities.

### b.) Memorandum of Understanding with California State University, Fullerton Auxiliary Services Corporation for Fiscal Years 2026-29

The Commission will consider the approval of a three-year (Fiscal Years 2026-29) Memorandum of Understanding with California State University, Fullerton, Auxiliary Services Corporation for services provided by the Center for Demographic Research.

### c.) Professional Consultant Services Agreement with RSG, Inc.

The Commission will consider approval of a professional services agreement with RSG, Inc. to conduct a Municipal Service Review and Sphere of Influence review for the Coastal MSR Region.

### d.) Cancellation of April 2026 Regular Meeting

The Commission will consider canceling the April 8, 2026, Regular Commission Meeting due to a lack of business items requiring Commission action.

## 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, May 13, 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.

# MEETING AND EVENTS CALENDAR

Approved November 12, 2025

| January |    |    |    |    |    |    |
|---------|----|----|----|----|----|----|
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| 18      | 19 | 20 | 21 | 22 | 23 | 24 |
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| July |    |    |    |    |    |    |
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| October |    |    |    |    |    |    |
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| February |    |    |    |    |    |    |
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| May |    |    |    |    |    |    |
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| November |    |    |    |    |    |    |
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| March |    |    |    |    |    |    |
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| 21   | 22 | 23 | 24 | 25 | 26 | 27 |
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| September |    |    |    |    |    |    |
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| 13        | 14 | 15 | 16 | 17 | 18 | 19 |
| 20        | 21 | 22 | 23 | 24 | 25 | 26 |
| 27        | 28 | 29 | 30 |    |    |    |

| December |    |    |    |    |    |    |
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| 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, February 11, 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/5TnCWqvVv8g?feature=share>

#### 1. CALL TO ORDER

**Chair Bucknum** 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 McGregor** led the Pledge of Allegiance.

#### 3. ROLL CALL

The following Commissioners were present:

City Members

Wendy Bucknum (**Chair**)  
Peggy Huang (**arrived at 8:30 a.m.**)  
Carol Moore (**Alt.**)

County Member

Donald P. Wagner

Special District Members

Douglass Davert  
James Fidler (**Vice Chair**)  
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

- Commission Clerk Cheryl Carter-Benjamin
- General Counsel Scott Smith

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

The Commission Clerk noted that no supplemental communication was received.

**5. PUBLIC COMMENT**

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

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

**6. CONSENT CALENDAR**

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

**6a. – January 14 - Regular Commission Meeting Minutes**

**6b. – OC LAFCO Personnel Policies and Procedures Update**

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

**MOTION PASSED: 5-0.**

**7. PUBLIC HEARING**

**7a. - Activation of Latent Powers for Three Arch Bay Community Services District (LP 25-02)**

Executive Officer Luis Tapia presented the staff report and recommended actions for Commission consideration, noting that General Manager Jeremy Pipp, General Counsel Allison Burns, and Board Member Robert Black were present and available to answer questions.

**Chair Bucknum** called for a Commission discussion on the item. The Commissioners made general comments and asked clarifying questions regarding factors that would support approval or denial of the request to activate the latent powers, the role between the Three Arch Bay Homeowners Association and the Three Arch Bay Community Services District, the projected annual costs for the new proposed services, timeline for protest proceedings, and use of the ad valorem property tax to provide park and recreation services. Mr. Tapia responded to the Commissioners' inquiries by noting that the activation of latent powers must be fiscally feasible and sustainable, that current and projected revenues must be sufficient to support projected expenditures, and that any agency comments opposing the proposal must be considered. General Counsel Scott Smith provided a response to the use of a portion of the ad valorem property tax by explaining that the funding would support public services and align with the Legislature's intent when the District was originally established.

**Chair Bucknum** opened the public hearing. The Commission Clerk noted that there were no requests from the public to speak on the item. The **Chair** invited the Three Arch Community Services District's representatives to provide comments.

Allison Burns, General Counsel for Three Arch Bay Community Services District, made general comments.

**Chair Bucknum** closed the public hearing and called for a motion on the item. **Commissioner Wagner** motioned to approve the staff recommended actions, and **Commissioner Davert** seconded the motion.

**Commissioner Huang** arrived during this agenda item at 8:30 a.m.

- MOTION:** Approve the activation of the latent powers for the Three Arch Bay Community Services District to provide park and recreation services; Direct the Executive Officer to file the Notice of Exemption for the "Activation of Latent Powers for Three Arch Bay Community Services District (LP 25-02)" with the Orange County Clerk Recorder; Adopt the LAFCO Resolution No. LP 25-02; and Authorize and direct the Executive Officer to conduct protest proceedings pursuant to Government Code Section 57000 et seq. and set a 30-day protest period following the conclusion of the 30-day reconsideration period. (Donald P. Wagner)
- SECOND:** Douglass Davert
- FOR:** Donald P. Wagner, Douglass Davert, James Fisler, Peggy Huang, Derek J. McGregor, Wendy Bucknum
- AGAINST:** None
- ABSTAIN:** None

**MOTION PASSED: 6-0.**

## **8. COMMISSION DISCUSSION AND ACTION**

### **8a. – Legislative Report (February 2026)**

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

**Chair Bucknum** called for Commission discussion and public comments. Commissioners made general comments and provided information on the existing agencies with jurisdiction to monitor and assist agencies that are not providing adequate water and wastewater services. The Commission Clerk noted that there were no public requests to speak on the item.

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

**MOTION:** Direct staff to continue to partake in the stakeholder discussions related to the “Water and Wastewater Coordination Effort” and provide an update during the March meeting with a recommendation for Commission consideration. (Douglass Davert)

**SECOND:** Donald P. Wagner

**FOR:** Douglass Davert, Donald P. Wagner, James Fisler, Peggy Huang, Derek J. McGregor, Wendy Bucknum

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED: 6-0.**

## **9. COMMISSIONER COMMENTS**

Commissioners made general comments.

## **10. EXECUTIVE OFFICER’S REPORT**

Mr. Tapia provided an update regarding the upcoming Alliance Workshop. He noted that the workshop is scheduled for March 24, 2026, at the Duck Club in Irvine at 9:30 a.m., Commissioners are invited to participate.

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

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

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

**Chair Bucknum** adjourned the Regular Commission Meeting at 8:51 a.m. to March 11, 2026, in memory of the Commission Clerk Cheryl Carter-Benjamin’s husband, James Benjamin, who entered rest on December 4, 2025.

Wendy Bucknum, Chair  
Local Agency Formation Commission of Orange County

ATTEST:

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

**REGULAR MEMBERS**

CHAIR  
**Wendy Bucknum**  
City Member

VICE CHAIR  
**James Fisler**  
Special District Member

IMMEDIATE PAST CHAIR  
**Donald P. Wagner**  
County Member

**Douglass Davert**  
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:** March 11, 2026

**7a** | Public  
Hearing

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

**FROM:** Executive Officer  
Accountant

**SUBJECT:** Proposed Fiscal Year 2026-27 OC LAFCO Budget and  
Fee Schedule

**BACKGROUND**

The State Government Code Section 56381(a) requires the Commission to hold a public hearing to adopt a proposed annual budget. The proposed FY 2026-27 budget is presented in line-item detail and referenced as **Attachment 1** for Commission review and consideration.

In February, staff met with the Commission’s Executive Committee to discuss and review the proposed budget. In accordance with the Commission’s Bylaws, the Executive Committee is comprised of the Chair (Wendy Bucknum), Vice Chair (James Fisler), and Immediate Past Chair (Donald Wagner) who are responsible for reviewing the proposed agency budget and serving in an advisory role on this matter to the full Commission. Upon Commission approval, the proposed budget will be distributed for review and comment to the Board of Supervisors, the cities, and the independent special districts. Subsequently, the final budget, together with any submitted comments and changes, if applicable, will be considered by the Commission at a second public hearing during the May 13, 2026, regular meeting.

***Fee Schedule Resolution***

The OC LAFCO Fee Schedule, originally established in 1995, is structured to ensure the agency recovers actual costs associated with processing an application. The Fee Schedule includes application processing fees and charges and reflects the current rate for staff and legal counsel's direct costs. The staff rates have been updated to reflect the current staff, and recommended actions include adopting the Fee Schedule Resolution (**Attachment 3**) for charges that would be effective July 1, 2026.

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**FY 2026-27 OC LAFCO PROPOSED BUDGET**

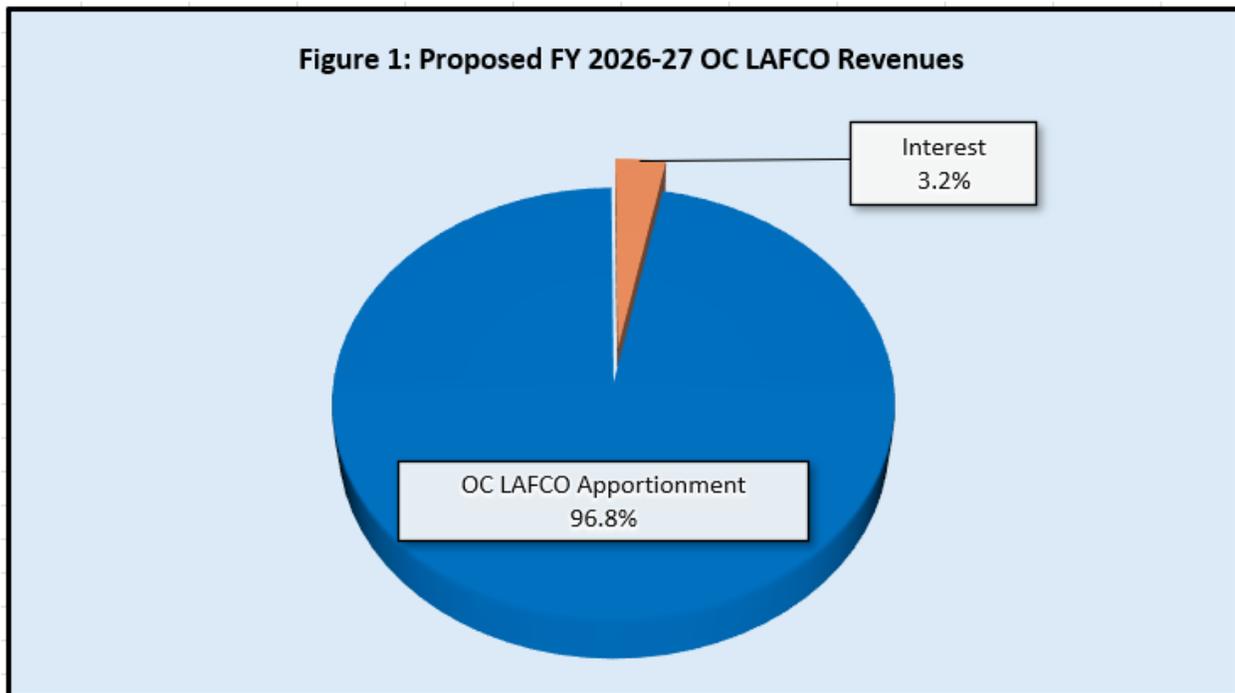
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The proposed FY 2026-27 budget is balanced; the expected expenditures are funded by the projected ongoing revenues. The proposed budget includes Revenues totaling \$1,555,905, resulting in an overall decrease of 9.9 percent (\$171,745) from FY 2025-26, and expenditures totaling \$1,503,580, resulting in an overall decrease of 18.2 percent from FY 2025-26. The following provides a description and discussion of the revenues, expenditures, and reserves for the proposed FY 2026-27 budget.

**REVENUES**

Revenues in the proposed budget for FY 2026-27 total \$1,555,905 and include two categories: (1) OC LAFCO apportionment (funded by County, cities, and independent special districts in accordance with Government Code Section 56381), and (2) interest. As depicted in Figure 1, the OC LAFCO apportionment constitutes approximately 96.8 percent of the proposed revenues, with remaining revenues attributable to approximately 3.2 percent expected from interest revenues earned from the agency’s accounts.

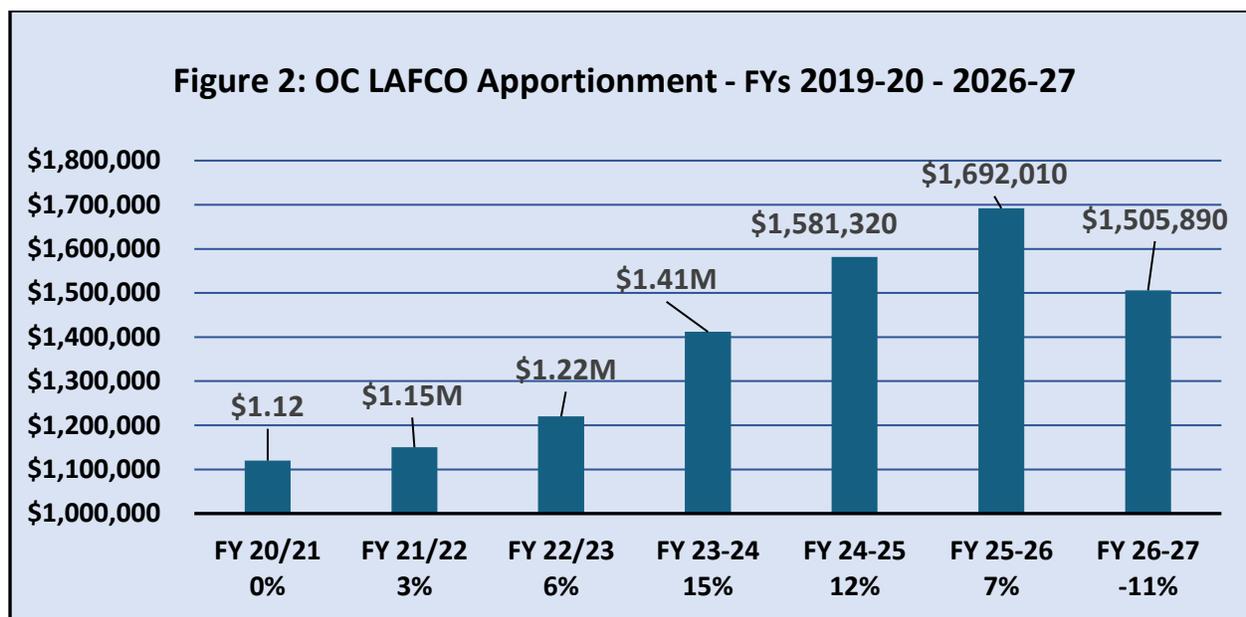


**(1) OC LAFCO Apportionment**

As presented in Figure 1, the agency’s apportionment is the primary revenue source for OC LAFCO. Funded in two parts for this fiscal year, the total apportionment for FY 2026-27 of \$1,505,890, to be collected from the County, cities, and independent special districts, reflects an overall decrease of 11 percent (\$186,120) from the FY 2025-26 budget. Initially, the apportionment is allocated at one-third to the County, cities, and independent special districts.

Subsequently, the individual amount due from each city and independent special district is calculated by the County Auditor Controller using formulas adopted by the City Selection Committee and the Independent Special District Selection Committee, respectively. The individual apportionment for the cities and special districts for FY 2026-27 are delineated in **Attachment 1B and 1C**.

For prior budget cycles, the apportionment paid by the local agencies experienced zero to 15 percent increases through the use of the agency’s unreserved cash, as shown in *Figure 2* below. However, for the upcoming FY 2026-27 budget, due to a couple of factors, including the transition of employees in the analyst positions, the vacancy of the assistant executive officer and transition in the executive officer position, coupled with savings in some of the budget line items included in previous budgets and current proposed budget - staff is recommending a reduction of 11 percent in the total apportionment.

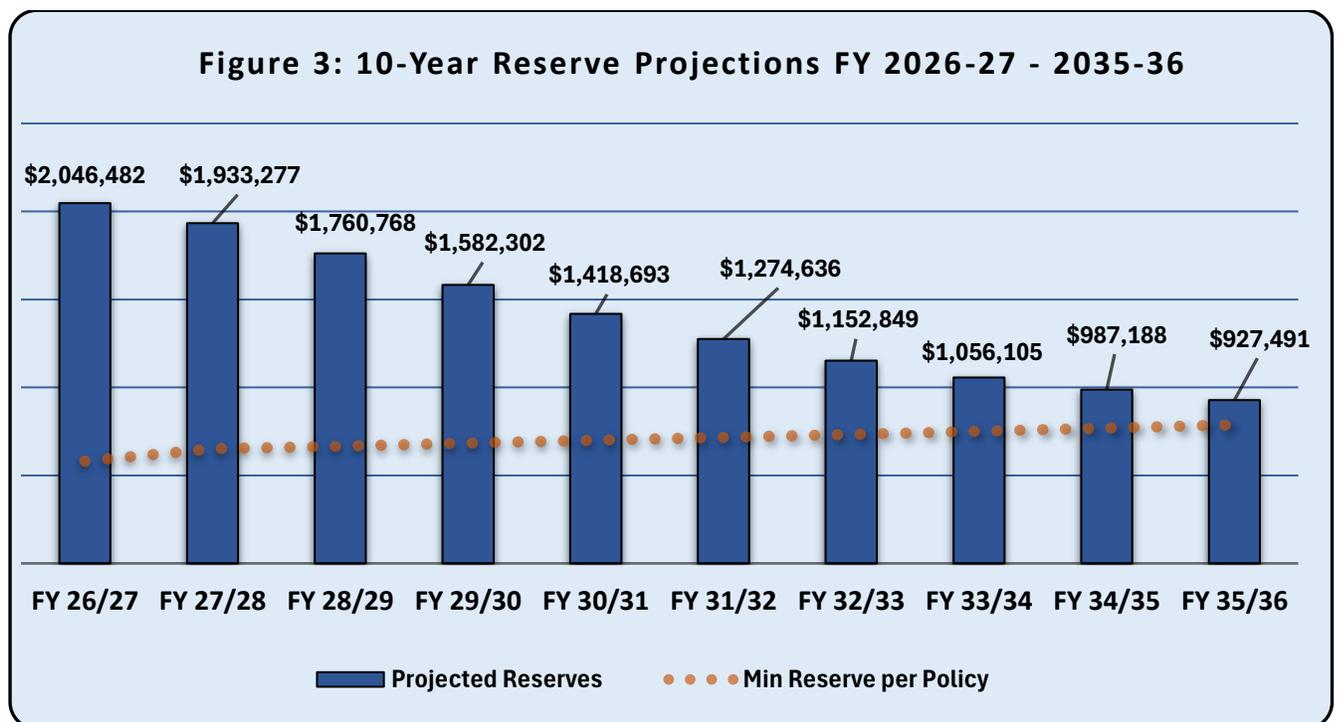


**(2) Interest**

This revenue category includes interest earned from the agency’s savings account, payroll account, the Public Agency Retirement Services (PARS) account, and one investment account – the Local Agency Investment Fund (LAIF). The Commission, at the beginning of each fiscal year, receives the apportionments from the agencies, and staff initiates the transfer of the funds into accounts to cover the agency’s expenses. Throughout the fiscal year, OC LAFCO staff, in consultation with the agency’s independent accounting staff, withdraw funds from the accounts to cover the agency’s expenses. Given the current market rates, the proposed FY 2026-27 budget projects that interest earned on the agency’s investment account will generate \$50,015 or approximately 3.2 percent of the annual revenue.

**Unreserved Cash**

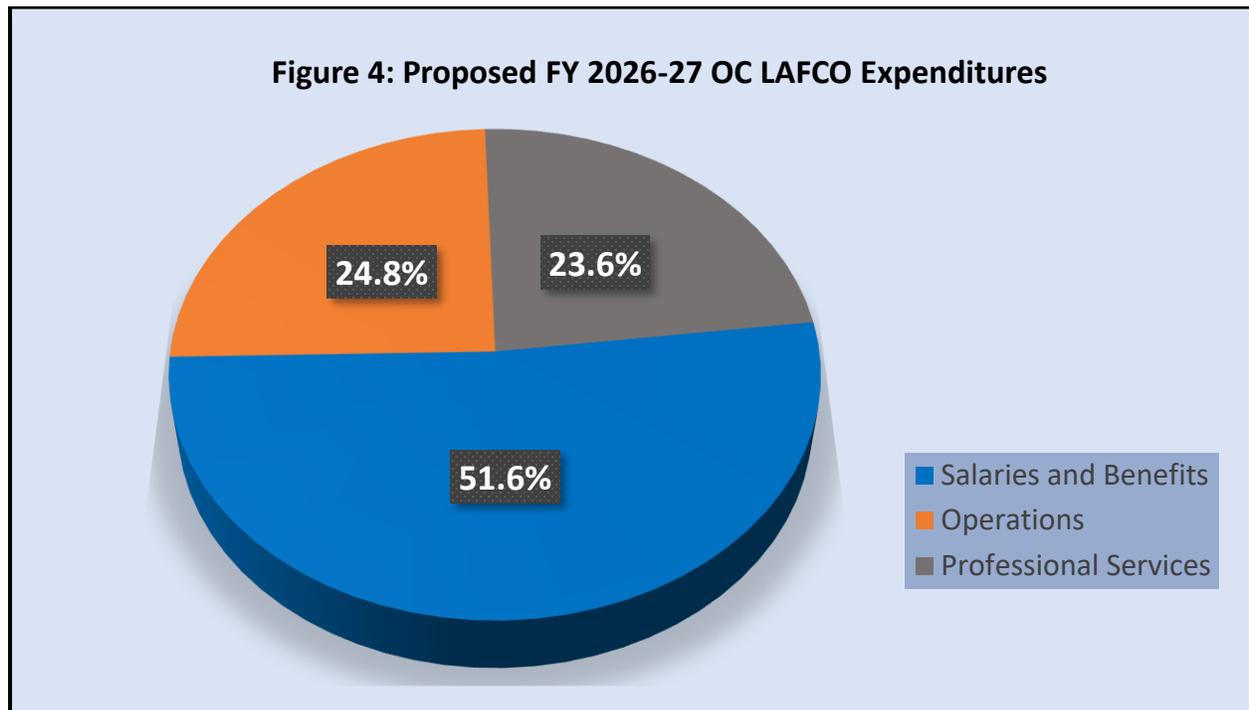
The OC LAFCO reserve policy specifies minimum balances of \$100,000 for contingency reserves, \$75,000 for litigation reserves, and \$30,000 for unfunded liability reserves. Additionally, the Commission’s policy mandates that three months of operational expenses be maintained in the reserve account, which for FY 2026-27, amounts to \$375,895. Unreserved cash is any balance available above the minimum specified in the reserve policy. However, as already stated, for the proposed FY 2026-27 budget, the use of unreserved cash will not be necessary due to the previously mentioned factors that generated savings, including the transition of staff positions and savings in some budget line items over the past couple of fiscal years. Over the past fiscal cycles, it has been the Commission's practice to use unreserved cash as part of the revenue assumption until the agency reaches the reserve levels delineated in the OC LAFCO reserve policy. Although unreserved cash is not proposed to be included as part of the upcoming FY 2026-27 budget, the budget projections and use of reserves for the next ten fiscal years demonstrate that reserve levels are gradually trending toward the agency’s minimum reserve level by FY 2035-36, as shown in *Figure 3*.



**EXPENDITURES**

The proposed budget expenditures for FY 2026-27 total \$1,503,580, which reflects the resources necessary to support the agency’s operations and effectively manage the mandated projects that are not supported by applicant fees, such as preparing updates of agencies’ sphere of influence, conducting municipal service reviews, mapping disadvantaged unincorporated areas, and the Unincorporated Areas Program.

The proposed budget includes adjustments to specific expenditure categories based on the national Consumer Price Index (CPI), past trending, actual expenditures, and the budget instructions from the County for benefit costs. The Commission expenses are described in three categories: (1) Salaries and Benefits, (2) Operations, and (3) Professional Services. The percentage of each category is depicted in *Figure 4* and described briefly in the following sections.



**(1) Salaries and Benefits**

The proposed FY 2026-27 budget for salaries and benefits for four full-time professional staff and any temporary or seasonal staff total \$776,080, which is an overall decrease of 31.3 percent from the budgeted amount in the current fiscal year. In addition to benefits costs, the projections for this line item include a Cost-of-Living Adjustment (COLA) of 2 percent and a projected merit adjustment of up to 2.5 percent. Assumptions for employee benefits (health, dental, life and disability insurance, and retiree health) are based on information provided by the County of Orange, which provides these benefits to OC LAFCO employees through a contractual agreement.

In accordance with best budgeting practices, the proposed budget provides for fully funding all staff positions. However, when personnel or other costs are associated with a project application, those costs are tracked in a special fund and reimbursed through the fees collected from the applicant. An accounting of the fees collected, personnel or other costs applied, and the balance remaining in these special funds are provided quarterly and annually to the Commission in the financial reports and the audited financial statements, respectively. Any adjustments in staff costs to the General Fund generated by the application of costs to a special project fund will effectively reduce the amount drawn down from the FY 2026-27 revenues. It is expected that in the coming fiscal year, staff costs attributed to application fees will increase compared to prior years, based on anticipated applications.

## **(2) Operations**

Overall, the Commission operations reflect prudent management of agency expenses. The following provides a general discussion of line items experiencing changes in appropriations from the current year budget:

➤ **Educational and Legislative Partnerships**

This line item includes funding for the Commission’s membership in the Alliance of LAFCOs (Los Angeles, Orange, San Bernardino, and San Diego) to provide educational presentations on LAFCO-related topics and to track legislation that impacts LAFCOs. The line item will also support funding for registration costs to attend workshops, other business-related meetings, and activities. The proposed increase supports upcoming Alliance-related events.

➤ **Commission and Staff Expenses**

This category includes miscellaneous business expenses incurred by Commissioners and staff. The proposed increase is attributed to Commissioners and staff attending events and conferences.

➤ **Information technology**

This category includes costs for the usage, technical support, equipment, leasing, and maintenance of business electronic devices and internet services. The proposed increase is attributed to the acquisition of a program for the agency’s website, which will ensure PDF files are compliant with the Americans with Disabilities Act requirements per recently approved federal mandates for government agencies.

## **(3) Professional Services**

The Commission’s staff performs the majority of the administrative and project-related work; however, the agency continues to utilize professional services for certain ongoing and project-related support. Ongoing administrative expenses for this line item include the Commission’s accountants, general counsel, auditor, and human resources support. The FY 2026-27 proposed budget allocation includes the following: legal services (\$60,000); audit and accounting (\$70,200); and human resources (\$25,000). Project-related professional services include the ongoing evolution of the fiscal indicators web-based program, preparation of the fourth cycle municipal service reviews, and other studies, reports and services required. The proposed allocation for that line item is \$200,000.

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## ***OC LAFCO THREE-YEAR PROJECTIONS***

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The three-year projections are intended to anticipate future changes to the OC LAFCO budget. Additionally, the projections provide the funding agencies with budget projections beyond a single fiscal year. The three-year budgetary projections provided in **Attachment 2** indicate potential apportionment increases of four percent. The projections use the FY 2026-27 proposed

budget as a baseline, with personnel expenditures increased annually by the CPI and operational expenditures adjusted annually by factors such as current trends, contractual obligations for office and equipment leases, or the CPI. The projections reflect a transitional decrease in the use of the agency's unreserved cash to the OC LAFCO apportionment and interest revenue, representing the agency's sole revenue resources. The projections for each fiscal year are subject to change and are used for trend analysis only.

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### **RECOMMENDED ACTIONS**

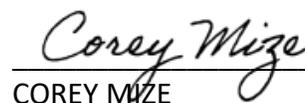
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Staff Recommends the Commission:

1. Adopt the Proposed FY 2026-27 Budget and direct the Executive Officer to distribute the document for review and comment to the Board of Supervisors, cities, and independent special districts.
2. Direct staff to schedule a public hearing, per Government Code Section 56381, for consideration and adoption of the Final FY 2026-27 OC LAFCO Budget at the May 13, 2026, regular meeting.
3. Adopt OC LAFCO Resolution No CP 26-01 approving the OC LAFCO Fee Schedule, effective July 1, 2026.

Respectfully submitted,

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

  
\_\_\_\_\_  
COREY MIZE

Attachments:

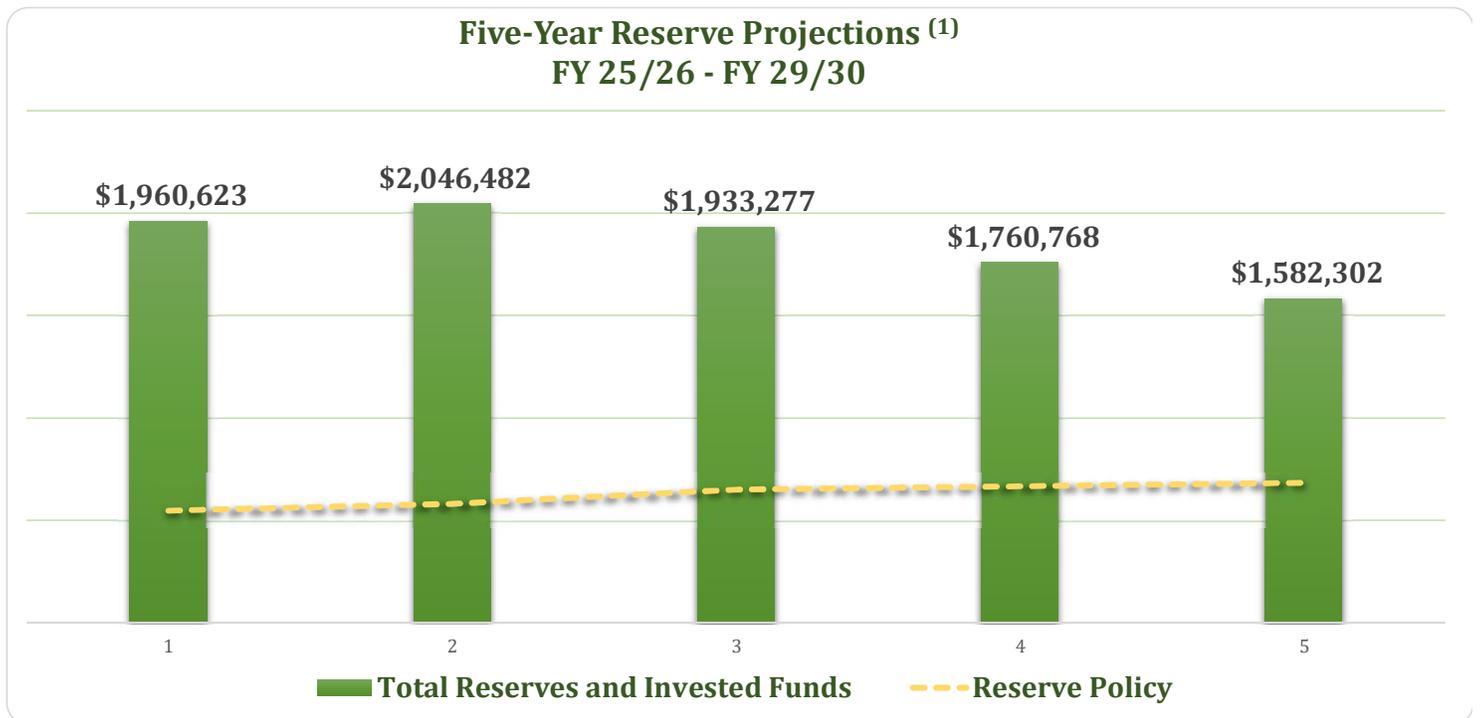
1. Proposed FY 2026-27 Budget
  - A. FY 2026-27 Budget Categories.
  - B. OC LAFCO City Apportionments for FY 2026-27 (prepared by the County Auditor-Controller).
  - C. OC LAFCO Special District Apportionments for FY 2026-27 (prepared by the Auditor-Controller).
2. Three-year OC LAFCO Budget Projections (FYs 2027/28 – 2029/30).
3. OC LAFCO Resolution No. CP 26-01.

**Orange County Local Agency Formation Commission**  
**Proposed Budget**  
**Fiscal Year 2026/27**

|  | FY 25/26<br>Adopted<br>Budget | FY 26/27<br>Proposed<br>Budget | \$<br>Budget<br>Variance | %<br>Budget<br>Variance |
|--|-------------------------------|--------------------------------|--------------------------|-------------------------|
| <b>Apportionment Increase Factor (%)</b>             | <b>7.0%</b>                   | <b>-11.0%</b>                  |                          |                         |
| <b>1 Revenue</b>                                     |                               |                                |                          |                         |
| 2 Apportionment                                      | \$ 1,692,010                  | \$ 1,505,890                   | \$ (186,120)             | -11.0%                  |
| 3 Investment Income                                  | 35,640                        | 50,015                         | 14,375                   | 40.3%                   |
| <b>4 Total Revenue</b>                               | <b>1,727,650</b>              | <b>1,555,905</b>               | <b>(171,745)</b>         | <b>-9.9%</b>            |
| <b>5 Expenses</b>                                    |                               |                                |                          |                         |
| <b>6 Salaries and Benefits</b>                       |                               |                                |                          |                         |
| 7 Salaries   | 671,000                       | 465,400                        | (205,600)                | -30.6%                  |
| 8 Hourly Wages                                       | 20,800                        | 20,800                         | -                        | 0.0%                    |
| 9 Retirement   | 274,700                       | 154,600                        | (120,100)                | -43.7%                  |
| 10 Health Insurance                                  | 78,500                        | 61,300                         | (17,200)                 | -21.9%                  |
| 11 Dental Insurance                                  | 5,600                         | 5,600                          | -                        | 0.0%                    |
| 12 Life Insurance                                    | 420                           | 350                            | (70)                     | -16.7%                  |
| 13 Unemployment Insurance                            | 540                           | 480                            | (60)                     | -11.1%                  |
| 14 Health Reimbursement Arrangement                  | 8,200                         | 6,730                          | (1,470)                  | -17.9%                  |
| 15 Optional Benefit Plan                             | 18,500                        | 14,000                         | (4,500)                  | -24.3%                  |
| 16 Deferred Compensation                             | 19,400                        | 14,000                         | (5,400)                  | -27.8%                  |
| 17 Medicare  | 10,300                        | 7,300                          | (3,000)                  | -29.1%                  |
| 18 Worker's Compensation                             | 6,760                         | 12,700                         | 5,940                    | 87.9%                   |
| 19 Salary Continuance                                | 1,750                         | 1,210                          | (540)                    | -30.9%                  |
| 20 Accidental Death Insurance                        | 120                           | 110                            | (10)                     | -8.3%                   |
| 21 Executive Car Allowance                           | 7,200                         | 7,200                          | -                        | 0.0%                    |
| 22 Retiree Health Benefit Contributions              | 6,200                         | 4,300                          | (1,900)                  | -30.6%                  |
| <b>23 Total Salaries and Benefits</b>                | <b>1,129,990</b>              | <b>776,080</b>                 | <b>(353,910)</b>         | <b>-31.3%</b>           |
| <b>24 Operations and Professional Services</b>       |                               |                                |                          |                         |
| <b>25 Operations</b>                                 |                               |                                |                          |                         |
| 26 Rents, Improvements, and Maintenance              | 118,700                       | 122,100                        | 3,400                    | 2.9%                    |
| 27 Equipment Leases and Maintenance                  | 8,100                         | 8,100                          | -                        | 0.0%                    |
| 28 Insurance   | 15,100                        | 16,610                         | 1,510                    | 10.0%                   |
| 29 Educational and Legislative Partnerships          | 16,000                        | 21,000                         | 5,000                    | 31.3%                   |
| 30 Unincorporated Areas Program                      | 11,000                        | 10,000                         | (1,000)                  | -9.1%                   |
| 31 Mapping   | 4,000                         | 4,300                          | 300                      | 7.5%                    |
| 32 Public Noticing and Communications                | 14,400                        | 14,400                         | -                        | 0.0%                    |
| 33 Commission Stipends, Taxes, and Fees              | 15,750                        | 15,900                         | 150                      | 1.0%                    |
| 34 Commission Meeting Expenses                       | 10,000                        | 7,700                          | (2,300)                  | -23.0%                  |
| 35 Commission and Staff Expenses                     | 5,000                         | 10,000                         | 5,000                    | 100.0%                  |
| 36 Information Technology                            | 21,600                        | 27,640                         | 6,040                    | 28.0%                   |
| 37 Internet and Electronic Services                  | 21,500                        | 21,700                         | 200                      | 0.9%                    |
| 38 County Charges                                    | 13,100                        | 13,100                         | -                        | 0.0%                    |
| 39 Memberships and Subscriptions                     | 28,600                        | 29,600                         | 1,000                    | 3.5%                    |
| 40 Professional Development                          | 20,000                        | 20,000                         | -                        | 0.0%                    |
| 41 Travel and Training                               | 5,000                         | 5,000                          | -                        | 0.0%                    |
| 42 Office Equipment and Supplies                     | 28,400                        | 24,300                         | (4,100)                  | -14.4%                  |
| 43 Investment Fees                                   | 850                           | 850                            | -                        | 0.0%                    |
| <b>44 Professional Services</b>                      |                               |                                |                          |                         |
| 45 Legal   | 60,000                        | 60,000                         | -                        | 0.0%                    |
| 46 Audit and Accounting                              | 60,900                        | 70,200                         | 9,300                    | 15.3%                   |
| 47 Human Resources                                   | 30,000                        | 25,000                         | (5,000)                  | -16.7%                  |
| 48 Other Consulting                                  | 200,000                       | 200,000                        | -                        | 0.0%                    |
| <b>49 Total Operations and Professional Services</b> | <b>708,000</b>                | <b>727,500</b>                 | <b>19,500</b>            | <b>2.8%</b>             |
| <b>50 Total Expenses</b>                             | <b>1,837,990</b>              | <b>1,503,580</b>               | <b>(334,410)</b>         | <b>-18.2%</b>           |
| <b>51 Net Revenue / (Expenses)</b>                   | <b>(110,340)</b>              | <b>52,325</b>                  | <b>162,665</b>           | <b>-147%</b>            |
| 52 Use Of / (Addition To) Reserves                   | \$ 110,340                    | \$ (52,325)                    | \$ (162,665)             |                         |
| <b>53 Net Balance</b>                                | <b>-</b>                      | <b>-</b>                       |                          |                         |

## Orange County Local Agency Formation Commission Reserve Projections Fiscal Year 2026/27

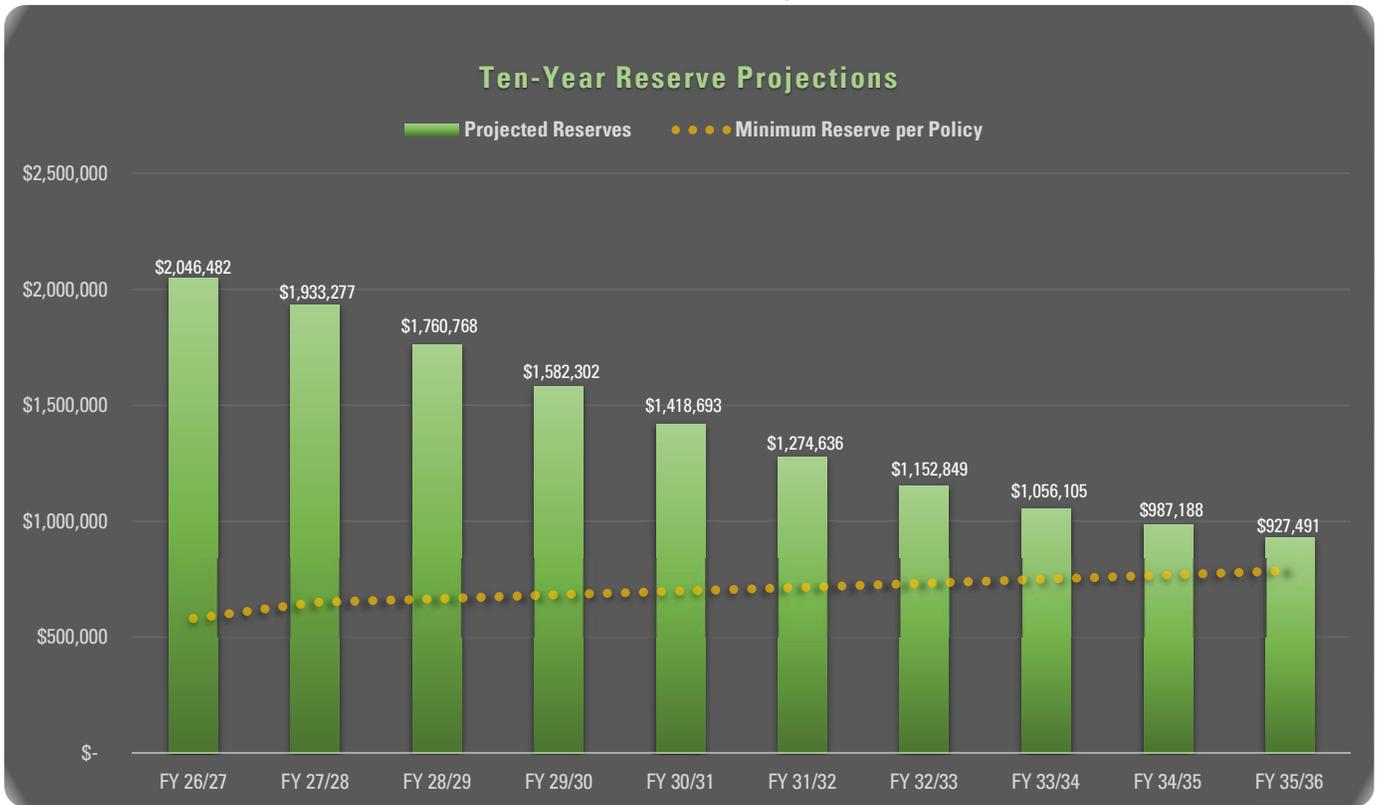
| Apportionment Increase Factor (%)           | 7.0%                               | -11.0%                         | 4.0%                    | 4.0%                    | 4.0%                    |
|---|------------------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|
|   | FY 25/26<br>Year-End<br>Projection | FY 26/27<br>Proposed<br>Budget | FY 27/28<br>Projections | FY 28/29<br>Projections | FY 29/30<br>Projections |
| <b>1 Reserves</b>                           |                                    |                                |                         |                         |                         |
| 2 Contingency Reserve                       | \$ 100,000                         | \$ 100,000                     | \$ 100,000              | \$ 100,000              | \$ 100,000              |
| 3 Litigation Reserve                        | 75,000                             | 75,000                         | 75,000                  | 75,000                  | 75,000                  |
| 4 Unfunded Liability Reserve                | 30,000                             | 30,000                         | 30,000                  | 30,000                  | 30,000                  |
| 5 Operating Reserve (25% Budgeted Expenses) | 342,362                            | 375,895                        | 445,694                 | 461,554                 | 478,400                 |
| <b>6 Total Reserves</b>                     | <b>547,362</b>                     | <b>580,895</b>                 | <b>650,694</b>          | <b>666,554</b>          | <b>683,400</b>          |
| <b>7 Restricted Cash</b>                    |                                    |                                |                         |                         |                         |
| 8 PARS Trust                                | 119,940                            | 119,940                        | 119,940                 | 119,940                 | 119,940                 |
| <b>9 Total Reserves and Restricted Cash</b> | <b>667,302</b>                     | <b>700,835</b>                 | <b>770,634</b>          | <b>786,494</b>          | <b>803,340</b>          |
| <b>10 Unrestricted Cash</b>                 |                                    |                                |                         |                         |                         |
| 11 Beginning Balance                        | 924,639                            | 1,293,322                      | 1,345,647               | 1,162,643               | 974,274                 |
| 12 Addition / (Drawdown) to Unrestricted    | 368,683                            | 52,325                         | (183,003)               | (188,369)               | (195,312)               |
| <b>13 Total Unrestricted Cash</b>           | <b>1,293,322</b>                   | <b>1,345,647</b>               | <b>1,162,643</b>        | <b>974,274</b>          | <b>778,963</b>          |
| <b>14 Total Reserves and Invested Funds</b> | <b>\$ 1,960,623</b>                | <b>\$ 2,046,482</b>            | <b>\$ 1,933,277</b>     | <b>\$ 1,760,768</b>     | <b>\$ 1,582,302</b>     |



<sup>(1)</sup> Future projections are based on current assumptions and estimates. Actual results will vary. Figures presented in future years beyond the upcoming budget year are for planning and analysis purposes only. Conditions are subject to change.



# Orange County Local Agency Formation Commission Reserve Projections Fiscal Year 2026/27



## OC LAFCO FY 2026-27 BUDGET CATEGORIES

**REVENUES**

The following summarizes the revenue categories of the OC LAFCO Budget:

**Apportionment**

These funds are provided by the County, independent special districts, and cities. The County pays 1/3 of the total apportionment cost. The cost allocation formulas for the cities and special districts are in accordance with the alternative formulas adopted by the City Selection Committee and the Independent Special Districts Selection Committee respectively.

**Filing Fees**

These funds are provided by incoming project applications, including but not limited to annexations, reorganizations, incorporations, dissolutions, and consolidations. Filing fees vary with each project received and are not budgeted as revenue due to the uncertainty of when applications will be filed. Filing fees are collected to offset OC LAFCO salaries, benefits and other expenditures associated with applications.

**Miscellaneous Revenue**

These funds are incurred by nonoperational income including but not limited to reimbursements.

**Investment Income**

These funds are the interest earned from the agency's bank and County payroll accounts and investment portfolio, including the Local Agency Investment Fund (LAIF) and the Public Agency Retirement Services (PARS) account.

**EXPENDITURES**

The following summarizes the expenditure categories of the OC LAFCO Budget:

**SALARIES AND BENEFITS**

These categories include costs incurred for OC LAFCO employee salaries and benefits, including retirement, life, accidental and disability insurance, worker's compensation, health and dental insurance, and Medicare. OC LAFCO contracts with the County of Orange for payroll and benefit services.

- Workers' Compensation – Includes coverage for employees involving work-related injuries.

**OPERATIONS****Rents, Improvements, and Maintenance**

This category includes costs for leasing, improvements, and maintenance of OC LAFCO office space.

## OC LAFCO FY 2026-27 BUDGET CATEGORIES

**Equipment Leases and Maintenance**

This category includes costs for leasing and maintenance of the OC LAFCO copier and printers. **(TOSHIBA/WELLS FARGO – XEROX PRINTER/AVACOM)**

**Insurance**

This category includes costs incurred for insurance coverage. OC LAFCO contracts with the joint powers authority for the following coverages for instances that occur during the general operation of the agency. **(JPRIMA – CAL MUTUALS)**

- General Liability – Includes coverage for personal injury (including bodily injury and property damage), non-owned auto liability, public officials’ errors and omissions and employment practices liability.
- Crime – Includes coverage for employee or non-employee theft, burglary, forgery or alteration, computer fraud, funds transfer fraud.
- Property – Includes per occurrence, all perils coverage for damage to property including personal property and business interruption coverage.

**Educational and Legislative Partnerships**

This category includes costs incurred for educational partnerships, legislative engagement efforts and registration expenses to attend workshops and business-related meetings and activities. **(ISDOC – OCCMA – ICMA – MMASC – EDUCATIONAL PARTNERSHIPS & LEG. ENGAGEMENT)**

**Unincorporated Areas Program**

This category includes costs incurred for the processing of applications under the Commission’s Unincorporated Areas Program. **(MAILING AND PUBLIC NOTICE)**

**Mapping**

OC LAFCO’s Geographic Information System (GIS) and other mapping programs. **ARCGIS CONTRACT & LICENSES)**

**Public Noticing and Communications**

This category includes costs incurred for required legal notices and other communications for Commission-initiated and other projects (e.g., spheres of influence reviews and updates, municipal service reviews, and annual budget adoption) that are not reimbursable through application fees. **(BUDGET – MSRs – PUBLIC MEMBER SEAT)**

**Commission Stipends, Taxes, and Fees**

This category includes Commissioner meeting stipends and related employment taxes and fees. **(COMMISSION MEETINGS – EXEC COMMITTEE MEETINGS – PAYCORE TAXES & FEES)**

## OC LAFCO FY 2026-27 BUDGET CATEGORIES

**Commission Meeting Expenses**

This category includes costs incurred for communications, room rental, parking and miscellaneous expenses for Commission meetings. **(COUNTY PARKING – COUNTY HEARING ROOM – ZOOM SUBSCRIPTON – STRATEGIC PLAN)**

**Commission and Staff Expenses**

This category includes miscellaneous business expenses incurred by Commissioners and staff. **(BUSINESS MTGS – OTHER EXPENSES FOR STAFF/COMM (I.E. MILEAGE))**

**Information Technology**

This category includes costs incurred for the technical support for regular maintenance and upgrades to the OC LAFCO computer systems and website. OC LAFCO contracts with independent consultants for IT and website services. **(RESPOND TECH – GOOGLE/MICROSOFT – WEBSITE DOMAIN – WORD PRESS ENGINE – WEBSITE PLUGINS – ADA – WP ROCKET PLUGIN – CHASE DESIGN – ACCESSIBLE)**

**Internet and Electronic Services**

This category includes costs for the usage, technical support, equipment, leasing and maintenance of business electronic devices and internet services. **(SPECTRUM – VERIZON – ADT/EVERON)**

**County Charges**

This category includes costs incurred for payroll processing, records archiving and storage, billing, collection and intranet services provided by the County of Orange. **(VPN/FOB – PAYROLL PROCESSING – A/C APPORTIONMENT – OC TIME – OC RECORDS STORAGE)**

**Memberships and Subscriptions**

This category includes membership and subscription fees to CSDA, OCBC, CDR and other applicable memberships. **(CDR – OCBC – CSDA – MMASC – ICMA – CLERK ASSN – WLG – CAL MUTUALS)**

**Professional Development**

This category includes costs related to employee professional development (e.g., college/university degree programs and courses, certificate programs, leadership seminars). **(STAFF PROFESSIONAL DEVELOPMENT/TRAINING)**

**Travel and Training**

This category includes costs incurred for transportation and travel expenses for commissioners and staff to attend workshops and business-related meetings and activities. **(CONFERENCE)**

## OC LAFCO FY 2026-27 BUDGET CATEGORIES

**Office Equipment and Supplies**

This category includes costs incurred for the purchase of office supplies and equipment, computers, and software that support agency operations. **(OFFICE SUPPLIES – EQUIP REPLACEMENT – ADOBE – MAVENLINK – SURVEY MONKEY – LASERFICHE – DROPBOX – QUICKBOOKS – WORDSHARE – SPARKLETTS – POSTAGE – STAPLES – SHUTTERSTOCK – CANVA – AMAZON – COPY X - BUSINESS CARDS & ENVELOPES)**

**Investment Fees**

This category includes costs incurred for administrative fees charged by the County of Orange for financial services related to the payroll account.

**PROFESSIONAL SERVICES****Legal**

This category includes costs incurred for OC LAFCO general counsel services.

**Auditing and Accounting**

This category includes costs for bookkeeping, accounting and auditing services. Audited financial statements are prepared by an independent auditor. **(EIDE BAILLY – DAVIS FARR)**

**Human Resources**

This category includes costs for personnel services that may be provided by an independent consultant for assistance with recruitment, employment labor, professional development and other human resource areas. **(EO EVAL – HR/EMPLOYMENT LABOR SERVICES – RECRUITMENT)**

**Other Consulting**

This category includes costs for consulting and professional services for meeting facilitation, peer reviews, and preparation of municipal service and sphere reviews, fiscal studies and other studies, reports and projects. **(MSR AND OTHER)**

**RESERVES****Contingency Reserve**

Restricted funds used to cover any unforeseen future agency loss and/or urgency (i.e., property or equipment damage, loss or theft).

**Litigation Reserve**

Restricted funds used for costs related to agency litigation not covered by application fees and deposits.

## OC LAFCO FY 2026-27 BUDGET CATEGORIES

**Unfunded Liability Reserve**

Restricted funds used to offset anticipated agency liabilities (i.e., employee compensated absences).

**Operating Reserve**

Funds available to meet the agency's expenditures for a 3-month period.

## OC LAFCO FY 2026-27 City Allocations

| City                   | FY 2026-27<br>City Allocation |
|------------------------|-------------------------------|
| Aliso Viejo            | \$ 7,730.24                   |
| Anaheim                | 53,793.74                     |
| Brea                   | 9,303.05                      |
| Buena Park             | 12,465.42                     |
| Costa Mesa             | 17,200.61                     |
| Cypress                | 7,562.92                      |
| Dana Point             | 5,722.39                      |
| Fountain Valley        | 9,119.01                      |
| Fullerton              | 22,722.20                     |
| Garden Grove           | 24,579.47                     |
| Huntington Beach       | 30,050.87                     |
| Irvine                 | 56,069.30                     |
| Laguna Beach           | 5,354.28                      |
| Laguna Hills           | 5,471.40                      |
| Laguna Niguel          | 11,879.80                     |
| Laguna Woods           | 2,928.12                      |
| La Habra               | 9,135.73                      |
| Lake Forest            | 14,991.98                     |
| La Palma               | 2,242.10                      |
| Los Alamitos           | 2,610.20                      |
| Mission Viejo          | 15,845.31                     |
| Newport Beach          | 17,384.66                     |
| Orange                 | 23,575.55                     |
| Placentia              | 8,064.88                      |
| Rancho Santa Margarita | 9,202.66                      |
| San Clemente           | 12,783.33                     |
| San Juan Capistrano    | 8,466.45                      |
| Santa Ana              | 43,403.09                     |
| Seal Beach             | 6,458.60                      |
| Stanton                | 5,437.93                      |
| Tustin                 | 12,281.37                     |
| Villa Park             | 1,305.10                      |
| Westminster            | 13,151.44                     |
| Yorba Linda            | 13,670.13                     |
| <b>TOTAL</b>           | <b>\$ 501,963.33</b>          |

### OC LAFCO FY 2026-27 Special District Allocations

| District                                  | ISDOC Formula<br>Calculation<br>FY 2026-27 |
|---|--|
| Silverado-Modjeska Rec. & Park            | \$ 552.16                                  |
| Surfside Colony Stormwater                | 552.16                                     |
| Surfside Colony CSD                       | 552.16                                     |
| Rossmoor/Los Alamitos Area Sewer District | 2,861.19                                   |
| Capistrano Bay CSD                        | 2,861.19                                   |
| Rossmoor CSD                              | 2,861.19                                   |
| Three Arch Bay CSD                        | 2,861.19                                   |
| Emerald Bay CSD                           | 2,861.19                                   |
| Placentia Library District                | 2,861.19                                   |
| Buena Park Library District               | 4,266.69                                   |
| Orange County Cemetery District           | 5,722.38                                   |
| Orange County Vector Control District     | 5,722.38                                   |
| <b>Total Non-Enterprise Districts</b>     | <b>\$ 34,535.07</b>                        |
| Sunset Beach Sanitary District            | 5,772.59                                   |
| Serrano Water District                    | 17,116.95                                  |
| East Orange Co. Water District            | 22,789.14                                  |
| Midway City Sanitary District             | 22,789.14                                  |
| Trabuco Canyon Water District             | 22,789.14                                  |
| Costa Mesa Sanitary District              | 22,789.14                                  |
| El Toro Water District                    | 28,511.52                                  |
| Mesa Water District                       | 34,183.70                                  |
| Yorba Linda Water District                | 34,183.70                                  |
| South Coast Water District                | 34,183.70                                  |
| Moulton Niguel Water District             | 39,906.08                                  |
| Santa Margarita Water District            | 39,906.08                                  |
| Municipal Water District of O.C.          | 39,906.08                                  |
| Orange County Water District              | 51,300.65                                  |
| Irvine Ranch Water District               | 51,300.65                                  |
| <b>Total Enterprise Districts</b>         | <b>\$ 467,428.26</b>                       |
| <b>Total Special Districts</b>            | <b>\$ 501,963.33</b>                       |

**Orange County Local Agency Formation Commission**  
**Proposed Budget**  
 Fiscal Year 2026/27 - 2029/30

|  | FY 26/27<br>Proposed<br>Budget | FY 27/28<br>Projections | FY 28/29<br>Projections | FY 29/30<br>Projections |
|--|--------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Apportionment Increase Factor (%)</b>             | <b>-11.0%</b>                  | <b>4.0%</b>             | <b>4.0%</b>             | <b>4.0%</b>             |
| <b>1 Revenue</b>                                     |                                |                         |                         |                         |
| 2 Apportionment                                      | \$ 1,505,890                   | 1,566,130               | 1,628,780               | 1,693,930               |
| 3 Investment Income                                  | 50,015                         | 33,641                  | 29,066                  | 24,357                  |
| <b>4 Total Revenue</b>                               | <b>1,555,905</b>               | <b>1,599,771</b>        | <b>1,657,846</b>        | <b>1,718,287</b>        |
| <b>5 Expenses</b>                                    |                                |                         |                         |                         |
| <b>6 Salaries and Benefits</b>                       |                                |                         |                         |                         |
| 7 Salaries   | 465,400                        | 628,600                 | 656,900                 | 686,500                 |
| 8 Hourly Wages                                       | 20,800                         | 21,800                  | 22,800                  | 23,900                  |
| 9 Retirement   | 154,600                        | 208,800                 | 218,200                 | 228,000                 |
| 10 Health Insurance                                  | 61,300                         | 80,200                  | 84,300                  | 88,600                  |
| 11 Dental Insurance                                  | 5,600                          | 7,160                   | 7,400                   | 7,700                   |
| 12 Life Insurance                                    | 350                            | 400                     | 500                     | 600                     |
| 13 Unemployment Insurance                            | 480                            | 630                     | 660                     | 700                     |
| 14 Health Reimbursement Arrangement                  | 6,730                          | 8,400                   | 8,700                   | 9,000                   |
| 15 Optional Benefit Plan                             | 14,000                         | 18,500                  | 18,500                  | 18,500                  |
| 16 Deferred Compensation                             | 14,000                         | 24,990                  | 26,120                  | 27,300                  |
| 17 Medicare  | 7,300                          | 9,700                   | 10,200                  | 10,600                  |
| 18 Worker's Compensation                             | 12,700                         | 13,300                  | 13,900                  | 14,600                  |
| 19 Salary Continuance                                | 1,210                          | 1,640                   | 1,710                   | 1,800                   |
| 20 Accidental Death Insurance                        | 110                            | 132                     | 132                     | 132                     |
| 21 Executive Car Allowance                           | 7,200                          | 7,400                   | 7,600                   | 7,800                   |
| 22 Retiree Health Benefit Contributions              | 4,300                          | 5,800                   | 6,100                   | 6,500                   |
| <b>23 Total Salaries and Benefits</b>                | <b>776,080</b>                 | <b>1,031,652</b>        | <b>1,077,622</b>        | <b>1,125,732</b>        |
| <b>24 Operations and Professional Services</b>       |                                |                         |                         |                         |
| <b>25 Operations</b>                                 |                                |                         |                         |                         |
| 26 Rents, Improvements, and Maintenance              | 122,100                        | 125,823                 | 129,843                 | 133,667                 |
| 27 Equipment Leases and Maintenance                  | 8,100                          | 8,310                   | 8,480                   | 8,700                   |
| 28 Insurance   | 16,610                         | 18,300                  | 20,200                  | 22,300                  |
| 29 Educational and Legislative Partnerships          | 21,000                         | 21,600                  | 22,100                  | 22,600                  |
| 30 Unincorporated Areas Program                      | 10,000                         | 10,000                  | 10,000                  | 10,000                  |
| 31 Mapping   | 4,300                          | 4,410                   | 4,500                   | 4,600                   |
| 32 Public Noticing and Communications                | 14,400                         | 14,760                  | 15,060                  | 15,400                  |
| 33 Commission Stipends, Taxes, and Fees              | 15,900                         | 16,300                  | 16,700                  | 17,100                  |
| 34 Commission Meeting Expenses                       | 7,700                          | 7,900                   | 8,100                   | 8,300                   |
| 35 Commission and Staff Expenses                     | 10,000                         | 10,300                  | 10,600                  | 10,900                  |
| 36 Information Technology                            | 27,640                         | 28,400                  | 29,000                  | 29,600                  |
| 37 Internet and Electronic Services                  | 21,700                         | 22,300                  | 22,800                  | 23,300                  |
| 38 County Charges                                    | 13,100                         | 13,500                  | 13,800                  | 14,100                  |
| 39 Memberships and Subscriptions                     | 29,600                         | 30,340                  | 30,950                  | 31,600                  |
| 40 Professional Development                          | 20,000                         | 20,500                  | 21,000                  | 21,500                  |
| 41 Travel and Training                               | 5,000                          | 5,200                   | 5,400                   | 5,600                   |
| 42 Office Equipment and Supplies                     | 24,300                         | 24,910                  | 25,410                  | 26,000                  |
| 43 Investment Fees                                   | 850                            | 880                     | 900                     | 1,000                   |
| <b>44 Professional Services</b>                      |                                |                         |                         |                         |
| 45 Legal   | 60,000                         | 60,000                  | 60,000                  | 61,200                  |
| 46 Audit and Accounting                              | 70,200                         | 71,960                  | 73,400                  | 74,900                  |
| 47 Human Resources                                   | 25,000                         | 25,630                  | 26,150                  | 26,700                  |
| 48 Other Consulting                                  | 200,000                        | 204,000                 | 208,100                 | 212,300                 |
| <b>49 Total Operations and Professional Services</b> | <b>727,500</b>                 | <b>745,323</b>          | <b>762,493</b>          | <b>781,367</b>          |
| <b>50 Total Expenses</b>                             | <b>1,503,580</b>               | <b>1,782,775</b>        | <b>1,846,215</b>        | <b>1,913,599</b>        |
| <b>51 Net Revenue / (Expenses)</b>                   | <b>52,325</b>                  | <b>\$ (183,003)</b>     | <b>\$ (188,369)</b>     | <b>\$ (195,312)</b>     |
| 52 Use Of / (Addition To) Reserves                   | \$ (52,325)                    | \$ 183,003              | \$ 188,369              | \$ 195,312              |
| <b>53 Net Balance</b>                                | <b>-</b>                       | <b>-</b>                | <b>-</b>                | <b>-</b>                |

**Orange County Local Agency Formation Commission**  
**Proposed Budget**  
 Fiscal Year 2026/27 - 2029/30

|   | <b>FY 26/27<br/>Proposed<br/>Budget</b> | <b>FY 27/28<br/>Projections</b> | <b>FY 28/29<br/>Projections</b> | <b>FY 29/30<br/>Projections</b> |
|---|---|---------------------------------|---------------------------------|---------------------------------|
| <b>Projected Cash Reserves</b>            |   |                                 |                                 |                                 |
| <b>Reserves</b>                           |   |                                 |                                 |                                 |
| Contingency Reserve                       | \$ 100,000                              | \$ 100,000                      | \$ 100,000                      | \$ 100,000                      |
| Litigation Reserve                        | 75,000                                  | 75,000                          | 75,000                          | 75,000                          |
| Unfunded Liability Reserve                | 30,000                                  | 30,000                          | 30,000                          | 30,000                          |
| Operating Reserve (25% Budgeted Expenses) | 375,895                                 | 445,694                         | 461,554                         | 478,400                         |
| <b>Total Reserves</b>                     | <b>580,895</b>                          | <b>650,694</b>                  | <b>666,554</b>                  | <b>683,400</b>                  |
| <b>Restricted Cash</b>                    |   |                                 |                                 |                                 |
| PARS Trust                                | 119,940                                 | 119,940                         | 119,940                         | 119,940                         |
| <b>Total Reserves and Restricted Cash</b> | <b>700,835</b>                          | <b>770,634</b>                  | <b>786,494</b>                  | <b>803,340</b>                  |
| <b>Unrestricted Cash</b>                  |   |                                 |                                 |                                 |
| Beginning Balance                         | 1,293,322                               | 1,345,647                       | 1,162,643                       | 974,274                         |
| Addition / (Drawdown) to Unrestricted     | 52,325                                  | (183,003)                       | (188,369)                       | (195,312)                       |
| <b>Total Unrestricted Cash</b>            | <b>1,345,647</b>                        | <b>1,162,643</b>                | <b>974,274</b>                  | <b>778,963</b>                  |
| <b>Total Cash and Investments</b>         | <b>\$ 2,046,482</b>                     | <b>\$ 1,933,277</b>             | <b>\$ 1,760,768</b>             | <b>\$ 1,582,302</b>             |

**CP 26-01**  
**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION**  
**OF ORANGE COUNTY, CALIFORNIA**  
**UPDATING THE OC LAFCO FEE SCHEDULE**

**March 11, 2026**

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

WHEREAS, California Government Code Section 56383 allows for a Local Agency Formation Commission to establish a schedule of fees for the costs of proceedings; and

WHEREAS, it is the Commission's policy that fees should be based on actual processing costs plus the costs of necessary indirect and administrative functions; and

WHEREAS, the Executive Officer gave notice of this matter in the manner required by law; and

WHEREAS, the Commission complied with the requirements of Government Code Section 66016; and

WHEREAS, the Commission discussed and considered all written testimony for and against this matter including, but not limited to, the staff report and recommendations from the Executive Officer.

NOW, THEREFORE, the Local Agency Formation Commission of Orange County based on the findings, discussion, and conclusions set forth in the staff report, which is

incorporated herein by this reference, DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

1. The fee schedule set forth in Attachment 1 attached hereto is hereby adopted, to become effective on July 1, 2026.
2. The fees set forth in Attachment 1 attached hereto do not exceed the estimated reasonable costs of providing the services for which the fees are charged and are necessary to pay the costs of operations related to filing and processing applications to the Local Agency Formation Commission of Orange County.

AYES:

NOES:

STATE OF CALIFORNIA)

) SS.

COUNTY OF ORANGE )

I, Wendy Bucknum, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 11<sup>th</sup> day of March 2026.

IN WITNESS WHEREOF, I have hereunto set my hand this 11<sup>th</sup> day of March 2026.

Wendy Bucknum  
Chair of the Local Agency Formation Commission  
of Orange County

By: \_\_\_\_\_  
Wendy Bucknum

**LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY**  
**SCHEDULE OF FILING AND PROCESSING FEES**

*Effective July 1, 2026*

**FEE SCHEDULE OVERVIEW**

In accordance with Government Code Section 56383, the Commission may establish a schedule of fees and a schedule of service charges for the Local Agency Formation Commission of Orange County (OC LAFCO) proceedings. The submission of an application to OC LAFCO is not officially accepted for processing until the filing fee deposits have been received by the agency. The fees associated with an application or petition are calculated on a time and materials schedule as detailed in the Fee Schedule.

**PROVISIONS**

**1. Additional Deposits:**

- a. The Executive Officer may require an additional deposit from applicants to cover actual costs for review and processing of any application if the Executive Officer determines the project is extraordinary in scope. For example, the Executive Officer may determine that the processing of the proposal will require advice and counsel from OC LAFCO's General Counsel beyond routine review of the Executive Officer's report, Commission resolutions, and agenda materials. Further, OC LAFCO reserves the right to require reimbursement for additional expenses not listed in the fee schedule but incurred as a result of processing an application.
- b. If the actual charges exceed the amount of the deposit, the applicant or petitioner shall be notified and shall pay the excess within 15 days of receipt of a statement from OC LAFCO. Failure to pay may be cause for delay and/or denial of the application/petition, and no proceeding or application shall be completed until all fees due have been paid in full.

**2. Indemnification Agreement Requirement**

As a condition of approval of any change of organization or reorganization, out-of-agency service agreement, sphere of influence or municipal service review by OC LAFCO, the applicant(s) and real party(ies) in interest are required to defend, indemnify, hold harmless, and release OC LAFCO and its agents, officers, attorneys, and employees from any claim, action, or proceeding against OC LAFCO, and its agents, officers, attorneys, and employees to attack, set aside, void, or annul the approval of OC LAFCO concerning the proposal or any action relating to, or arising out of, such approval. In accordance with the Commission's Policy for Indemnification of OC LAFCO by Applicants (adopted March 8, 2000), the applicant(s) and real party (ies) in interest are required to submit a signed indemnification agreement as part of the application.

## ORANGE COUNTY LAFCO FEE SCHEDULE

### OC LAFCO PROCESSING FEES

| TYPE OF ACTION  | COST SCHEDULE      | INITIAL DEPOSIT |
|---|--------------------|-----------------|
| Change of Organization<br>(e.g., annexation or detachment)                                      | Time and Materials | \$4,600         |
| Change of Organization with Sphere of Influence Change  | Time and Materials | \$5,600         |
| Reorganization (two or more changes of<br>organization/sphere of influence change)              | Time and Materials | \$7,900         |
| District Formations or Consolidations   | Time and Materials | \$10,000        |
| District Dissolutions, Mergers, or Establishment of a<br>Subsidiary District                    | Time and Materials | \$7,900         |
| City Incorporations/Dis-incorporations<br><i>(Also see additional project completion fees.)</i> | Time and Materials | \$10,000        |
| Activation of Latent Powers   | Time and Materials | \$7,900         |
| Request for Municipal Service Review and/or<br>Sphere of Influence Review/Update                | Time and Materials | \$7,900         |
| Out-of-Agency Service Agreement   | Time and Materials | \$4,600         |
| Request for Reconsideration   | Time and Materials | \$3,200         |
| Request for Extension of Time to Complete Proceedings   | Time and Materials | \$1,000         |

### OC LAFCO STAFF/LEGAL COUNSEL BILLING RATES

|                        |                             |
|------------------------|-----------------------------|
| OC LAFCO Staff Rate    | Fully Burdened Hourly Rate* |
| OC LAFCO Legal Counsel | Actual Costs*               |

\*See Exhibit A.

### PROJECT COMPLETION FEES AND CHARGES

|   |  |
|---|--|
| Public Noticing and Publication Costs   | Actual Costs<br><i>(Based on noticing required by Government Code Section 56661)</i>   |
| State Board of Equalization Fees  | Actual Costs<br><i>(Payable to the State Board of Equalization and based on their latest fee schedule.)</i>  |
| Compliance with California Environmental Quality Act (CEQA)                   | Actual Costs<br><i>(May include OC LAFCO staff time to prepare environmental documentation, actual consultant costs, and appropriate filing fees. Department of Fish and Wildlife filing fees are required to be paid at the time OC LAFCO files the Notice of Determination with the Clerk of the Board. The fees listed below include the county's \$50 filing fee and are current as of January 1, 2026)</i><br><i>a. Negative Declaration: \$2,968.75</i><br><i>b. Environmental Impact Report: \$4,123.50</i> |
| Comprehensive Fiscal Analysis for Incorporation or Disincorporation Proposals | Actual Costs<br><i>(A \$50,000 deposit is required at the time the application is submitted. All excess costs will be the responsibility of the project proponent; any balance will be refunded at the conclusion of the project.)</i>   |
| State Controller's Fiscal Review for Incorporations                           | Actual Costs<br><i>(A \$25,000 deposit is required at the time a Request for State Controller Review is submitted. All excess costs will be the responsibility of the project proponent, any balance will be refunded at the conclusion of the project.)</i>   |
| Registrar of Voters – Verification of Signatures                              | Actual Costs   |
| Special Legal Counsel Costs   | Actual Costs   |
| Consultants   | Actual Costs   |

### MATERIALS CHARGES

|                                   |               |
|-----------------------------------|---------------|
| Reproduction and Faxing Costs     | Actual Cost*  |
| Postage or Overnight Service      | Actual Cost   |
| Monthly Agenda Packet (hard copy) | Actual Cost * |

\*See Exhibit A.

**EXHIBIT A**  
**ORANGE COUNTY LAFCO FEE SCHEDULE**  
**DIRECT COSTS**

*Effective July 1, 2026*

1. Fully burdened staff hourly rates:

| <b>Position</b>             | <b>Hourly Rate</b> |
|-----------------------------|--------------------|
| Executive Officer           | \$ 166             |
| Assistant Executive Officer | \$ 105             |
| Policy Analyst*             | \$ 61-63           |
| Commission Clerk            | \$ 73              |

\*Analyst I and Analyst II Class Series

- 2. Legal Counsel Hourly Rates:           \$306 (OC LAFCO-initiated services)  
  \$607.50 (project applicant-initiated services)
  
- 3. Reproduction Cost - \$0.25 per page
  
- 4. Audio Disc Reproduction Cost - \$15

**8a** | Commission  
Discussion

**REGULAR MEMBERS**

CHAIR  
**Wendy Bucknum**  
City Member

VICE CHAIR  
**James Fisler**  
Special District Member

IMMEDIATE PAST CHAIR  
**Donald P. Wagner**  
County Member

**Doug Davert**  
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:** March 11, 2026

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

**FROM:** Executive Officer  
Policy Analyst I

**SUBJECT:** Legislative Report (March 2026)

The 2025-26 legislative session continues to move forward following the February 20 deadline for legislators to introduce new bills. In total, 1,798 proposed bills were introduced prior to the deadline, the lowest number of bills introduced in approximately 20 years. As the Legislature approaches Spring Recess on March 26, proposed legislation is advancing through multiple committees, and amendments to bills are anticipated. Upcoming key deadlines include policy and fiscal committee hearings in April. Proposed legislation must then advance out of its house of origin in May. Staff will continue to monitor legislation of interest to LAFCOs.

This report provides an update on a previously reviewed legislative effort discussed by the Commission and an update on the Alliance’s legislative Committee.

**UPDATE ON PREVIOUSLY REVIEWED LEGISLATIVE EFFORTS**

**WATER AND WASTEWATER SERVICE**

During the February 2026 Commission meeting, staff provided an update on recent activity by the stakeholder group focused on addressing the recommendations in the University of California, Berkeley, published report, *“LAFCO and Water System Consolidation: Bridging the gap between local and state regulators to stop reverse water system fragmentation.”* The stakeholder group proposed amendments to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) to strengthen and further LAFCO’s ability to support the provision of efficient and reliable water and wastewater services in communities facing public health and safety threats. Additionally, the effort sought to improve coordination between state agencies and local regulators. Staff stated that the proposed amendments were presented to Senator Laird’s office for review. Following this update, the Commission directed staff to continue participating in the stakeholder group and provide an update during the March meeting.

Since the meeting, Senator Laird has opted not to move forward with the bill proposal this year, recommending that the stakeholder group discuss the proposed amendments with other stakeholders. Consequently, the stakeholder group has paused its effort to move forward with the potential amendments. While no future meeting has been scheduled, the group remains open to resuming its effort at a later time.

### **ALLIANCE OF LAFCOs – LEGISLATIVE COMMITTEE**

In January, the Alliance entered a contract with Chris Lee of the Politico Group to assist with tracking and monitoring legislation of interest to LAFCOs. During a meeting on March 3 with Mr. Lee, the Alliance Legislative Committee began reviewing an initial list of bills provided to the group. The bills address topics such as teleconferencing, special district audit exemptions, nondisclosure agreements for local officials, public contracting disclosures, parkland use conversions, and other matters not directly related to LAFCOs. The Committee has a scheduled meeting in April, and staff will provide an update to the Commission during the May meeting.

In addition, staff contacted the Senate Local Government Committee regarding the 2026 Validating Acts. These acts, previously authored by the now-decommissioned Senate Governance and Finance Committee, are introduced annually to cure minor procedural or technical errors by public agencies. The Acts apply to state government, cities, counties, special districts, and LAFCOs and retroactively correct typographical, grammatical, or procedural defects that could otherwise invalidate boundary changes, annexations, bond issues, or similar actions. The Committee has advised staff that the 2026 Validating Acts will be introduced during the current session, and staff will provide an update at a future meeting once the Acts have been formally introduced.

### **RECOMMENDED ACTION**

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

Respectfully Submitted,

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

  
\_\_\_\_\_  
AIMEE DIAZ

**8b** | Commission  
Discussion

**REGULAR MEMBERS**

CHAIR  
**Wendy Bucknum**  
City Member

VICE CHAIR  
**James Fisler**  
Special District Member

IMMEDIATE PAST CHAIR  
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**VACANT**  
County Member

**STAFF**

**Luis Tapia**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** March 11, 2026

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

**FROM:** Executive Officer  
Policy Analyst I

**SUBJECT:** Memorandum of Understanding with California  
State University, Fullerton Auxiliary Services  
Corporation for Fiscal Years 2026-29

**DISCUSSION**

The Center for Demographic Research (CDR), established in 1996, develops and prepares demographic estimates and projections for Orange County, including population, employment, and housing data. These estimates and projections are used by local agencies to plan activities, infrastructure development, economic forecasting, and assess community needs. CDR is operated through the California State University, Fullerton (CSUF) Auxiliary Services Corporation, a 501(c)(3) public benefit nonprofit corporation.

Since 2010, OC LAFCO has participated with several other regional agencies and organizations to receive demographic research services from CDR through a multiyear Memorandum of Understanding (MOU). The current three-year MOU (FYs 2023-2026) will terminate at the end of this fiscal year. The new MOU (FYs 2026-2029) will include the following agencies as sponsors: County of Orange, Transportation Corridor Agencies, Orange County Transportation Authority, Municipal Water District of Orange County, Orange County Water District, Orange County Council of Governments, Orange County Sanitation District, and Southern California Association of Governments.

If the MOU is approved by the Commission, OC LAFCO would continue as a “contributing partner.” For OC LAFCO, this distinction is made in recognition that staff regularly contribute data and information to CDR about annexations and spheres of influence in exchange for a defined set of CDR products and services and participation on CDR’s technical and management committees. These specific services include: (1) an annual boundary change report with maps and data documenting year-to-year jurisdictional changes approved by the Commission; (2) CDR quarterly and annual reports (e.g. Orange County Projections) and access to information

services and databases (e.g., Housing Inventory System and custom demographics estimates), and (3) GIS mapping and data related to Orange County's disadvantaged unincorporated communities. The boundary change report also serves as a resource for cities, special districts, the County, and the public. OC LAFCO utilizes other CDR services to support a variety of initiatives, including sphere of influence reviews and updates, Municipal Service Reviews, and the unincorporated areas program.

The new three-year MOU will include Fiscal Years 2026-2029. Under this agreement, OC LAFCO's cost will be \$21,000 per fiscal year, which reflects an increase of \$500 from the previous year included in the FYs 2023-2026 MOU. The total cost of the MOU for the three-year period is \$63,000, which is included in the agency's respective annual budgets. Upon Commission approval, the Executive Officer will execute the agreement and return the signed MOU to CDR for final processing.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Approve the three-year (Fiscal Years 2026-2029) Memorandum of Understanding with CSU Fullerton Auxiliary Services Corporation for the continued operation of the Center for Demographic Research at California State University, Fullerton and direct the Executive Officer to execute the MOU.

Respectfully Submitted,

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

  
\_\_\_\_\_  
AIMEE DIAZ

Attachment:

1. Memorandum of Understanding with the Center for Demographic Research for Fiscal Years 2026-2029.

**MEMORANDUM OF UNDERSTANDING**  
**by and between**  
**ORANGE COUNTY INTERESTS**  
**and**  
**CSU FULLERTON AUXILIARY SERVICES CORPORATION**  
**for the**  
**CONTINUED OPERATION OF THE CENTER FOR DEMOGRAPHIC RESEARCH**  
**AT CALIFORNIA STATE UNIVERSITY, FULLERTON**

This Memorandum of Understanding (“MOU”) is entered into between the County of Orange, Transportation Corridor Agencies, Orange County Transportation Authority, Municipal Water District of Orange County, Orange County Water District, Orange County Council of Governments, Southern California Association of Governments (“SPONSORS”); the Orange County Local Agency Formation Commission and Orange County Sanitation District (“CONTRIBUTING PARTNERS”) and the CSU Fullerton Auxiliary Services Corporation, (“ASC”), which is a 501 (c)3 California corporation organized under California law as an auxiliary organization of California State University, Fullerton (“CSUF”). This MOU is for the development of demographic data and related support products. Obligations and rights specified for CSUF in the MOU shall be exercised by the ASC.

**WHEREAS**, the development of demographic and related information for Orange County is a vital data source used for a wide range of local, subregional and regional applications, including, transportation infrastructure planning, facilities planning and timing, development of fee programs, bond revenue stream analysis, general planning and other applications; and

**WHEREAS**, a number of primary users of data in Orange County have recognized the benefit of having a local area expertise in developing demographic projections and associated products; and

**WHEREAS**, these SPONSORS, CONTRIBUTING PARTNERS, and CSUF agree on the importance of having a single entity in Orange County developing demographic products and providing such products to data users; and

**WHEREAS**, these agencies also desire to establish a long-term process which allows each individual agency participation in the development and review of demographic products; and

**WHEREAS**, the Center for Demographic Research (“CDR”) located at CSUF provides an opportunity to place demographic activities in a setting that accomplishes SPONSORS’ and CONTRIBUTING PARTNERS’ objectives and provides augmented educational opportunities for CSUF; and

**WHEREAS**, CSUF will be listed as a “SPONSOR” based upon their financial contribution as outlined in the budget in Attachment 1 and in-kind contributions for the balance of the remaining Sponsor seat; and

**WHEREAS**, the SPONSORS have worked cooperatively in supporting and organizing the Center for Demographic Research for 30 years and wish to continue their cooperation; and

**WHEREAS**, the CONTRIBUTING PARTNERS, beginning in Fiscal Year 2010/2011, wished to participate in supporting the Center for Demographic Research; and

**NOW, THEREFORE, IT IS RESOLVED** that the **SPONSORS, CONTRIBUTING PARTNERS**, and the ASC agree as follows:

1. The SPONSORS and CONTRIBUTING PARTNERS will fund the CDR for the next three years for an annual total fee as set forth in Item IV below and Attachment 1.
2. Process and Structure
  - A. Orange County Projections

The Orange County Council of Governments (“OCCOG”) will be responsible for the approval of the Orange County Projections at the Regional Statistical Area level and subsequent to that action the County of Orange will approve the Orange County Projections. The OCCOG will work with CDR staff to integrate the Orange County Projections as approved into the Southern California Association of Governments (“SCAG”) Regional Growth Forecast. Sponsors will make good faith efforts to use the Orange County Projections data in all future forecasting and planning efforts.

B. Management Oversight

The Management Oversight Committee (“MOC”) shall meet at least four (4) times each year to (1) consider policy matters associated with the operations of the Center for Demographic Research, (2) review products status and activities which are part of the core Work Program, (3) review the Center for Demographic Research’s financial status and status of MOU signatures, (4) set CDR budget and modify staff salaries funded by this MOU (5) consider requests from additional agencies wishing to become sponsors or contributing partners, (6) modify budget and work program upon addition or termination of a sponsor or contributing partner, (7) address other matters vital to the function of the Center for Demographic Research, and (8) undertake additional tasks as requested by the SPONSORS.

The Management Oversight Committee will be comprised of staff representing the SPONSORS, CONTRIBUTING PARTNERS and CSUF. Each SPONSOR will have one voting member of equal standing on the Management Oversight Committee including one member jointly representing the Municipal Water District of Orange County and the Orange County Water District; each CONTRIBUTING PARTNER will have one non-voting Ex-Officio member. The designees from each SPONSOR, CONTRIBUTING PARTNER, and the university shall be named by July 1 of each year. An organization may also designate an individual(s) to serve as an alternate

member of the Management Oversight Committee. The committee chair and vice-chair will be elected for a three-year term from voting members.

#### C. Technical Oversight:

The Technical Advisory Committee (“TAC”) provides technical guidance and input into the development of each product produced under this MOU before they are reviewed by the Management Oversight Committee. The Technical Advisory Committee advises the Director of the Center for Demographic Research, as well as reports to the Management Oversight Committee. The Committee will include one voting representative from each SPONSOR including a member representing the Municipal Water District of Orange County and the Orange County Water District; each CONTRIBUTING PARTNER will have one non-voting Ex-Officio member. University participation on the Technical Advisory Committee will include at least one voting member from CSUF, and one voting member each from the University of California, Irvine and Chapman University. The Director of the Center for Demographic Research will coordinate with research centers at these universities to ensure data consistency. The designees from each SPONSOR, CONTRIBUTING PARTNER, and agency shall be named by July 1 of each year. The committee chair and vice-chair will be elected for a three-year term from voting members.

The Technical Advisory Committee shall schedule at least four (4) meetings each year. It will (1) provide a report to the Management Oversight Committee summarizing its meetings, (2) provide advice on the approach, techniques, data sources and methods used to develop new products, (3) facilitate the acquisition of data necessary to produce products, (4) provide suggestions on the interpretation and analysis incorporated into deliverables, (5) provide input on assumptions for the development of the growth projections, (6) provide review of deliverables prior to approval by the Management Oversight Committee and (7) undertake other tasks as identified by the Management Oversight Committee.

#### D. Transportation Modeling Data

The Orange County Transportation Authority (“OCTA”) will be responsible for the approval of all transportation modeling variables used in the Orange County Transportation Analysis Model (“OCTAM”) at the Traffic Analysis Zone level. The transportation modeling variables shall be consistent with the Orange County Projections, as approved by the Orange County Council of Governments and the County of Orange at the Regional Statistical Area Level. The OCTA and SCAG will exercise user agreements for their consultants to access the transportation modeling variables.

### 3. Duration and Terminations

This agreement will become effective upon execution and ends on June 30, 2029. A review of the performance of the Center for Demographic Research in meeting its obligations under this MOU will be conducted by the Management Oversight Committee throughout the term July 2026 through June 2029. This MOU may be extended and/or amended by mutual agreement of all signatories.

A party may terminate its participation under this MOU by giving each of the other parties sixty (60) days written notice thereof. Upon said notice of termination, the SPONSOR or CONTRIBUTING PARTNER terminating its participation shall pay the balance of fees owed by the SPONSOR or CONTRIBUTING PARTNER for that given fiscal year. In the event that ASC wishes to terminate its participation, it shall reimburse the SPONSORS and CONTRIBUTING PARTNERS any advance payments, less an amount to cover expenses related to work in progress and less costs reasonably necessary to effect such termination. If a party wishes to withdraw from the agreement, said notice shall be affected by delivery of such notice in person or by depositing said notice in the United States mail, registered or certified mail, return receipt required, postage prepaid.

### 4. Funding and Schedule

Respective fees shall be as follows for the following fiscal year:

| <b>Payment Schedule for 2026-2029</b>           | <b>2026-2027</b>      | <b>2027-2028</b>      | <b>2028-2029</b>      | <b>Three-Year Total</b> |
|---|-----------------------|-----------------------|-----------------------|-------------------------|
| County of Orange                                | \$154,544.00          | \$160,616.00          | \$171,312.00          | \$486,472.00            |
| Orange County Council of Governments            | \$154,544.00          | \$160,616.00          | \$171,312.00          | \$486,472.00            |
| Orange County Transportation Authority          | \$154,544.00          | \$160,616.00          | \$171,312.00          | \$486,472.00            |
| Transportation Corridor Agencies                | \$154,544.00          | \$160,616.00          | \$171,312.00          | \$486,472.00            |
| Southern California Association of Governments  | \$154,544.00          | \$160,616.00          | \$171,312.00          | \$486,472.00            |
| Municipal Water District of Orange County       | \$77,272.00           | \$80,308.00           | \$85,656.00           | \$243,236.00            |
| Orange County Water District                    | \$77,272.00           | \$80,308.00           | \$85,656.00           | \$243,236.00            |
| Orange County Local Agency Formation Commission | \$21,000.00           | \$21,000.00           | \$21,000.00           | \$63,000.00             |
| Orange County Sanitation District               | \$77,272.00           | \$80,308.00           | \$85,656.00           | \$243,236.00            |
| <b>NON-CSUF TOTAL</b>                           | <b>\$1,025,536.00</b> | <b>\$1,065,004.00</b> | <b>\$1,134,528.00</b> | <b>\$3,225,068.00</b>   |
| California State University, Fullerton          | \$218,899.85          | \$225,862.95          | \$236,229.94          | \$680,992.74            |
| <b>TOTAL</b>                                    | <b>\$1,244,435.85</b> | <b>\$1,290,866.95</b> | <b>\$1,370,757.94</b> | <b>\$3,906,060.74</b>   |

Payments shall be made in accordance with invoicing policies of the ASC according to the schedule below. SPONSORS and CONTRIBUTING PARTNERS will be invoiced at the beginning of each quarter. Quarterly payments equal to 25% of the annual fees shall follow invoices submitted according to the calendar below:

Fiscal Year 2026/2027: July 2026, October 2026, January 2027, April 2027  
 Fiscal Year 2027/2028: July 2027, October 2027, January 2028, April 2028  
 Fiscal Year 2028/2029: July 2028, October 2028, January 2029, April 2029

SPONSORS and CONTRIBUTING PARTNERS shall pay one-quarter of their annual fees upon receipt of said invoices or may prepay for an entire fiscal year. Prepayment does not imply a discounted rate.

5. Administrative Representatives

A. The Principal Investigator for the operations and management of the Center for Demographic Research and the conduct of this MOU is Deborah Diep, Director. The Assistant Director, Rubaiya Zaman, will serve as the Principal Investigator in the Director's absence. They are authorized to negotiate supplemental services with the SPONSORS, CONTRIBUTING PARTNERS, and Non-sponsors as noted in Section VII. Joshua Bilbrew, Associate Director of Sponsored Programs, Office of Research and Sponsored Programs is designated as the administrative representative for the ASC. Should the Principal Investigators become unavailable for any reason, no other Principal Investigator shall be chosen by CSUF or the ASC without the approval of the SPONSORS. Furthermore, the ASC agrees that the Management Oversight Committee shall make the recommendation on the selection of the Director or interim Director of the Center for Demographic Research and no Director or interim Director shall be appointed without approval of the Management Oversight Committee. The Management Oversight Committee will serve as the search committee if a search committee for the Director is required by the ASC.

B. Equipment and furniture purchased by ASC under the terms of this MOU shall remain the property of the SPONSORS. In the event that the Center for Demographic Research is disbanded, the equipment remains the property of the SPONSORS and the Management Oversight Committee shall determine its disposition.

C. Databases and applications developed and maintained for the Center for Demographic Research purposes shall remain under control of the SPONSORS. In the event that Center for Demographic Research is relocated from CSUF, all Center for Demographic Research functions and designations shall accompany the Center for Demographic Research.

6. Additional Sponsorships and Revenues

Other agencies and entities can become sponsors or contributing partners of the Center for Demographic Research with unanimous agreement among the SPONSORS as determined by a vote of the Management Oversight Committee. Adjustments in sponsor fees found necessary resulting from the addition of sponsors shall be determined by the Management Oversight Committee with consultation from the Center for Demographic Research Principal Investigators.

The disposition of additional revenues generated through additional sponsors, and the sale of products and services to non-sponsors shall be determined by the Management Oversight Committee. The additional funds shall be prorated according to the respective sponsor fee. SPONSORS shall have the option of expending their share of the additional funds on CDR activities, products or equipment or having the funds returned to the SPONSORS at the end of the fiscal year.

7. Products and Deliverables

- A. The Center for Demographic Research will produce the identified core Demographic Products and Services as described in Attachment 2 and listed in Attachment 3. Each SPONSOR will receive ten (10) copies in printed form and one (1) copy of estimates and projections in electronic form.
- B. The SPONSORS and CONTRIBUTING PARTNERS have the right to request supplemental products and support services from the Center for Demographic Research through a purchase order. Projects above the amount of \$35,000 shall be approved by the ASC. Such purchases may be entered into if the SPONSOR or CONTRIBUTING PARTNER agrees to pay ASC all additional costs resulting from the additional products or services, including an indirect cost of 22%, and if the activities do not interfere with the normal functioning of the CDR. If requests for additional products or services require interference with the normal functioning of the CDR as determined by the Management Oversight Committee or additional resources from the CDR's basic budget the proposal for such products and services will be forwarded to the Management Oversight Committee for their advice and consent prior to finalization of the agreement. In all cases, supplemental work for SPONSORS and CONTRIBUTING PARTNERS shall be assessed indirect costs of 22%.
- C. Non-sponsors can contract with the Center for Demographic Research through the ASC for its services or obtain supplemental products and support services from the Center for Demographic Research through a Non-sponsor purchase order. A list of these projects will be submitted to the MOC on a quarterly basis. If the Director assesses a proposed project contains a conflict of interest, conflict of time commitment, or interference with the normal functioning of CDR, the Management Oversight Committee will be informed of the request for services and will review it for any potential conflicts. The Director shall notify the Management Oversight Committee of any such proposed agreement and provide the committee with draft text and budget, before the intended start of work. The Management Oversight Committee shall review the proposed project for possible conflicts of interests, conflicts of time commitment, and budgetary adequacy. The Management Oversight Committee may at its discretion impose a surcharge of funds to be used at its discretion. Action on these matters may be taken only with the concurrence of a majority of the members of the Management Oversight Committee and all such supplemental work for Non-sponsors shall be assessed normal indirect costs of 35.5% unless negotiated otherwise.

- D. Use of revenues generated by the sale of products produced by the Center for Demographic Research shall be determined by the Management Oversight Committee. A quarterly report on product sales will be presented to the Management Oversight Committee.
- E. Additional projects should not adversely affect the schedule of deliverables unless otherwise agreed to by the Management Oversight Committee.

## 8. Sponsorship

This Agreement shall be signed by all SPONSORS and CONTRIBUTING PARTNERS by June 30, 2026 with the exception of the Southern California Association of Governments. The Southern California Association of Governments shall sign this Agreement by September 30, 2026. If all SPONSORS and CONTRIBUTING PARTNERS listed in Section XVIII do not sign by September 30, 2026, the work program and budget will be modified to reflect the committed funding. If any SPONSOR or CONTRIBUTING PARTNER does not sign this Agreement, the funding amounts of the remaining SPONSORS and CONTRIBUTING PARTNERS will not change. The remaining SPONSORS and CONTRIBUTING PARTNERS are not required to make up the difference in the reduced budget. Any SPONSOR or CONTRIBUTING PARTNER listed as an ORANGE COUNTY INTEREST that does not sign this Agreement forfeits all rights, services, and privileges as a CDR SPONSOR or CONTRIBUTING PARTNER unless otherwise negotiated. A formal status report on execution will be delivered at each Management Oversight Committee meeting until all SPONSORS and CONTRIBUTING PARTNERS sign this Agreement.

## 9. Liability and Insurance

Each party to this MOU hereby assumes any and all risks for personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees, and agents thereof. ASC warrants that it has adequate Worker's Compensation Insurance and liability insurance for its own employees. The ASC, the SPONSORS (the County of Orange, Transportation Corridor Agencies, Orange County Transportation Authority, Municipal Water District of Orange County, Orange County Water District, Orange County Council of Governments, and Southern California Association of Governments), and the CONTRIBUTING PARTNERS (the Orange County Local Agency Formation Commission and Orange County Sanitation District) agree to indemnify and hold each other, their respective officers, employees, students, agents, harmless from and against all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from negligent or intentional acts or omissions of the indemnifying party, its officers, employees, students or agents.

10. Independent Contractor

In the performance of all services and obligations under this agreement, SPONSORS, CONTRIBUTING PARTNERS, and ASC shall act as independent contractors. None shall be considered an employee or agent of the other.

11. Use of Names

SPONSORS and CONTRIBUTING PARTNERS agree not to use the names of the ASC or CSUF in any commercial connection with work performed under this Agreement without prior written permission from the ASC. SPONSORS and CONTRIBUTING PARTNERS may use said names in ordinary internal business reports concerning this Agreement and may use the names of the Center for Demographic Research and the Principal Investigators in non-commercial publicity announcing the results of the project.

ASC agrees not to use the names of SPONSORS and/or CONTRIBUTING PARTNERS in any commercial connection with this work without prior written permission from SPONSORS and/or CONTRIBUTING PARTNERS. ASC may use SPONSORS' and/or CONTRIBUTING PARTNERS' name in ordinary internal business reports concerning this agreement and in non-commercial publicity announcing the awarding of the contract.

The provisions of this Section of the Agreement shall survive for two (2) years beyond any termination date specified in Section III or any extension thereof.

12. Force Majeure

SPONSORS, CONTRIBUTING PARTNERS, and ASC shall not be liable or deemed to be in default for any delay or failure in performance under this Agreement or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, strikes, labor disputes, or any similar cause beyond the reasonable control of SPONSORS, CONTRIBUTING PARTNERS, or ASC, provided the affected party notifies the other party of the delay in writing within ten days of the onset of the delay.

13. Assignment

This Agreement shall inure to the benefit of and be binding upon and enforceable by the parties and their successors and permitted assigns. However, neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other.

14. Modification and Waiver

None of the terms of the Agreement may be waived or modified except by an express agreement in writing signed by SPONSORS, CONTRIBUTING PARTNERS, and ASC. Modifications not documented in writing cannot be enforced. The failure or delay of

either party in enforcing any of its rights under this Agreement shall not be deemed a continuing waiver or a modification by such party of such right.

15. Governing Law

The validity and interpretation of this Agreement shall be governed by the laws of the State of California.

16. Federal Statutes Relating to Nondiscrimination

ASC will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S. C. sections 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S. C. section 794), which prohibits discrimination on the basis of handicaps; (d) Age discrimination Act of 1975, as amended (42 U.S.C. sections 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (P.O. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-d and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. section 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (I) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirement of any other federal nondiscrimination statute(s) which may apply to the application.

17. Execution of MOU

This MOU, or any amendment related thereto, may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. The signature page of this MOU or any amendment may be executed by way of a manual or authorized digital signature. Delivery of an executed counterpart of a signature page to this MOU or an amendment by electronic transmission scanned pages shall be deemed effective as a delivery of a manually or digitally executed counterpart to this MOU or any amendment.

18. Special Terms and Conditions

ASC, SPONSORS, and CONTRIBUTING PARTNERS agree to comply with other Special Provisions as outlined in Attachment 4 if applicable and where a Subconsultant shall provide engineering and design related or other work that are part of services provided by ASC, SPONSOR or CONTRIBUTING PARTNER, serving as recipient (as

defined in Uniform Guidance 2 CFR § 200.1) or subrecipient (as defined in Uniform Guidance 2 CFR § 200.1) of Federal assistance.

19. Notices

Notices under this agreement shall be provided via email to the individuals listed below:

For SPONSORS:

Linh Ly  
County of Orange  
400 W. Civic Center Drive, Fifth Floor  
Santa Ana, CA 92701  
linh.ly@ceo.oc.gov

Brian Probolsky  
Orange County Council of Governments  
3972 Barranca Pkwy, Suite J-127  
Irvine, CA 92606  
brian@occog.com

Anup Kulkarni  
Orange County Transportation Authority  
550 S. Main Street, 2nd Floor  
Orange, CA 92868  
akulkarni@octa.net

Kome Ajise  
Southern California Association of Governments  
c/o Jeffery Elder, SCAG Chief Counsel  
900 Wilshire Blvd., Suite 1700  
Los Angeles, CA 90017  
elder@scag.ca.gov

Stephanie Blanco  
Transportation Corridor Agencies  
125 Pacifica, Suite 100  
Irvine, CA 92618-3304  
sblanco@thetollroads.com

Harvey De La Torre  
Municipal Water District of Orange County  
18700 Ward Street  
Fountain Valley, CA 92728  
hdelatorre@mwdoc.com

John Kennedy  
Orange County Water District  
18700 Ward Street  
Fountain Valley, CA 92728-8300  
JKennedy@ocwd.com

Laleh Graylee  
Administration and Finance, California State University, Fullerton  
800 N. State College Blvd., LH-802  
Fullerton, CA 92831-3599  
lgraylee@fullerton.edu

For CONTRIBUTING PARTNERS:

Luis Tapia  
Orange County Local Agency Formation Commission  
2677 N. Main Street, Suite 1050  
Santa Ana, CA 92705  
ltapia@oclafco.org

Robert Thompson  
Orange County Sanitation District  
18480 Bandilier Circle  
Fountain Valley, CA 92708  
rthompson@ocsan.gov

For CSU FULLERTON AUXILIARY SERVICES CORPORATION:

Joshua Bilbrew, Associate Director of Sponsored Programs  
CSU Fullerton Auxiliary Services Corporation  
1121 N. State College Blvd.  
Fullerton, CA 92831-3014  
jbilbrew@fullerton.edu





**Attachment 1: Center for Demographic Research  
DRAFT Budget: July 1, 2026 through June 30, 2029**

|    |   | <u>2026-27</u>        | <u>2027-28</u>        | <u>2028-29</u>        |                       |
|----|---|-----------------------|-----------------------|-----------------------|-----------------------|
| 1  | Salaries  | \$574,363.00          | \$600,818.00          | \$642,544.00          |                       |
| 2  | Benefits  | \$242,562.00          | \$254,958.00          | \$270,218.00          |                       |
| 3  | Supplies  | \$5,500.00            | \$5,500.00            | \$5,500.00            |                       |
| 4  | Printing & Publications   | \$17,500.00           | \$17,500.00           | \$11,000.00           |                       |
| 5  | Meetings, Mileage, & Training   | \$2,100.00            | \$2,100.00            | \$2,100.00            |                       |
| 6  | Equipment, GIS Data Licenses & Virtual Data Server  | \$12,513.00           | \$12,513.00           | \$12,513.00           |                       |
| 7  | <b>Expenses</b>   | <b>\$854,538.00</b>   | <b>\$886,889.00</b>   | <b>\$943,875.00</b>   |                       |
| 8  | Federally negotiated Indirect Cost (IDC) / Overhead: 35.5% <sup>1</sup>                           | \$303,361.00          | \$314,845.00          | \$335,076.00          |                       |
| 9  | Office space rent (not subject to IDC)  | \$86,536.85           | \$89,132.95           | \$91,806.94           |                       |
| 10 | <b>(A) Gross Total Program Costs</b>  | <b>\$1,244,435.85</b> | <b>\$1,290,866.95</b> | <b>\$1,370,757.94</b> |                       |
| 11 | Contributions toward IDC  |                       |                       |                       |                       |
| 12 | Non-CSUF SPONSORS/Contributing Partner (22.0%)  | \$187,998.00          | \$195,115.00          | \$207,653.00          |                       |
| 13 | CSUF contribution (IDC reduction from 35.5% to 22%)   | \$115,363.00          | \$119,730.00          | \$127,423.00          |                       |
| 14 | Total Indirect Cost (IDC) / Overhead  | \$303,361.00          | \$314,845.00          | \$335,076.00          |                       |
| 15 | <b>CSUF Contribution Summary</b>  |                       |                       |                       |                       |
| 16 | Office space rent: 100% <sup>1</sup> (60% paid from IDC; 40% paid by university)                  | \$86,536.85           | \$89,132.95           | \$91,806.94           |                       |
| 17 | Administrative Asst. salary support from HSS Dean <sup>2</sup>                                    | \$17,000.00           | \$17,000.00           | \$17,000.00           |                       |
| 18 | Subtotal of CSUF Monetary Contributions   | \$103,536.85          | \$106,132.95          | \$108,806.94          |                       |
| 19 | IDC / Overhead (Rate reduction from 35.5% to 22%) <sup>3</sup>                                    | \$115,363.00          | \$119,730.00          | \$127,423.00          |                       |
| 20 | <b>(B) Total CSUF Contribution</b>  | <b>\$218,899.85</b>   | <b>\$225,862.95</b>   | <b>\$236,229.94</b>   |                       |
| 21 | <b>NET CDR BUDGET TOTAL: (A) - (B)</b>  | <b>\$1,025,536.00</b> | <b>\$1,065,004.00</b> | <b>\$1,134,528.00</b> |                       |
| 22 | Contributing Partner (no seat): LAFCO   | \$21,000.00           | \$21,000.00           | \$21,000.00           |                       |
| 23 | Contributing Partner (no seat, equiv. to 1/2 seat): OC San  | \$77,272.00           | \$80,308.00           | \$85,656.00           |                       |
| 24 | Cost per full Sponsorship Seat to cover full budget=<br>(Net Budget - LAFCO)/ 6.5 seat equivalent | \$154,544.00          | \$160,616.00          | \$171,312.00          |                       |
|    | <b>Number of Seats</b>  |                       |                       |                       |                       |
| 25 | COUNTY  | 1                     | \$154,544.00          | \$160,616.00          | \$171,312.00          |
| 26 | OCCOG   | 1                     | \$154,544.00          | \$160,616.00          | \$171,312.00          |
| 27 | OCTA  | 1                     | \$154,544.00          | \$160,616.00          | \$171,312.00          |
| 28 | TCA   | 1                     | \$154,544.00          | \$160,616.00          | \$171,312.00          |
| 29 | SCAG  | 1                     | \$154,544.00          | \$160,616.00          | \$171,312.00          |
| 30 | MWDOC <sup>4</sup>  | 0.5                   | \$77,272.00           | \$80,308.00           | \$85,656.00           |
| 31 | OCWD <sup>4</sup>   | 0.5                   | \$77,272.00           | \$80,308.00           | \$85,656.00           |
| 32 | CSUF  | 1                     | see above             | see above             | see above             |
| 33 | OC San  | 0                     | \$77,272.00           | \$80,308.00           | \$85,656.00           |
| 34 | LAFCO   | 0                     | \$21,000.00           | \$21,000.00           | \$21,000.00           |
| 35 | <b>TOTAL</b>  | <b>7</b>              | <b>\$1,025,536.00</b> | <b>\$1,065,004.00</b> | <b>\$1,134,528.00</b> |

<sup>1</sup>IDC/Overhead covers direct and indirect support services of CSUF ASC and 60% of space rent.

<sup>2</sup>Monetary contribution.

<sup>3</sup>Non-monetary contribution (rate reduction); not included in IV. Funding and Schedule: Payment Schedule for 2026-2029, Page 4.

<sup>4</sup>MWDOC and OCWD partner to fund one sponsor seat.

## **Attachment 2**

### **Proposed CDR 2026-2029 Services and Products**

#### **REPORTS**

##### **Orange County Progress Report**

Produce an annual Orange County Progress Report. This document presents a unified and a comprehensive picture of Orange County and its 34 cities including its economic health, its demographic status and trends, and other information of interest to those who might wish to relocate to Orange County, do business in the County, or otherwise have an interest in the economic and demographic status and future of Orange County.

##### **Orange County Projections**

Complete OCP-2026 dataset and adoption. Following the adoption of OCP-2026, produce a report containing assumptions, tables, charts, maps, and methodology. Preparation and development of OCP-2030 and its base year data will begin during this three-year MOU. OCP-2030 will include Tier 3/city TAZ level for three cities (Anaheim, Irvine, and Newport Beach) that volunteered to participate in the OCP-2022 pilot Tier 3 program. This data will also be provided to SCAG for use in their modeling efforts at the Tier 3 level. The OCP dataset contains population, housing, and employment projections by 2020 census tract, jurisdiction, Community Analysis Area, and Regional Statistical Area for a 25-year period. This iteration will include agency boundaries for MWDOC & OCWD.

##### **Orange County Facts and Figures**

Update quarterly the Orange County Facts and Figures. This document focuses on the most frequently asked questions about Orange County demographics and related information.

##### **Boundary and Annexation Report**

Working with information provided by OC LAFCO, CDR staff will produce an annual report of the jurisdictional boundary changes. This multi-page report will contain a map of the year-to-year boundary changes and a table listing the area change and specific annexations and incorporations for each calendar year. Detailed annexation and vicinity maps from OC LAFCO's approved changes of organization documents will also be included in the report. For ease of reference and to make the information publicly available, the report will be posted on OC LAFCO's website.

##### **Housing Activity Report**

Using information from the Housing Inventory System (HIS), CDR staff will produce an annual report on the housing construction and demolition activity by jurisdiction. Information will be released in aggregate form at the jurisdiction level in a PDF.

## **PUBLIC INFORMATION SERVICES**

### **Provide Public Information on Orange County Demographics as Requested**

Provide information in response to numerous requests made by government agencies, elected officials, private companies, non-profit organizations, schools, students, and citizens regarding demographic and related information about Orange County.

### **Maintain CDR Website**

Update the information currently on the CDR website on a regular basis and expand as information becomes available. CDR will continue to host the Orange County Data Acquisition Partnership (OCDAP) website as a subsite to CDR's website.

### **Provide Information and Analysis to News Media**

Provide information, description, interviews, and analysis of demographics to news media to assist them in doing stories where demographics is the focus.

### **Update RHNA Allocations**

Develop allocations of 2020 RHNA for annexations and incorporations as requested. Provide data support to local jurisdictions and SCAG during development of the 2028 RHNA. Monitor RHNA development process to ensure Orange County data is incorporated.

### **Process Decennial Census and American Community Survey Data**

Process Bureau of Census data as it pertains to development of the Orange County Projections and at the request of CDR Sponsors.

### **State Data Center Affiliate**

The CDR will serve as a State Data Center Affiliate to the Demographic Research Unit of the California Department of Finance. As an Affiliate, CDR will assist the SDC and Orange County in disseminating census data and improving public access to census data products consistent with services CDR already provides.

## **DATA BASES**

### **Housing Inventory System**

The Housing Inventory System (HIS) is a data system that includes all changes to each jurisdiction's housing stock, including changes to accessory dwelling units. Data is collected at the address level and converted into a GIS database by geocoding. After geocoding, quality analysis efforts include tying activity to parcels and building footprints. Depending on the jurisdiction, different documents are used to record added units including certificates of use and occupancy, utility release log, or building final documents. Demolitions and conversions may be recorded through other recordation. Changes to the mobile home inventory will be verified with HCD data. This project includes an annual review and sign off process by each jurisdiction of their geocoded data to ensure accuracy.

### **Census Data by Partial TAZ**

Update the correspondence tables of 2020 Census blocks to the TAZs after release of Census Bureau data and GIS shapefiles. As the various census files become available, transportation modeling variables and other key variables useful for projecting the modeling variables will be aggregated to TAZ.

### **Calibrate Age Cohort Component, Shift-Share and Headship Rate Models**

Based on data from the Census Bureau, DOF, and EDD data, calibrate the models used to project county-wide population, housing and employment.

### **Master Polygon File**

Update master polygon file based on the 2020 Census block file for use in development of OCP dataset and annual population and housing unit estimates. Allocate Census block data to TAZ, CAA, RSA, MWDOC and OCWD. Working with information from OC LAFCO, the master polygon file will be updated annually to include changes to agency boundaries: jurisdiction, MWDOC and OCWD.

### **Population and Housing Estimates by TAZ (OCP)**

Estimates of population and housing by unit type will be developed using the 2020 Census and American Community Survey data at the split TAZ. From 2014 onwards, housing unit changes will be geocoded and aggregated to the TAZ. Annual estimates of population and housing will be produced by TAZ for maintenance of the OCP base file.

### **Annual Population and Housing Estimates by Partial Census Tract and Sponsor Agency**

Estimates of population and housing units developed using the 2020 Census for each of the special district sponsors will be updated annually. From 2014 onwards, annual estimates (January 1) of population and housing will be produced by partial census tract and for each of the special district sponsor agencies: MWDOC and OCWD.

### **Project Total County Population, Housing, and Employment**

Draft assumptions for OCP-2030 will be developed and reviewed by the CDR TAC starting in this three-year MOU. These will then be incorporated into the macro-level models used to project population, housing, and employment. The resulting projections will be reviewed by the CDR TAC and MOC and then brought to the OCCOG TAC and Board for approval as the controls totals for OCP-2030 in the subsequent MOU cycle.

### **Projected Population, Housing and Employment by TAZ (OCP)**

Preparation and development of OCP-2030 will begin during this MOU cycle. Countywide population, housing, and employment for years ~2028 through ~2055 will be allocated to Traffic Analysis Zones split by jurisdictions. Following the allocation, extensive review and refinement will occur to assure the accuracy of the projections.

## **Secondary Variables by TAZ (OCTAM)**

Completion of the OCTAM data for OCP-2026 will occur in this MOU cycle. The basic projected population, housing, and employment from OCP-2026 will be expanded to the 14 OCTAM variables. These variables will include resident population, group quarters population, employed residents, median income, occupied single-family dwelling units, occupied multiple-family dwelling units, household size, retail employment, service employment, K-12 public school employment, all other employment, school enrollment, university enrollment, and area. Preparation of the base year OCTAM data for OCP-2030 will begin in this MOU cycle; this will include work with OCTA on a disaggregation of the service employment category into two subcategories for the OCP-2030 base year estimates and exploration of including the subunits in the OCP modeling dataset projection years.

## **Entitlement Dataset & Support Services**

Provide support to Orange County jurisdictions in the development of the entitlements database and other data requested by SCAG during the development of the 2028 and 2032 RTP/SCS. Monitor development process to ensure Orange County data is incorporated.

## **Consolidated Boundary and Annexation Program (CBAS)**

CDR staff will report annual jurisdictional boundary and feature changes through the voluntary program of the U.S. Census Bureau that allows for a consolidated annual review of jurisdiction boundaries. This review will be done using the official County Surveyor/OC LAFCO jurisdiction GIS boundary file. Orange County jurisdictions will be able to opt in or out of this CDR service annually. CDR will notify each participating jurisdiction and OC LAFCO of the outcome of the BAS review, i.e., whether there were any areas where jurisdiction boundaries needed to be corrected.

## **Building Footprints**

Using the building footprint geodatabase deliverable accessed through OCDAP, for CDR's internal use, CDR will work to append and expand the building footprint attributes in Orange County by general use type, e.g., residential (with ADUs; using CDR's HIS address-level housing activity geodatabase), employment, schools, and accessory structures like carports.

## **COMMITTEES**

### **Participate in Sponsor Technical Advisory Committees as Requested**

Participate in appropriate Sponsor technical advisory committees, such as OCCOG TAC, County's Demographic Steering Committee, OCTA's Modeling TAC, Orange County Data Acquisition Partnership Steering and Technical Advisory Committee, and SCAG's Technical Working Group and other regional working groups.

### **Coordinate with SCAG and SCAG Committees**

This service revolves around the incorporation of OCP into the SCAG growth forecast. This service includes participation in SCAG expert panels and workshops to develop assumptions for their population and employment projections; monitoring the discussions relevant to the development of SCAG's growth forecast at SCAG policy committees and subregional coordinator meetings; and coordinating with relevant SCAG staff on this issue.

## **Coordinate with University Research Centers**

CDR staff will coordinate with UCI and Chapman University research centers to ensure consistency between the CDR's forecast and estimates and those produced by these institutes.

### **2026-2029 CONTRIBUTING PARTNER LAFCO-FUNDED PROJECTS:**

**Sphere of Influence Estimates:** CDR will update its master polygon file on an annual basis with changes to the county islands and sphere of influence (SOI) boundaries. CDR will produce annual estimate of January 1 population, housing, and acreage for each of the county islands, 2020 Census Designated Places (CDPs) and SOI polygons upon completion of the annual Housing Inventory System to maintain this information in preparation for OC LAFCO's municipal service reviews. This effort includes updates covering the period from current January 1 back to the most recent Decennial Census using population control totals from the State Department of Finance.

**Disadvantaged Unincorporated Communities (DUCs):** On an annual basis after the ACS 5-year block group data is released, CDR will calculate and identify the Disadvantaged Unincorporated Communities (DUCs) within Orange County based on LAFCO's definition. Each year, CDR will provide LAFCO with a shapefile of the DUCs in Orange County and a shapefile of the DUC portions within the unincorporated portions of Orange County. The first regular annual deliverable began in January 2024.

**Boundary and Annexation Report:** Working with OC LAFCO over the three-year MOU cycle, CDR will attempt to build a historical reference collection of these reports going back to 2000 as information is available.

### **2026-2029 CONTRIBUTING PARTNER OC SAN-FUNDED PROJECT: Population Estimates**

CDR will update its master polygon file on an annual basis with changes to the OC San boundaries. CDR will produce annual estimate of January 1 population upon completion of the annual Housing Inventory System. This effort includes updates covering the period from current January 1 back to the most recent Decennial Census using population control totals from the State Department of Finance.

## **NEW PROJECTS & SERVICES**

### **Annual Accessory Dwelling Unit (ADU) Report**

Using information from the Housing Inventory System (HIS), CDR staff will produce an annual report on the housing construction and demolition activity by jurisdiction of Accessory Dwelling Units (ADUs). This will include annual activity for multiple years for the 35 jurisdictions and Orange County. Information will be released in aggregate form at the jurisdiction level in a PDF.

### **2030 Decennial Census Geographic Support**

The CDR will participate in the geographic program updates leading up to the 2030 Decennial Census. These will include programs such as the Local Update to Census Addresses (LUCA) program; Block Boundary Suggestion Project (BBSP); and Participant Statistical Area Program (PSAP) to update block group, census tract, and CDP boundaries.

**Attachment 3**

Proposed Draft Work Program 7/2026 - 6/2029

|  | 07/26 | 10/26 | 01/27 | 04/27 | 07/27 | 10/27 | 01/28 | 04/28 | 07/28 | 10/28 | 01/29 | 04/29 | 07/29 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| OC Facts and Figures                   |       | ▲     | ▲     | ▲     | ▲     | ▲     | ▲     | ▲     | ▲     | ▲     | ▲     | ▲     | ▲     |
| OC Progress Report                     | ▲     |       |       |       | ●     | ■     | ▲     |       |       |       | ●     | ■     | ▲     |
| Boundary & Annexation Report           |       |       |       | ▲     |       |       |       | ▲     |       |       |       | ▲     |       |
| Housing Activity Report                |       | ▲     |       |       |       | ▲     |       |       |       | ▲     |       |       |       |
| ADU Report                             |       | ▲     |       |       |       | ▲     |       |       |       | ▲     |       |       |       |
| OC Projections 2026 & Report           | ■     | ■     | ▲     |       |       |       |       |       |       |       |       |       |       |
| OCP 2026 secondary variables           | ■     | ■     | ■     | ▲     |       |       |       |       |       |       |       |       |       |
| Census Data by TAZ                     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| Append Building Footprints             | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| Pop & Housing by TAZ                   | ●     | ■     | ■     | ▲     | ■     | ■     | ▲     | ■     | ■     | ■     | ■     | ■     | ▲     |
| Employment by TAZ                      | ■     | ■     | ■     | ■     | ■     | ■     | ▲     |       |       |       |       | ●     | ■     |
| Housing Inventory System               | ■     | ■     | ■     | ▲     | ■     | ■     | ■     | ▲     | ■     | ■     | ■     | ■     | ▲     |
| Pop & Housing by Partial CT            | ■     | ■     | ■     | ▲     | ■     | ■     | ■     | ▲     | ■     | ■     | ■     | ■     | ▲     |
| Special District Annual Estimates      | ▲     |       |       | ●     | ■     | ▲     |       | ●     | ■     | ▲     |       | ●     | ■     |
| Calibrate Demog & Econ Models          |       |       | ●     | ■     | ■     | ▲     |       |       |       |       |       |       |       |
| Consolidated Boundary & Annexation     |       | ●     | ■     | ▲     |       | ●     | ■     | ▲     |       | ●     | ■     | ▲     |       |
| Public Information                     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| Maintain CDR Homepage                  | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| Info for Media                         | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| Process Census Info                    | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| State Data Center Affiliate support    | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| RHNA Allocations                       | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| 2030 Census Geographic Support         | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| Entitlement Dataset & Support Services | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     | ■     |
| OC LAFCO Annual Population Estimates   | ▲     |       |       | ●     | ■     | ▲     |       | ●     | ■     | ▲     |       | ●     | ■     |
| OC LAFCO Disadvantaged Communities     | ●     | ▲     | ●     | ■     | ▲     |       | ●     | ■     | ▲     |       | ●     | ■     | ▲     |
| OC San Annual Population Estimates     | ▲     |       |       | ●     | ■     | ▲     |       | ●     | ■     | ▲     |       | ●     | ■     |

● Startup  
▲ Milestone/Completion

## Attachment 4: Special Terms and Conditions

### 1. Invoicing for Payment

Prompt Payment to Subconsultants, if applicable: ASC or Subconsultant shall pay any sub-tier consultant for satisfactorily completed work no later than ten (10) days of receipt of each payment from SPONSOR or CONTRIBUTING PARTNER unless a longer period is agreed to in writing. Any delay or postponement of payment over thirty (30) calendar days may take place only for good cause and with SPONSOR or CONTRIBUTING PARTNER's prior written approval. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the ASC or Subconsultant in the event of a dispute involving late payment or nonpayment by the ASC, deficient subconsultant performance, and/or noncompliance by a subconsultant. This clause applies to both Disadvantaged Business Enterprise (DBE) and non-DBE subconsultants.

### 2. Written and Electronic Versions of Work Products and Related Work Materials

All work products produced under the Agreement shall contain the following disclaimer:

*“The preparation of this report has been financed in part through grant(s) from the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) through the U.S. Department of Transportation (DOT). The contents of this report reflect the views of the author who is responsible for the facts and accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of CDR Sponsors, Contributing Partners, or DOT. This report does not constitute a standard, specification or regulation.”*

### 3. Compliance with Laws, Rules, and Regulations

ASC shall perform all services under the Agreement in accordance and in full compliance with all applicable Federal, State and local statutes, rules, regulations, and policies and procedures and shall secure and maintain all licenses or permits required by law.

### 4. Contingency Fees or other Unlawful Consideration

a. ASC certifies, by execution of this MOU, except bona fide employees or bona fide established commercial or selling agencies maintained by ASC for the purpose of securing business, no person or external agency has been employed or retained by ASC to solicit or secure the Agreement for a commission, percentage, brokerage, or contingency fee for breach or violation of this warranty, SPONSOR or CONTRIBUTING PARTNER has the right in its sole discretion to terminate its partnership from the Agreement with its only obligation to pay for the value of the work actually performed, or to deduct from the Agreement price, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingency fee.

b. ASC further certifies that the Agreement was not obtained or secured through rebates,

kickbacks or other unlawful consideration either promised or paid to any SPONSOR or CONTRIBUTING PARTNER employee. For breach or violation of this warranty, SPONSOR or CONTRIBUTING PARTNER shall have the right, in its discretion, to terminate its partnership from the Agreement without liability, to pay only for the value of work performed, or to deduct from the Agreement price or otherwise recover the full amount of each rebate, kickback or other unlawful consideration.

#### 5. Records Retention and Audits

- a. ASC and its Subconsultant(s), if applicable, shall maintain all source documents, books, and records connected with their performance of the Agreement for a minimum of three (3) years from the date that SPONSOR or CONTRIBUTING PARTNER makes final payment to ASC or until audit resolution is achieved for each annual OWP Agreement (between SPONSOR or CONTRIBUTING PARTNER and Caltrans), whichever is later, and all other related, pending matters are closed.
- b. ASC shall establish and maintain, an accounting system conforming to Generally Accepted Accounting Principles (GAAP) to support invoices which segregate and accumulate the costs of the applicable Project Number(s) by line item and produce Quarterly Reports which clearly identify reimbursable costs and other expenditures related to such Project Number(s).
- c. Upon request, at any time during normal business hours and as often as SPONSOR or CONTRIBUTING PARTNER, The State Controller, County Auditors (in SCAG region), or other government agencies or any duly authorized representative may deem necessary, ASC shall make available for examination all of its records with respect to all matters covered by the Agreement for purposes of audit, examination, or to make copies or transcripts of such records, including, but not limited to, contracts, invoices, payrolls, personnel records, conditions of employment and other records relating to all matters covered by the Agreement. Such records and access to the facilities and premises of ASC shall be made available during the period of performance of the Agreement, and for a minimum of four (4) years following the close of SPONSOR or CONTRIBUTING PARTNER's Fiscal Year.
- d. ASC agrees and shall require that all of its agreements with Subconsultant(s), if applicable, contain provisions requiring adherence to this section in its entirety.

#### 6. Federal and State Lobbying Activities Certification

- a. ASC certifies, to the best of its knowledge and belief, that no State or Federal funds have been paid or will be paid, by or on behalf of SPONSOR or CONTRIBUTING PARTNER, to any person for influencing or attempting to influence an officer or employee of any State or Federal agency, a Member of the State Legislature or United States Congress, an officer or employee of the Legislature or Congress, or any employee of a Member of the Legislature or Congress in connection with the awarding of any State or Federal contract, the making of any State or Federal grant, the making of any Federal loan, the entering

into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any State or Federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than State or Federal funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, ASC shall complete and submit Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with those form instructions.
- c. This certification is a material representation of fact, upon which reliance was placed when the Agreement was entered into. Submission of this certification is a prerequisite for making or entering into the Agreement pursuant to 31 U.S.C. 1352.
- d. ASC also agrees that it will require that the language of this certification be included in all agreements with subconsultants which are funded wholly or in part by any funds provided herein and which exceed \$100,000 and that all such Subconsultants, if applicable, shall certify and disclose accordingly.

## 7. Certifications and Assurances

- a. ASC shall adhere to the requirements contained in SPONSOR or CONTRIBUTING PARTNER's annual Certification and Assurances (FHWA and FTA "Metropolitan Transportation Planning Process Certification") submitted as part of SPONSOR or CONTRIBUTING PARTNER's OWP, pursuant to 23 CFR 450.334 and 23 U.S.C. 134. This Certification shall be published annually in SPONSOR or CONTRIBUTING PARTNER's OWP. Such requirements shall apply to ASC to the same extent as SPONSOR or CONTRIBUTING PARTNER and may include, but are not limited to:
  - (1) Title VI of the Civil Rights Act of 1964 and Title VI Assurance executed by California under 23 U.S.C. 324 and 29 U.S.C. 794;
  - (2) The Americans with Disabilities Act of 1990 (Pub. L. 101-336, 104 Stat. 327, as amended) and the United States Department of Transportation (US DOT) implementing regulations (49 CFR 27, 37, and 38).
- b. ASC shall additionally comply with the requirements contained in the annual FTA "Certifications and Assurances for FTA Assistance," including "Certifications and Assurances Required of Each Applicant" and the "Lobbying Certification" in compliance with 49 U.S.C. Chapter 53; published annually in SPONSOR or CONTRIBUTING PARTNER's OWP. Such assurances shall apply to ASC to the same extent as SPONSOR or CONTRIBUTING PARTNER, and include but are not limited to the following areas:
  - (1) Standard Assurances
  - (2) Debarment, Suspension, and Other Responsibility Matters for Primary Covered Transactions
  - (3) Drug Free Work Place Agreement

- (4) Intergovernmental Review Assurance
- (5) Nondiscrimination Assurance
- (6) Nondiscrimination on the Basis of Disability
- (7) Certification and Assurances required by the U.S. Office of Management and Budget

- c. ASC shall require its Subconsultant(s), if applicable, to comply with these Certifications, and agrees to furnish documentation at no cost to SPONSOR or CONTRIBUTING PARTNER to support this requirement that all of its agreements with Subconsultant(s) contain provisions requiring adherence to this section in its entirety.

## 8. Cost Principles

- a. ASC agrees to comply with the following:

- (1) the Contract Cost Principles and Procedures, 48 Code of Federal Regulations, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., 2 CFR Part 225 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), “Cost Principles for State, Local, and Indian Tribal Governments,” and successors thereto, shall be used to determine the allowability of individual project cost items, and

- (2) the Federal administrative procedures in accordance with “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” 2 CFR Part 200, et seq., and successors thereto.

- b. Any costs for which ASC receives payment or credit that is determined by a subsequent audit or other review by either SPONSOR or CONTRIBUTING PARTNER, Caltrans or other State or Federal authorities to be unallowable under, but not limited to, 2 CFR Part 225 ( Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, or successor there to); 48 CFR, Chapter 1, Part 31; or 2 CFR Part 200, et seq., and successors thereto, are to be repaid by ASC within thirty (30) days of ASC receiving notice of audit findings. Should ASC fail to reimburse moneys due SPONSOR or CONTRIBUTING PARTNER within thirty (30) days of demand, or within such other period as may be agreed between Parties hereto, SPONSOR or CONTRIBUTING PARTNER is authorized to withhold future payments due ASC.
- c. ASC agrees to furnish documentation to SPONSOR or CONTRIBUTING PARTNER to support this requirement that all of its agreements with Subconsultants, if applicable, contain provisions requiring adherence to this section in its entirety.

**REGULAR MEMBERS**

CHAIR  
**Wendy Bucknum**  
City Member

VICE CHAIR  
**James Fisler**  
Special District Member

IMMEDIATE PAST CHAIR  
**Donald P. Wagner**  
County Member

**Douglass Davert**  
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:** March 11, 2026

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

**FROM:** Executive Officer  
Policy Analyst I

**SUBJECT:** Professional Consultant Services Agreement with  
RSG, Inc.

**BACKGROUND**

On January 6, 2026, OC LAFCO released a Request for Proposals (RFP) consistent with the Commission’s policies and procedures. The process called for proposals to conduct the Municipal Service Review (MSR) and Sphere of Influence (SOI) reviews for the Coastal MSR Region. The region includes five cities (Costa Mesa, Huntington Beach, Los Alamitos, Newport Beach, Seal Beach) and eight special districts (Costa Mesa Sanitary District, Irvine Ranch Water District, Mesa Water District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Sunset Beach Sewer District, Surfside Colony Community Service District, Surfside Colony Stormwater Protection District).

The next section of the report provides additional details on the RFP process and staff’s recommendation to approve an agreement with RSG, Inc. to conduct the MSR and SOI reviews for the Coastal MSR Region.

**DISCUSSION**

The RFP was distributed electronically to over 20 firms and posted on OC LAFCO’s website. A proposal was received from RSG, Inc. (RSG) and has been reviewed by staff to ensure all requirements of the scope of services delineated in the RFP were addressed. RSG’s proposal demonstrated the firm’s knowledge and experience with the preparation of MSR and SOI reviews. Additionally, the firm has completed work for OC LAFCO, and RSG’s team members are familiar with the Commission’s MSR process, including the agency’s fiscal indicators program and survey instrument. The most recent work completed by RSG includes the Central, Southwest, and West MSRs and is currently preparing the North MSR Region.

The professional services agreement for preparation of the Coastal MSR Region and the Scope of Services is referenced as **Attachment 1** to this

report. Staff is recommending that the Commission approve the agreement for a total amount not to exceed \$103,890.

**RECOMMENDED ACTIONS**

Staff recommends the Commission:

1. Approve the Professional Services Agreement with RSG, Inc. to conduct the MSR and SOI reviews for the Coastal MSR Region.
2. Authorize the Executive Officer to execute the agreement.

Respectfully Submitted,



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LUIS TAPIA



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LEO LARA

Attachment:

1. Form of Professional Consultant Services Agreement with RSG, Inc.

**LOCAL AGENCY FORMATION COMMISSION OF  
ORANGE COUNTY PROFESSIONAL CONSULTANT SERVICES AGREEMENT**

This Agreement is made effective, \_\_\_\_\_, by and between the LOCAL AGENCY FORMATION COMMISSION of ORANGE COUNTY (hereinafter referred to as “OC LAFCO”), organized and operating pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended (Government Code Sections 56000 et seq.), and RSG, Inc. (hereinafter referred to as “Consultant”).

**RECITALS**

A. OC LAFCO is a public agency of the State of California and is in need of professional consulting services for the preparation and completion of a Municipal Service Review and Sphere of Influence Reviews for the Coastal MSR Region (hereinafter referred to as “the Project”), which includes the five cities Costa Mesa, Huntington Beach, Los Alamitos, Newport Beach, Seal Beach, and eight special districts Costa Mesa Sanitary District, Irvine Ranch Water District, Mesa Water District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Sunset Beach Sewer District, Surfside Colony Community Services District, Surfside Colony Stormwater Protection District.

B. Consultant is qualified by virtue of experience, training, education and expertise to provide such services.

C. This Agreement is to establish the terms and conditions for OC LAFCO to retain Consultant to provide the services described herein.

**AGREEMENT**

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Term and Time of Performance.

The term of this Agreement shall be 12 months from the effective date, unless terminated in accordance with the procedures outlined in Section 15 of this Agreement. Consultant shall perform its services hereunder in a prompt and timely manner and shall commence performance upon the execution of this Agreement.

2. Services.

Consultant shall provide OC LAFCO with the services described in the Scope of Services attached hereto as Exhibit “A.”

3. Compensation.

a. Subject to paragraph 3(b) below, OC LAFCO shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit “B.”

The compensation for services rendered by the Consultant pursuant to Exhibit “A” shall not exceed \$103,890. Any additional work must be approved in advance and agreed to by both parties as outlined in Section 4.

b. Consultant shall invoice monthly for completed tasks in each phase to include reimbursable expenses incurred at actual costs (i.e., overnight shipping, teleconference services, and noticing) as shown in Exhibit “B”.

c. Consultant shall submit to OC LAFCO a statement for services rendered. OC LAFCO shall cause payment to be made to Consultant within thirty (30) working days from receipt of statement for services and OC LAFCO's determination that Consultant has adequately performed those services for which OC LAFCO has been invoiced.

#### 4. Additional Work

If changes in the work seem merited by Consultant or OC LAFCO, and informal consultations with the other party indicate that a change is warranted, it shall be processed by OC LAFCO in the following manner: Consultant shall forward a letter outlining the changes to OC LAFCO with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by OC LAFCO and executed by both parties before performance of such services or OC LAFCO will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

#### 5. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under the contract for inspection by OC LAFCO.

#### 6. Delays in Performance.

Neither OC LAFCO nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the

circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state, and local government.

b. Consultant shall assist OC LAFCO in obtaining and maintaining all permits required of Consultant by Federal, State, and local regulatory agencies.

8. Standard of Care.

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Sub-consultant.

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of OC LAFCO, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates and sub-consultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor.

It is agreed that Consultant shall act and be an independent contractor and is not an agent or employee of OC LAFCO and is not entitled to participate in any compensation plans or other benefits OC LAFCO provides for its employees. All services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the services, subject to the requirements of this Agreement. Any additional personnel performing the services under this Agreement on behalf of Consultant shall also not be employees of OC LAFCO and shall at all times be under Consultant's exclusive direction and control. Consultant shall be responsible for all reports and obligations respecting such personnel, including but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance and workers' compensation insurance.

11. Integration.

This Agreement represents the entire understanding of OC LAFCO and Consultant as to those matters contained herein and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered hereunder. This Agreement may

not be modified or altered except in writing signed by both parties hereto. This is an integrated Agreement.

12. Insurance.

Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, all insurance set forth in "Exhibit C" hereto, in a form and with insurance companies acceptable to OC LAFCO.

13. Indemnification.

To the fullest extent permitted by law, Consultant shall defend, indemnify and hold OC LAFCO, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to the alleged negligent acts, errors or omissions caused by the negligence, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorney's fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

In addition, Consultant shall defend, with counsel of OC LAFCO's choosing and, to the extent permitted by Civil Code Section 2782.8, at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by this section arising out of, pertaining to, or incident to the alleged negligent acts, errors or omissions caused by the negligence, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services or this Agreement that may be brought or instituted against OC LAFCO or its Board, members of the Board, employees, and authorized volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against OC LAFCO or its Board, members of the Board, employees, and authorized volunteers as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse OC LAFCO for the cost of any settlement paid by OC LAFCO or its Board, members of the Board, employees, or authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for OC LAFCO's attorney's fees and costs, including expert witness fees. Consultant shall reimburse OC LAFCO and its Board, members of the Board, employees, and/or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by OC LAFCO, its Board, members of the Board, employees, or authorized volunteers. Consultant shall have no duty or obligation to defend, indemnify, and/or pay settlement expenses of OC LAFCO, its Board, its Board members, employees, or authorized

volunteers due to the negligence, errors or omissions caused by the sole negligence, and/or willful misconduct of OC LAFCO, its Board, its Board members, employees or authorized volunteers.

14. Laws, Venue, and Attorneys' Fees.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Orange, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

15. Termination or Abandonment.

a. OC LAFCO may terminate this Agreement for any reason or no reason by giving thirty (30) calendar days' written notice of termination. OC LAFCO shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by OC LAFCO and Consultant of the portion of such task completed but not paid prior to said termination. OC LAFCO shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to OC LAFCO only in the event of substantial failure by OC LAFCO to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Key Personnel.

Consultant shall assign James Simon as the Principal Consultant. The Principal Consultant shall not be removed from the Project or reassigned without the prior written consent of OC LAFCO.

17. Notice.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

OC LAFCO:  
Luis Tapia, Executive Officer  
2677 N. Main Street, Suite 1050  
Santa Ana, CA 92705

Consultant:  
James Simon, Principal  
RSG, Inc.  
170 Eucalyptus Ave, Suite 200  
Vista, CA 92084

and shall be effective upon receipt thereof.

18. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than OC LAFCO and the Consultant.

19. Severability.

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

20. Acknowledgment.

Consultant acknowledges that by executing this Agreement, they are also, in good faith, determining that the appointment meets each of the requirements set forth in Government Code Section 7522.56, including the unemployment insurance requirement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**LOCAL AGENCY FORMATION  
COMMISSION OF ORANGE COUNTY**

**RSG, Inc.**

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

By: \_\_\_\_\_  
James Simon, Principal

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Scott C. Smith, General Counsel  
Local Agency Formation Commission of Orange County

Attest:

---

Cheryl Carter-Benjamin, Commission Clerk  
OC LAFCO

**EXHIBIT “A”**  
**SCOPE OF SERVICES and SCHEDULE**

The Consultant will conduct and prepare the MSR and SOI reviews for the Coastal Region. To prepare the required MSR and SOI determinations and recommendations, the Consultant will analyze the following areas of relevance:

Municipal Service Review Criteria Detail

- (1) *Growth and population projections for the affected area:* Consultant will analyze current and future population and demographic characteristics as they relate to the service plans and delivery for existing and proposed service areas of the affected agencies, including unincorporated areas in the region. Consultant will evaluate how each agency is planning to meet the municipal service demands of the existing and anticipated population through use of growth and population projections and trends.
- (2) *The location and characteristics of any disadvantaged unincorporated communities (DUCs) within or contiguous to the SOI:* Consultant will identify the location, population, land use and municipal service providers for disadvantaged unincorporated areas (DUCs) within each agency’s SOI and note **if/where the SOI boundaries (i.e., city and special district) overlap.**
- (3) *Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies in any disadvantaged and unincorporated communities within or contiguous to the sphere of influence:* Consultant will evaluate infrastructure needs and deficiencies relative to existing and long-term demands for each agency based upon capacity, condition of facilities, and service levels, including specific assessment of needs and deficiencies within unincorporated areas and sewer and water services provided to DUCs in the region. Existing facility, real property assets, and infrastructure will be categorized and analyzed to determine present sufficiency and future requirements.
- (4) *Financial ability of agencies to provide services:* Consultant will conduct a detailed financial analysis on the present and future capacity of the affected agencies to support the current and future servicing needs of the service areas. Evaluation shall include an assessment of the data provided in the OC LAFCO fiscal indicators and unincorporated areas profiles and make relative findings. Collaboration with the OC LAFCO fiscal consultant is expected.
- (5) *Status of, and opportunities for, shared services:* Consultant will analyze existing facilities and service areas for duplication of efforts and to address potential economies of scale to be gained by alternative governance options, including the identification of opportunities for sharing of facilities and resources that support efficiency and cost-effectiveness.
- (6) *Accountability for community service needs, including governmental structure and operational efficiencies:* Consultant will review the current government structure of the affected agencies relative to responsiveness to accountability, public accessibility, and transparency involving community service needs and operational efficiencies.

**EXHIBIT “A”**  
**SCOPE OF SERVICES and SCHEDULE**

- (7) *Any other matter related to effective service delivery as required by commission policy:* During the process, the Consultant may identify any other matter related to the effective and efficient delivery of municipal services within the Commission’s authority.

Sphere of Influence Criteria Detail

- (1) *Present and planned land uses including agricultural and open-space lands:* Consultant will evaluate for each agency and unincorporated area within the region, the existing and future land use designations, including protection of prime agricultural, open space and recreational lands, and compatibility with local general plans.
- (2) *Present and probable need for public facilities and services:* Consultant will evaluate for each agency and unincorporated area within the region, the present public services and facilities and probable need, if applicable, for public services and facilities.
- (3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:* Consultant will evaluate the present infrastructure, facilities, and service programming and each agency’s ability to assess and address the local service demands.
- (4) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency:* Consultant will review existing socio-economic communities of interest for each agency to determine current service deficiencies, challenges, and opportunities in addressing the needs of each community, including unincorporated areas within the region, while planning for the future.
- (5) *For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection that occurs pursuant to subdivision (g)\* on or after July 1, 2012 along with the present and probable need for those public facilities and services of any DUCs within the existing SOI:* Consultant will review and identify, if applicable, potential economies of scale that may be gained by future boundary changes or alternative governance structures.

**TASK 1: PROJECT INITIATION**

Prior to scheduling the kickoff meeting, Consultant will review past MSRs pertaining to the affected agencies, develop a matrix illustrating past determinations and other key findings, and then prepare an updated MSR/SOI review schedule, if warranted. The matrix in particular, will facilitate a thoughtful and impactful discussion during the kickoff meeting.

Consultant will arrange a kickoff meeting with OC LAFCO staff within thirty (30) days of contract commencement. This will cover the collective understanding of the scope of work for the project, including known issues, concerns, and status of past determination and findings from the viewpoint of OC LAFCO staff.

**EXHIBIT “A”**  
**SCOPE OF SERVICES and SCHEDULE**

Following the meeting, Consultant will issue a request for information from OC LAFCO, including requesting shapefiles and boundaries of each agency, each SOI, and any DUCs within the study area. Consultant will work with OC LAFCO staff and fiscal consultant to revise the survey template as necessary in order to receive complete and relevant information from the agencies needed by both consultants to prepare the required evaluation identified in the Scope of Services.

Timing and work products:

- *March – April 2026*
- *Deliverables: Matrix of past determinations and findings by agency and updated schedule, if warranted.*

**TASK 2: DATA COLLECTION**

Consultant will compile information from OC LAFCO’s fiscal indicators, through working with the OC LAFCO fiscal consultant, and credible third-party demographic data for purposes of developing background information on each agency in the matrix previously created under Task 1. Consultant will analyze this data across each agency, identifying types of services provided, fiscal data, and service issues and opportunities raised during prior MSR. Data will also be collected for the unincorporated areas and DUCs within the region.

Consultant will distribute the aforementioned survey instrument to each of the affected agencies, including Golden State Water Company, that will facilitate the capturing of information relevant to the authority of each agency to provide allowable services and understand the classes and levels of service provided in consultation with the pertinent principal acts for some of these agencies, including:

- Community services districts (Government Code Sections 61000-61250)
- Parks and recreation districts (Public Resources Code Sections 5780-5796.20)
- Sanitary districts (Health and Safety Code Sections 6512(a)-6523.1)
- Wastewater agencies (Water Code Sections 13910-13915)
- Water districts (Water Code Sections 34000-38051)

Consultant will coordinate and conduct individual agency interviews to discuss responses to the survey provided and dive deeper into those responses and the issues raised. These discussions will center around topics such as growth, ability to serve, constraints, reserves, potential SOI changes or annexations, and any DUCs. The interviews will be conducted through one to two virtual meetings.

Following interviews, Consultant will analyze response results and begin drafting findings for the MSR and SOIs for staff discussion. Consultant will present these findings, broken down by agency and unincorporated area, to OC LAFCO staff for internal discussion purposes.

Timing and work products:

- *April – July 2026*
- *Deliverables: Survey, summary of responses, agency profiles, draft findings and determinations.*

**EXHIBIT “A”**  
**SCOPE OF SERVICES and SCHEDULE**

**TASK 3: ADMINISTRATIVE DRAFT AND REVIEW OF MSR REPORT**

Consultant will prepare an Administrative Draft MSR report for review by OC LAFCO staff. The report will address the determinations required by CKH Sections 56425 and 56430 and any additional factors/criteria established by OC LAFCO policy and guidelines. The report will be sent electronically to OC LAFCO staff for review prior to a (virtual or in-person) meeting to discuss staff comments and edits. Consultant will incorporate comments, edits, and corrections based on staff comments.

Pursuant to the RFP, the Administrative Draft MSR and SOI Reviews will achieve the following objectives:

1. Comply with Government Code Sections 56430 and 56425, specifically, to enable the Commission to make determinations with respect to the factors delineated in each statute with respect to both the MSR and SOI Updates.
2. Include not only the existing boundaries of each agency but will also concentrate on the future planned growth of the area beyond the existing borders identified as the SOI. Furthermore, the study must include the proposed growth and any future annexation proposals contemplated by each of the agencies.
3. Conduct the required analyses in the most cost-effective manner possible.
4. Utilize information that is currently available rather than start new analyses.
5. Utilize key providers in each sub-region to help direct the project.
6. Conduct the service review and SOI update process in a collaborative fashion with opportunities for input and review by each of the agencies being reviewed.
7. Create a product that will be useful to the Commission in reviewing SOIs and proposals for changes of organization.
8. Create a product that will be beneficial to public agencies as a planning tool.
9. Create a product that will allow practical direct comparison between agencies offering similar services.
10. Have all published work products be readily accessible to, and easily understandable by, the public.

Timing and work products:

- *August – December 2026*
- *Deliverables: Administrative Draft MSR and SOI Updates*

**EXHIBIT “A”**  
**SCOPE OF SERVICES and SCHEDULE**

**TASK 4: PUBLIC REVIEW AND PUBLIC HEARING DRAFT MSRS AND SOI UPDATES**

Consultant will prepare the Public Review Draft MSR report with updated information addressing comments received from OC LAFCO staff. An electronic copy will be sent to OC LAFCO staff for final review and distribution to each of the affected agencies and appropriate posting for a 30-day public review. Following the public review period, the Consultant will prepare and provide the Public Hearing Draft MSR to OC LAFCO for final review, updates/revisions, and publication.

Consultant will attend one Commission public hearing to provide a summary presentation of the report, discuss any issues or concerns, and respond to questions.

Timing and work products:

- *January – February 2027*
- *Deliverables: Public Review and Public Hearing Draft MSRs and SOI Updates*

**TASK 5: FINAL DRAFT MSR AND SOI UPDATES**

Consultant will prepare a comment log and incorporate all comments, edits, and corrections from the Commission, affected agencies, and the public, as warranted. If second public hearing is warranted, Consultant will attend one Commission meeting to provide a summary presentation of the report and respond to questions. Upon approval, Consultant will transmit one electronic version of the final-approved report to OC LAFCO staff.

Timing and work products:

- *March 2027*
- *Deliverables: Final MSR and SOI Updates*

**EXHIBIT “B”  
SCHEDULE OF CHARGES/PAYMENTS**

The following schedule for charges and payments shall apply to work performed under this Agreement:

Based on the Scope of Services described Exhibit A, the services provided by the Consultant shall not exceed \$103,890 inclusive of the hours and expenses pursuant to the Consultant’s Billing Rate and Fee Schedule, as shown below. Services provided will be billed on a time and materials basis, so actual cost may be less than the not to exceed amount. A budget detail and workflow schedule is also presented as Exhibit B-1.

**BILLING RATES & FEE SCHEDULE**

|                    |        |
|--------------------|--------|
| Principal          | \$ 295 |
| Director           | \$275  |
| Senior Associate   | \$ 225 |
| Associate          | \$ 195 |
| Senior Analyst     | \$ 160 |
| Analyst            | \$ 145 |
| Research Assistant | \$ 135 |
| Technician         | \$ 100 |
| Clerical           | \$ 60  |

**Consultant does not charge clients for travel or mileage** (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage, or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. We also charge for copies of reports, documents, notices, and support material for more than five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

**EXHIBIT B-1**

|  |   | Task Hours & Billing Rate |             |                |               |            | Total Not to Exceed |
|--|---|---------------------------|-------------|----------------|---------------|------------|---------------------|
|  |   | Principal \$              | Director \$ | Sr. Analyst \$ | Res. Asst. \$ | Total Hrs  |                     |
| <b>Scope of Services</b><br>Coastal Region MSR and SOI Updates (13 agencies)<br>Orange County LAFCO (Jan 2026) |   |                           |             |                |               |            |                     |
| <b>Task 1</b>  | <b>Project Initiation</b>   | <b>1</b>                  | <b>3</b>    | <b>15</b>      | <b>8</b>      | <b>27</b>  | <b>\$ 4,600</b>     |
|  | <i>Identify and discuss past determinations, SOIs, changes to DUCs, concerns, and issues with LAFCO staff and affected agencies</i>                                       |                           |             |                |               |            |                     |
|  | Task 1.1 Kickoff: review agencies, past determinations, issues, & schedules   | 1                         | 2           | 5              | -             | 8          | 1,645               |
|  | Task 1.2 Obtain boundary, SOI and DUCs maps for each agency from LAFCO  | -                         | -           | 2              | 8             | 10         | 1,400               |
|  | Task 1.3 Obtain and review pertinent stakeholder notes and survey templates   | -                         | 1           | 5              | -             | 6          | 1,075               |
|  | Task 1.4 Initiate contact with agencies (see Task 2.2)  | -                         | -           | 3              | -             | 3          | 480                 |
| <b>Task 2</b>  | <b>Data Collection</b>  | <b>-</b>                  | <b>18</b>   | <b>81</b>      | <b>88</b>     | <b>187</b> | <b>\$ 29,790</b>    |
|  | <i>Prepare survey using LAFCO template, conduct 1-2 interviews per stakeholder to discuss responses and feedback, check accuracy of information provided</i>              |                           |             |                |               |            |                     |
|  | Task 2.1 Collect third party data (fiscal indicators, demographics, etc)  | -                         | -           | 10             | 24            | 34         | 4,840               |
|  | Task 2.2 Issue agency survey, followup to ensure timely completion  | -                         | -           | 10             | 15            | 25         | 3,625               |
|  | Task 2.3 Coordinate, prep, and conduct agency interviews (1-2 each, as needed)  | -                         | 13          | 30             | 30            | 73         | 12,425              |
|  | Task 2.4 Review survey and interview results, analyze data, and draft findings  | -                         | 3           | 17             | 17            | 37         | 5,840               |
|  | Task 2.5 Discuss preliminary findings with client   | -                         | 2           | 6              | -             | 8          | 1,510               |
|  | Task 2.6 Revise findings and recommendations  | -                         | -           | 8              | 2             | 10         | 1,550               |
| <b>Task 3</b>  | <b>Administrative Draft MSR</b>   | <b>2</b>                  | <b>18</b>   | <b>110</b>     | <b>70</b>     | <b>200</b> | <b>\$ 32,590</b>    |
|  | <i>Draft 2 MSR for client internal review and comment</i>   |                           |             |                |               |            |                     |
|  | Task 2.1 Prepare screencheck draft MSR  | 2                         | 10          | 90             | 60            | 162        | 25,840              |
|  | Task 2.2 Present draft to client, collect feedback and comments   | -                         | 8           | 15             | 5             | 28         | 5,275               |
|  | Task 2.3 Finalize report after client review  | -                         | -           | 5              | 5             | 10         | 1,475               |
| <b>Task 4</b>  | <b>Public Review and Public Hearing Draft MSR</b>   | <b>2</b>                  | <b>29</b>   | <b>56</b>      | <b>50</b>     | <b>137</b> | <b>\$ 24,275</b>    |
|  | <i>Prepare public review draft MSR, collect feedback from agencies, revise as necessary and as directed by LAFCO for public hearing drafts, present at public hearing</i> |                           |             |                |               |            |                     |
|  | Task 4.1 Circulate public review draft MSR to agencies (via LAFCO), collect feedback  | -                         | 1           | 2              | 5             | 8          | 1,270               |
|  | Task 4.2 Prepare public hearing draft MSR; provide to LAFCO for review and comment  | -                         | 10          | 30             | 20            | 60         | 10,250              |
|  | Task 4.3 Finalize public hearing draft MSR, prepare public hearing presentation   | 2                         | 10          | 20             | 25            | 57         | 9,915               |
|  | Task 4.4 Present MSR at Commission public hearing   | -                         | 8           | 4              | -             | 12         | 2,840               |
| <b>Task 5</b>  | <b>Final Draft MSR</b>  | <b>2</b>                  | <b>13</b>   | <b>34</b>      | <b>21</b>     | <b>71</b>  | <b>\$ 12,635</b>    |
|  | <i>If not adopted at public hearing, prepare final draft MSR based on input from each public hearing; present to Commission for approval</i>                              |                           |             |                |               |            |                     |
|  | Task 5.1 Make revisions to public hearing draft MSR as warranted  | 2                         | 5           | 25             | 20            | 52         | 8,665               |
|  | Task 5.2 Circulate to client for final approval, revision, and completion   | -                         | -           | 5              | 1             | 7          | 1,130               |
|  | Task 5.3 Attend Commission meeting for final approval (if not adopted at hearing)   | -                         | 8           | 4              | -             | 12         | 2,840               |
| <b>GRAND TOTAL BUDGET</b>  |   | <b>7</b>                  | <b>81</b>   | <b>296</b>     | <b>237</b>    | <b>622</b> | <b>\$ 103,890</b>   |



**EXHIBIT “C”  
INSURANCE REQUIREMENTS**

1. Commercial General Liability

- a. The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to OC LAFCO.
- b. Coverage for Commercial General Liability insurance shall be at least as broad as the following: ISO Commercial General Liability coverage (Occurrence Form CG 0001)
- c. Commercial General Liability Insurance must include coverage for the following:
  - i. Bodily Injury and Property Damage
  - ii. Personal Injury/Advertising Injury
  - iii. Premises/Operations Liability
- d. All such policies shall give OC LAFCO, its Board, members of the Board, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent.
- e. The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by OC LAFCO.

2. Automobile Liability

- a. At all times during the performance of the work under this Agreement the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to OC LAFCO.
- b. Coverage for Automobile Liability Insurance shall be at least as broad as: ISO Form Number CA 0001 covering automobile liability (Coverage Symbol 1, any auto).
- c. The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by OC LAFCO.

3. Workers' Compensation/Employer's Liability

- a. Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions

of that code, and he/she will comply with such provisions before commencing work under this Agreement.

- b. Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period covered by the work under this Agreement, workers' compensation of the same type and limits as specified in this section.
- c. Such insurance shall include an insurer's Waiver of Subrogation in favor of OC LAFCO and will be in a form and with insurance companies acceptable to OC LAFCO.

#### 4. Minimum Policy Limits Required

- a. The following insurance limits are required for the Agreement:

|   | Combined Single Limit   |
|---|---|
| Commercial General Liability                | \$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury, personal injury and property damage |
| Automobile Liability                        | \$1,000,000 per occurrence for bodily injury and property damage  |
| Employer's Liability/ Workers' Compensation | \$1,000,000 per occurrence/ Statutory   |

#### 5. Evidence Required

- a. Prior to execution of the Agreement, the Consultant shall file with OC LAFCO evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (ACORD Form 25-S or equivalent). All evidence of insurance shall be signed by a properly authorized officer, agent or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

## 6. Required Policy Provisions

- a. Certificates of insurance and policy endorsements shall require 30 days (10 days for non-payment of premium) notice of cancellation to OC LAFCO. Statements that the carrier “will endeavor” and “that failure to mail such notice shall impose no obligation and liability upon the company, its agents or representatives,” will not be acceptable on certificates. If any of the required coverage expires during the term of this Agreement, the Contractor shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to OC LAFCO at least ten (10) days prior to the expiration date.
- b. The Commercial General Liability policy shall contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by OC LAFCO or any named insureds shall not be called upon to contribute to any loss.
- c. The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three (3) years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

## 7. Qualifying Insurers

- a. All policies required shall be issued by acceptable insurance companies, as determined by OC LAFCO, which satisfy the following minimum requirements:
- b. Insurance carriers shall have a current AM Best rating of not less than “A-” policyholder's rating and a financial rating of not less than “Class VII,” unless otherwise approved in advance by OC LAFCO.

## 8. Additional Insurance Provisions

- a. The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by OC LAFCO, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.
- b. If at any time during the life of the Agreement, the Consultant fails to maintain in full force any insurance required by the Agreement documents OC LAFCO may terminate the Agreement.

- c. The Consultant shall include all subconsultants as insureds under its policies or shall furnish separate certificates and endorsements for each subconsultant. All coverages for subconsultants shall be subject to all of the requirements stated herein.
- d. OC LAFCO may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.
- e. Neither OC LAFCO, its Board, members of the Board, employees, or authorized volunteers shall be personally responsible for any liability arising under or by virtue of the Agreement.