

**LOCAL AGENCY FORMATION COMMISSION OF  
ORANGE COUNTY**

**REGULAR MEETING AGENDA**

**Wednesday, May 13, 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/TOYJFKAyvpM?feature=share>**

***Any member of the public may request to speak on any agenda item at the time the  
Commission is considering the item.***

**1. CALL THE MEETING TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

**4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION  
(Communications received after agenda distribution for agenda items.)**

**5. PUBLIC COMMENT**

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

**6. CONSENT CALENDAR**

**a.) March 11 – Regular Commission Meeting Minutes**

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

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

The Commission will receive the third-quarter financial report for Fiscal Year 2025-26.

## 7. PUBLIC HEARING

### a.) Final OC LAFCO Fiscal Year 2026-27 Budget

The Commission will consider adoption of the final budget for Fiscal Year 2026-27.

### b.) Proposed City of Irvine Annexation of Gateway Development Notch Areas 1 and 2 (CA 25-06)

The Commission will consider the annexation of approximately 1.97 acres of unincorporated territory to the City of Irvine and, as the responsible agency, review the Notice of Determination in accordance with the California Environmental Quality Act (CEQA) for the proposed annexation.

## 8. COMMISSION DISCUSSION AND ACTION

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

The Commission will receive an update on current legislation and consider the adoption of positions on proposed legislation of LAFCO interest, and an update on the Alliance of LAFCO Legislative Committee activity.

### b.) Professional Consultant Services Agreement with Davis Farr LLP

The Commission will consider approval of a professional services agreement with Davis Farr LLP for independent auditing services for fiscal years ending on June 30, 2026, through June 30, 2029.

### c.) Conflict of Interest Code Biennial Review and Amendments

The Commission will consider the adoption of amendments to the Conflict of Interest Code.

### d.) The Pulse (Spring 2026)

The Commission will receive a report on the sixth edition of the OC LAFCO Bi-Annual Newsletter.

## 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 a brief report on activities of the Executive Officer since the last meeting.

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

### **a.) Protest Hearing Results for the Activation of Latent Powers for Three Arch Bay Community Services District (LP 25-02)**

The Commission will receive an update on the Protest Hearing results of the Activation of Latent Powers for Three Arch Bay Community Services District held on April 20, 2026.

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

The next Regular Commission Meeting will be held on Wednesday, June 10, 2026, at 8:15 a.m. at the County Administrative North (CAN), First Floor Multipurpose Room 101, 400 W. Civic Center Drive, Santa Ana, CA 92701.

### **PUBLIC PARTICIPATION:**

The Local Agency Formation Commission of Orange County welcomes your participation. The public may share general comments or comments on agenda items through the following options:

- 1) **In-person** comments may be provided during the general comment period on off-agenda items and during the hearing of a specific agenda item. In accordance with the OC LAFCO guidelines, each speaker's comments may not exceed three (3) minutes for the respective item. If you have documents for the Commission, please bring 15 copies and submit to the Commission Clerk for distribution.
- 2) **Audio/Video Live Streaming:** The public may view and listen to the meeting live on YouTube using the link provided on the website homepage ([www.oclafco.org](http://www.oclafco.org)). However, LAFCO cannot guarantee that the public's access will be uninterrupted, and technical difficulties may occur from time to time. The meeting will continue despite technical difficulties for participants using audio/video live streaming unless otherwise prohibited by State open meeting laws.
- 3) **Written** general comments or comments on specific agenda items may be submitted by email to the Commission Clerk at [ccarter-benjamin@oclafco.org](mailto:ccarter-benjamin@oclafco.org). Comments received no less than twenty-four (24) hours prior to the regular meeting will be distributed to the Commission and included in the record.

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

"Pursuant to State law, a participant in an OC LAFCO proceeding who has a financial interest in a decision and who has made a campaign contribution of more than \$250 to any commissioner in the past year may be required to disclose the contribution. If you are affected, please notify the Commission's staff before the hearing in order to determine whether disclosure is warranted."

### **AMERICANS WITH DISABILITIES ACT (ADA)**

All regular meeting agendas and associated reports are available at [www.oclafco.org](http://www.oclafco.org). Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or associated reports upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, to participate in a public meeting. Requests for copies of meeting documents and accommodations shall be made with OC LAFCO staff at (714) 640-5100 at least three business days prior to the respective meeting.



# 2026

# MEETING AND EVENTS CALENDAR

Approved November 12, 2025

January						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
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25	26	27	28	29	30	31

April						
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July						
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October						
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February						
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May						
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31						

August						
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23	24	25	26	27	28	29
30	31					

November						
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29	30					

March						
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29	30	31				

June						
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28	29	30				

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

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

- OC LAFCO Regular Meeting (*begins at 8:15 a.m.*)  
**Location:** County Administrative North, First Floor Multipurpose Room 101, 400 W. Civic Center Dr., Santa Ana, CA 92701.
- Office closure due to legal holidays and flexible work schedule.
- No scheduled regular meeting due to legal holiday.
- 2026 CALAFCO Annual Conference - October 21-23, Sacramento, CA.
- April 8, 2026 Regular Meeting Cancelled.  
(Approved by Commission on March, 11 2026).

## DRAFT MINUTES

### OC LAFCO REGULAR MEETING

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

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<https://youtube.com/live/OJT-cvbTgAg?feature=share>

#### 1. CALL TO ORDER

Vice Chair Fisler called the meeting of the Local Agency Formation Commission of Orange County (OC LAFCO) to order at 8:16 a.m.

#### 2. PLEDGE OF ALLEGIANCE

Commissioner Wagner led the Pledge of Allegiance.

#### 3. ROLL CALL

The following Commissioners were present:

City Members

Peggy Huang  
Carol Moore (Alt.)

County Member

Donald P. Wagner

Special District Members

Douglass Davert  
James Fisler (Vice Chair)  
Kathryn Freshley (Alt.)

Public Member

Derek J. McGregor

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**

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

**Vice Chair Fisler** closed the hearing of public comments.

**6. CONSENT CALENDAR**

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

**6a. – February 11 - Regular Commission Meeting Minutes**

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

**MOTION PASSED: 6-0.**

**7. PUBLIC HEARING**

**7a. - Fiscal Year 2026-27 OC LAFCO Proposed Budget and Fee Schedule**

**Vice Chair Fisler** asked the Commission Clerk to confirm that proper notice of the public hearing was provided. The Commission Clerk stated that proper notice was provided, including notifying the funding agencies, a 21-day notice posted in the newspaper, a notice posted on OC LAFCO's website, and a notice posted by the Clerk of the Board.

Executive Officer Luis Tapia presented the staff report and recommended actions for Commission consideration, noting that OC LAFCO accountants, Corey Mize and Kristi Even, with Eide Bailly, were present and available to answer questions.

**Vice Chair Fisler** called for a Commission discussion on the item. The Commissioners acknowledged staff's work to reduce the budget and projections to use reserves in the upcoming fiscal years.

**Vice Chair Fisler** opened the public hearing. The Commission Clerk noted that there were no requests from the public to speak on the item. **Vice Chair Fisler** noted there were no public speakers and asked if any written comments had been received. The Commission Clerk noted that there were no written comments received. **Vice Chair Fisler** closed the public hearing and called for a motion on the item. **Commissioner Davert** motioned to approve the staff recommended actions, and **Commissioner Wagner** seconded the motion. **Vice Chair Fisler** asked for a roll call vote. The Commission Clerk conducted a roll call vote on the item.

**MOTION:**       **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; 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; and Adopt OC LAFCO Resolution No. CP 26-01 approving the OC LAFCO Fee Schedule, effective July 1, 2026. (Douglass Davert)**

**SECOND:**       **Donald P. Wagner**

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

**AGAINST:**      **None**

**ABSTAIN:**     **None**

**MOTION PASSED: 6-0.**

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

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

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

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

**8b. – Memorandum of Understanding with California State University, Fullerton Auxiliary Services Corporation for Fiscal Years 2026-29**

**Commissioner Davert** noted that a presentation of the staff report was not required and motioned to approve the staff recommended action, and **Commissioner Wagner** seconded the motion.

- MOTION:** 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. (Douglass Davert)
- SECOND:** Donald P. Wagner
- FOR:** Douglass Davert, Donald P. Wagner, Peggy Huang, Derek J. McGregor, Carol Moore, James Fisler
- AGAINST:** None
- ABSTAIN:** None

**MOTION PASSED: 6-0.**

**8c. – Professional Consultant Services Agreement with RSG, Inc.**

**Commissioner Davert** noted that a presentation of the staff report was not required and motioned to approve the staff recommended actions, and **Commissioner Wagner** seconded the motion.

- MOTION:** Approve the Professional Services Agreement with RSG, Inc. to conduct the MSR and SOI reviews for the Coastal MSR Region; Authorize the Executive Officer to execute the agreement. (Douglass Davert)
- SECOND:** Donald P. Wagner
- FOR:** Douglass Davert, Donald P. Wagner, Peggy Huang, Derek J. McGregor, Carol Moore, James Fisler
- AGAINST:** None
- ABSTAIN:** None

**MOTION PASSED: 6-0.**

**8d. – Cancellation of April 2026 Regular Meeting**

- MOTION:** Approve the cancellation of April 8, 2026, Regular Commission Meeting due to a lack of business items requiring Commission action. (Carol Moore)
- SECOND:** James Fisler
- FOR:** Carol Moore, James Fisler, Douglass Davert, Peggy Huang, Derek J. McGregor, Donald P. Wagner

**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 6-0.**

**9. COMMISSIONER COMMENTS**

Commissioners made general comments.

**10. EXECUTIVE OFFICER’S REPORT**

The Executive Officer noted that there were no additional items to report.

**11. INFORMATIONAL ITEMS & ANNOUNCEMENTS**

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

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

**Vice Chair Fisler** adjourned the Regular Commission Meeting at 8:34 a.m. to May 13, 2026.

James Fisler, Vice 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:** May 13, 2026

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

**FROM:** Executive Officer

**SUBJECT:** Fiscal Year 2025-26 Quarterly Financial Report  
(Third Quarter)

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

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the Fiscal Year 2025-26 Quarterly Financial Report (Third Quarter).

Respectfully Submitted,



LUIS TAPIA

Attachment:

1. Fiscal Year 2025-26 Quarterly Financial Report (Third Quarter)



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

Prepared: May 13, 2026

Highlights:

FY 2025-26 Budget Overview - Pages 2-4

Balance Sheet & Reserves Analysis - Pages 5-6

## FY 2025-26 BUDGET OVERVIEW

This report provides a summary of the agency's budget and investment portfolio performance for the period of January 1, 2026 through March 31, 2026.<sup>1</sup> The Fiscal Year 2025-26 budget, which is \$1,837,990, supports the operations of the Commission and the resources needed to accomplish the agency's work plan. During the third quarter, overall expenditures were at approximately 46.7 percent of the approved budget.

### Revenues

The OC LAFCO funding apportionment collected from the County, 34 cities, and 27 independent special districts totaling \$1,692,010 was at 100% at the end of the third quarter. The agency also earns interest from its investment portfolio. At the end of the third quarter, the Commission's year-to-date earnings totaled \$16,682, which is approximately 46.8% of the interest revenue anticipated for the fiscal year.

Another source of OC LAFCO revenue is application filing fees. These filing fees are not used for budgeting purposes, as they are used to offset the costs associated with processing the respective applications. The Special Revenue Fund column in the chart on page 4 displays a year-to-date accounting of fees totaling \$2,810 that remain on deposit with the Commission for continued processing of the Three Arch Bay Community Services District application for the activation of latent powers and the submittal by the City of Irvine of an application requesting the proposed annexation of two "notch areas" in the County unincorporated area to the City.

### Expenditures

The General Fund total expenditures as of March 31, 2026, are below the third quarter target level, totaling \$858,991 or approximately 46.7% of the total budget, with most expenses attributed to operational costs, such as salaries and benefits, professional services, and office lease. The following table provides a comparison of the percentage of actual funds used and the target levels for the current fiscal year.<sup>2</sup>

Total Funds Used				
	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.
<b>Target</b>	25%	50%	75%	100%
<b>Actual</b>	12%	29.4%	46.7%	-

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

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

## Balances and Investment Report

The following table illustrates the balance of OC LAFCO's bank accounts as of March 31, 2026.

As of March 31, 2026	Balance
770-Payroll Account	\$ 324,828
Wells Fargo Checking	\$ 207,877
Wells Fargo Savings	\$ 219,533
<b>Total</b>	<b>\$ 752,238</b>

To maximize the interest accrued on the agency's revenues, apportionment fees are deposited in the Local Agency Investment Fund (LAIF). Throughout the fiscal year, funds are transferred from the investment account to the bank accounts to cover the agency's operational expenses. Additionally, the agency earns investment revenue through the Section 115 Public Agencies Post-Employment Benefits Trust (Trust). The balance of the Trust account at the end of the third quarter is \$118,962. The Trust has experienced three deposits totaling \$102,437 and a current gain of \$16,525 since being established by the Commission in 2021.

The following table illustrates the balance of OC LAFCO's investment portfolio as of March 31, 2026.

As of March 31, 2026	Balance
LAIF	\$ 1,475,903
PARS Trust	\$ 118,962
<b>Total</b>	<b>\$ 1,594,865</b>

**APPENDIX A**  
**OC LAFCO - Quarterly Budget Overview<sup>3</sup>**  
**January 1, 2026 – March 31, 2026**

	YTD Special Revenue Funds	1st Qtr. General Fund	2nd Qtr. General Fund	3rd Qtr General Fund	YTD General Fund	TOTAL FY 25/26 Budget	General Fund
<b>Revenue:</b>							
Addition/(Use) of Unreserved Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,340	0.0%
LAFCO Apportionment	-	1,692,010	-	-	1,692,010	1,692,010	100.0%
Filing Fees	11,723	-	-	-	-	-	0.0%
Misc Revenue	-	167	116	-	283	-	0.0%
Interest & Dividends	-	369	17,291	(978)	16,682	35,640	46.8%
PARS Trust Investment Gain/Loss	-	5,027	2,052	40,312	47,392	-	0.0%
<b>Total Revenue</b>	<b>\$ 11,723</b>	<b>\$ 1,697,573</b>	<b>\$ 19,459</b>	<b>\$ 39,334</b>	<b>\$ 1,756,366</b>	<b>\$ 1,837,990</b>	<b>95.6%</b>
<b>Expenditures:</b>							
Salaries	\$ 3,462	\$ 84,364	\$ 119,065	\$ 100,152	\$ 303,581	\$ 671,000	45.2%
Hourly Employees	-	4,195	4,451	3,565	12,211	20,800	58.7%
<b>Benefits &amp; Insurance</b>							
Optional Benefit Plan	-	-	16,042	-	16,042	18,500	86.7%
Deferred Compensation	-	833	3,439	2,898	7,170	19,400	37.0%
Retirement Benefits	-	29,802	41,496	35,720	107,019	274,700	39.0%
Health Insurance	-	9,059	14,071	12,882	36,012	78,500	45.9%
Retiree Health Benefits	-	763	1,091	936	2,790	6,200	45.0%
Dental Insurance	-	436	847	1,300	2,584	5,600	46.1%
Life Insurance	-	49	82	72	203	420	48.3%
Medicare	-	1,254	1,973	1,527	4,754	10,300	46.2%
Unemployment Insurance	-	36	50	43	129	540	23.9%
Health Reimbursement	-	1,282	1,765	1,513	4,560	8,200	55.6%
Salary Continuance	-	220	311	267	798	1,750	45.6%
Accidental Death Insurance	-	15	24	21	60	120	50.3%
Executive Car Allowance	-	-	1,800	1,200	3,000	7,200	41.7%
<b>Total - Benefits &amp; Insurance</b>	<b>3,462</b>	<b>43,749</b>	<b>82,992</b>	<b>58,381</b>	<b>185,122</b>	<b>431,430</b>	<b>42.9%</b>
Information Technology	-	2,457	4,658	5,817	12,931	21,600	59.9%
Telephone & Internet	-	5,946	4,584	5,153	15,683	21,500	72.9%
County of Orange	-	807	523	2,087	3,417	13,100	26.1%
General Liability Insurance	-	5,404	5,404	5,404	16,212	21,860	74.2%
Memberships	-	7,234	7,034	6,974	21,241	28,600	74.3%
Office Equipment/Supplies	-	4,530	3,922	3,010	11,462	28,400	40.4%
<b>Professional Services:</b>							
Legal	-	6,832	5,826	10,728	23,386	60,000	39.0%
Accounting/Audit	-	23,405	12,903	12,304	48,612	60,900	79.8%
Human Resources	-	6,331	-	-	6,331	30,000	21.1%
Mapping/Archiving	-	984	984	984	2,951	4,000	73.8%
Other Professional Services	-	5,740	30,444	35,899	72,083	200,000	36.0%
<b>Total - Professional Services</b>	<b>-</b>	<b>43,293</b>	<b>50,156</b>	<b>59,914</b>	<b>153,363</b>	<b>354,900</b>	<b>43.2%</b>
Investment Admin Fees	-	91	63	26	180	850	21.2%
Public Noticing	5,450	2,405	-	1,781	4,186	14,400	29.1%
Unincorporated Areas Program	-	-	-	-	-	11,000	0.0%
Rents/Maintenance	-	38,335	28,760	28,751	95,846	118,700	80.7%
Equipment Leases	-	2,527	1,089	1,445	5,062	8,100	62.5%
Comm. & Staff Expense	-	540	1,206	993	2,739	5,000	54.8%
Educations & Legislative Partn	-	250	3,905	1,307	5,462	16,000	34.1%
Comm. Stipends & Taxes/Fees	-	1,124	2,362	3,006	6,491	15,750	41.2%
Professional Development	-	145	-	2,150	2,295	20,000	11.5%
Transportation/Travel	-	-	680	-	680	5,000	13.6%
Commission Meeting Expense	-	267	280	280	826	10,000	8.3%
<b>Total Expenditures</b>	<b>8,913</b>	<b>247,662</b>	<b>321,133</b>	<b>290,196</b>	<b>858,991</b>	<b>1,837,990</b>	<b>46.7%</b>
<b>Total Net Income (Loss)</b>	<b>\$ 2,810</b>	<b>\$ 1,449,911</b>	<b>\$ (301,674)</b>	<b>\$ (250,862)</b>	<b>\$ 897,376</b>	<b>\$ -</b>	

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

## Balance Sheet and Reserves Balance Analysis

This report includes the balance sheet to provide an understanding of OC LAFCO's financial status. The financial document on this page summarizes the agency's assets and liabilities as of March 31, 2026. Please note that the figures provided in this balance sheet are unaudited and subject to change. Additionally, an analysis of the agency's reserve balances is provided on page 6.

### APPENDIX B OC LAFCO BALANCE SHEET (Unaudited) As of March 31, 2026

	<u>Mar 31, 26</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Cash and Investments</b>	
County Acct-Payroll	324,828
Wells Fargo Checking	207,877
Wells Fargo Savings	219,533
Investment Acct - LAIF	1,475,903
PARS Trust	118,962
Fair Market Value Adjustments	627
<b>Total Cash and Investments</b>	<u>2,347,731</u>
<b>Other Current Asset</b>	
Interest Receivable	15,166
Prepaid Expenses	26,433
Retirement Prepaid Expense	183,203
<b>Total Other Current Asset</b>	<u>224,802</u>
<b>Total Current Assets</b>	<u>2,572,533</u>
<b>Fixed Assets</b>	31,744
<b>Other Assets</b>	
Pension Deposit	93,802
Right to Use Assets	520,141
Def. Outflows Pension Related	317,133
Deferred OPEB Contributions	2,055
Deferred Outflows OPEB Related	18,000
<b>Total Other Assets</b>	<u>951,130</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,555,407</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	31,650
Compensated Absences	46,218
<b>Total Current Liabilities</b>	77,868
<b>Long Term Liabilities</b>	
Lease Liabilities	582,914
Deferred Inflows OPEB Related	61,000
Net OPEB Liability	45,000
Net Pension Liability	1,274,187
Def. Inflows Pension Related	317,307
<b>Total Long Term Liabilities</b>	<u>2,280,408</u>
<b>Total Liabilities</b>	2,358,275
<b>Equity</b>	1,197,132
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$ 3,555,407</u></u>

\*No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

**APPENDIX C**  
**OC LAFCO RESERVE BALANCE ANALYSIS**  
**As of March 31, 2026**

<b>Cash &amp; Investments Description</b>	<b>March 31, 2026 Balance</b>	<b>Commission Approved Balances</b>	<b>Balance Excess / (Deficiency)</b>
County Payroll	\$ 324,828	\$ 280,808 <sup>1</sup>	\$ 44,020
Checking - Wells Fargo	207,877	178,690 <sup>1</sup>	29,187
Savings - Wells Fargo	219,533	205,000 <sup>1</sup>	14,533
LAIF Investment	1,475,903	-	1,475,903
PARS Trust	118,962	-	118,962
<b>Total</b>	<b>\$ 2,347,103</b>	<b>\$ 664,498</b>	<b>\$ 1,682,605 <sup>2</sup></b>

**Footnotes:**

*1 - Per the Cash and Cash Management Policy, the Commission must maintain \$280,808 during fiscal year 2025/26 in order to cover three months of payroll costs (County Payroll), \$178,690 to cover 3 months of operational expenses (Checking - Wells Fargo) and a minimum of \$205,000 (Savings - Wells Fargo) to cover contingency, litigation and unfunded liabilities.*

*2 - Remaining Available Cash to fund Operations and Reserves.*

**REGULAR MEMBERS**

CHAIR  
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City Member

VICE CHAIR  
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**STAFF**

**Luis Tapia**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** May 13, 2026

**7a** | Public  
Hearing

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

**FROM:** Executive Officer

**SUBJECT:** Final OC LAFCO Fiscal Year 2026-27 Budget

**BACKGROUND**

On March 11, 2026, the Commission adopted the proposed OC LAFCO FY 2026-27 Budget. Following the meeting, a copy of the proposed budget, including a description of budget categories and an apportionment breakdown, was distributed to each of the agencies for review and comment. State law requires the Commission to also adopt a final budget at a public hearing.

The final OC LAFCO FY 2026-27 Budget (Attachment 1) totals \$1,555,905. The final budget revenues include a total apportionment of \$1,505,890, which is equally divided amongst the County, cities (34), and Special Districts (27 Independent Special Districts). The apportionment for the County is \$501,963.33. The FY 2026-27 apportionments of each city and special district are reflected in Attachments 1a and 1b. Upon the Commission’s approval of the final budget, the County Auditor-Controller will request remittance of the respective payment from each funding agency.

**AGENCY COMMENTS**

On March 11, the proposed OC LAFCO FY 2026-27 Budget was distributed to the Board of Supervisors, County Executive Office, and each city and independent special district for review and comment. Additionally, in accordance with State law, a notice of public hearing of the final budget was published in the Orange County Register on April 21, 2026. At the time of the agenda posting on May 6, 2026, OC LAFCO staff had not received any written comments.

**RECOMMENDED ACTIONS**

Staff Recommends the Commission:

1. Adopt the Final OC LAFCO Fiscal Year 2026-27 Budget.
2. Direct the Executive Officer to transmit the final budget to the Board of Supervisors, cities, independent special districts, and the County Auditor-Controller.

Respectfully Submitted



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LUIS TAPIA

Attachments:

1. Final OC LAFCO FY 2026-27 Budget.
  - A. OC LAFCO City Apportionment for FY 2026-27 (prepared by the Auditor-Controller).
  - B. OC LAFCO Special District Apportionments for FY 2026-27 (prepared by the Auditor-Controller).



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

	FY 25/26 Adopted Budget	FY 26/27 Final Budget	\$ Budget Variance	% Budget Variance
<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**  
**Final Budget**  
 Fiscal Year 2026/27

	FY 25/26 Adopted Budget	FY 26/27 Final Budget	\$ Budget Variance	% Budget Variance
<b>Projected Cash Reserves</b>				
<b>Reserves</b>				
Contingency Reserve	100,000	\$ 100,000		
Litigation Reserve	75,000	75,000		
Unfunded Liability Reserve	30,000	30,000		
Operating Reserve (25% Budgeted Expenses)	459,498	375,895		
<b>Total Reserves</b>	<b>664,498</b>	<b>580,895</b>		
<b>Restricted Cash</b>				
PARS Trust	119,940	119,940		
<b>Total Reserves and Restricted Cash</b>	<b>784,438</b>	<b>700,835</b>		
<b>Unrestricted Cash</b>				
Beginning Balance	924,639	1,293,322		
Addition / (Drawdown) to Unrestricted	(110,340)	52,325		
<b>Total Unrestricted Cash</b>	<b>814,299</b>	<b>1,345,647</b>		
<b>Total Cash and Investments</b>	<b>\$ 1,598,736</b>	<b>\$ 2,046,482</b>		

## 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 SUBSCRIPTION – 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 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 Calculation 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>

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**STAFF**

**Luis Tapia**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** May 13, 2026

**7b** | Public  
Hearing

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

**FROM:** Executive Officer  
Policy Analyst I

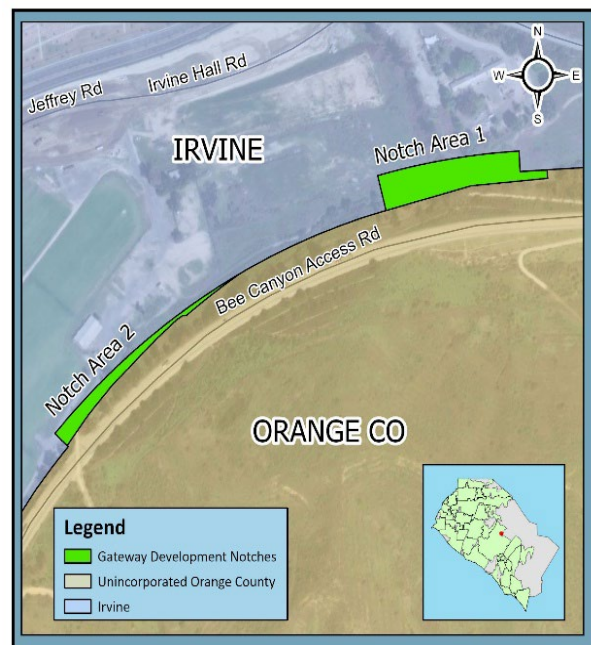
**SUBJECT:** Proposed "City of Irvine Annexation of Gateway  
Development Notch Areas 1 and 2 (CA 25-06)"

**BACKGROUND**

The Local Agency Formation Commission of Orange County (OC LAFCO) will consider the proposed annexation filed by the City of Irvine to annex two non-contiguous areas consisting of approximately 1.97 acres of unincorporated Orange County territory. Staff recommends approval of the annexation. The following sections of this staff report provide additional background on the application and staff's analysis of the proposal.

**PROJECT APPLICATION**

The City of Irvine has filed an application with OC LAFCO for the annexation of two areas totaling approximately 1.97 acres of uninhabited territory located in unincorporated Orange County and within the City's Sphere of Influence (SOI). The proposed annexation consists of two separate areas, referred to as Notch Area 1 and Notch Area 2, totaling approximately 1.41 acres and 0.56 acres, respectively. The



subject territory is part of the Gateway Development, a planned residential community of approximately 105 acres. The development is expected to include up to 1,360 two and three-story residential units,

along with public amenities such as parks and trail connections. If the subject territory is annexed to the City of Irvine, the new boundary would facilitate a more logical boundary and efficient delivery of municipal services by the City.

#### *Location and Land Use*

The subject territory is generally located north of the intersection of Bee Canyon Access Road and Portola Parkway. The proposed annexation areas are currently designated as Open Space Reserve by the County of Orange. The City of Irvine adopted a pre-zoning designation for the proposed annexation areas. The subject areas were pre-zoned as 2.4J Medium-High Density Residential, which would become effective upon completion of the annexation. A vicinity map of the proposed annexation areas is also shown in Exhibit B.

### **DISCUSSION**

During the planning of the Gateway Development, a planned residential community encompassing approximately 105 acres, the City of Irvine identified two small portions of the project area that lie outside the City's jurisdictional boundary and within the City's SOI. The areas are within unincorporated Orange County, creating irregular "notch" areas along the City's boundary. These jurisdictional inconsistencies result in fragmented service areas and an inefficient municipal boundary within the project site. Therefore, the primary purpose of the proposed annexation is to realign the City's boundary to include the 1.97 acres within its jurisdictional boundary.

#### *Analysis*

Over the past year, staff from the City of Irvine, County of Orange, and OC LAFCO engaged in discussions about the proposed annexation of the two notch areas to the City's jurisdictional boundary. During those discussions, OC LAFCO was informed that the City had entered into a purchase-and-sale agreement with the County to acquire ownership of the subject territory. Subsequently, in December 2025, the City submitted an application to OC LAFCO for the annexation of the two small areas, referred to as Notch Area 1 and Notch Area 2. The subject territory proposed for annexation is part of the Gateway Development. Annexation of the subject territory would place the notch areas under a single jurisdiction and establish a more logical municipal boundary. Annexation of the territory within the City would facilitate the efficient delivery of municipal services by the City of Irvine, including public safety, public works, and parks and recreation services. The Irvine Ranch Water District is the current designated water and wastewater provider to the subject territory, however, no services are currently active as the area is undeveloped.

The table below identifies the existing and future service providers if the annexation is approved by the Commission.

<b>Table A – Proposed City of Irvine Annexation – Gateway Development Notch Areas 1 and 2</b>		
<b>Services</b>	<b>Provider (Existing)</b>	<b>Provider (Upon Annexation)</b>
Animal Control	County of Orange	County of Orange
Fire Protection	Orange County Fire Authority	Orange County Fire Authority
Library Services	Irvine Public Library	Irvine Public Library
Parks and Recreation	County of Orange	City of Irvine
Public Works	County of Orange	City of Irvine
Police Service	Orange County Sheriff's Department	City of Irvine
Local Water/Wastewater <sup>1</sup>	Irvine Ranch Water District	Irvine Ranch Water District
<b>Regional Providers (No Change)</b>		
Orange County Cemetery District (countywide public cemetery)		
Orange County Sanitation District (regional wastewater)		
Orange County Mosquito and Vector Control District (countywide vector control)		

*Other Statutory Requirements*

Exchange of Property Tax Revenues

California Revenue and Taxation Code Section 99 (Tax Code) requires the City and County to adopt property tax resolutions for proposed changes of organization and reorganizations. The City of Irvine adopted a property tax resolution on February 10, 2026, and the County of Orange adopted a property tax exchange resolution on March 24, 2026, for the proposed annexation. Pursuant to the Master Property Tax Transfer Agreement between the City and County, the area is considered undeveloped, and therefore, no property tax revenue is affected by this negotiation.

Environmental Review

On December 11, 2025, the City of Irvine, as the lead agency, and in accordance with the California Environmental Quality Act (CEQA), approved the Final Environmental Impact Report for the Irvine Gateway Village Project (EIR). As a responsible agency, OC LAFCO reviews the environmental documentation prepared by the City of Irvine in its consideration of the proposed annexation. A Notice of Determination concurring with the City's findings for the proposed annexation is included within this report for the Commission's consideration.

Protest Proceedings

In accordance with Government Code Section 56662, the Commission may waive protest proceedings for the proposed annexation. The waiver of protest proceedings is appropriately applied under this statute, as the subject territory is uninhabited, the affected agencies have not filed objections to the waiver, and all landowners have consented to the proposed annexation.

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<sup>1</sup> The Irvine Ranch Water District is the designated water and wastewater service provider for the proposed annexation area. However, as the area is currently undeveloped, these services are not presently being provided.

## RECOMMENDED ACTIONS

Staff recommends the Commission:

1. Confirm that OC LAFCO has reviewed the information contained within the Environmental Impact Report prepared by the City of Irvine and filed with the Orange County Clerk-Recorder.
2. As a responsible agency, direct the Executive Officer to file the Notice of Determination for the “City of Irvine Annexation of Gateway Development Notch Areas 1 and 2 (CA 25-06)” with the Orange County Clerk-Recorder. (**Attachment 2, Exhibit A**).
3. Adopt OC LAFCO Resolution No. CA 25-06 approving the “City of Irvine Annexation of Gateway Development Notch Areas 1 and 2 (CA 25-06).” (**Attachment 2**)
4. Waive protest proceedings for the “City of Irvine Annexation of Gateway Development Notch Areas 1 and 2 (CA 25-06)” in accordance with Government Code Section 56662.

Respectfully Submitted,



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LUIS TAPIA



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AIMEE DIAZ

Attachments:

1. G.C. §56668 Factors Considered by the Commission
2. OC LAFCO Resolution No. CA 25-06

**FACTORS CONSIDERED IN REVIEW OF CITY OF IRVINE ANNEXATION OF GATEWAY  
DEVELOPMENT NOTCH AREAS 1 AND 2 (CA 25-06)**

- I. **Population and Population Density, Land Area, Land Use, and Assessed Valuation**
  - The subject territory is currently uninhabited.
  - The proposed annexation consists of two separate areas, referred to as Notch Area 1 and Notch Area 2, encompassing approximately 1.41 acres and 0.56 acres, respectively, totaling approximately 1.97 acres.
  - The proposed annexation territory is currently designated by Orange County’s General Plan as Open Space Reserve.
  - The City of Irvine has pre-zoned the subject territory as 2.4J Medium-High Density Residential.
  - The subject territory is within Tax Rate Area 81-010
  - The total assessed valuation for the proposed annexation territory is \$910,091.
  
- II. **Organized Community Services, Present Cost and Adequacy, and Future Needs of Governmental Services, and Probable Effect of the Proposed Annexation**
  - Staff has not identified a need for additional organized community services in the proposed project territory
  - The subject territory is within the unincorporated area of the County of Orange, which is currently responsible for most of the municipal services, including Public Safety, Public Works, and Parks and Recreation. The Irvine Ranch Water District is the designated service provider of water and wastewater services to the subject territory. However, as the area is currently undeveloped, these services are not presently being provided.
  - The City of Irvine is capable of efficiently extending municipal services to the subject territory.
  - If the Commission approves the proposed annexation, the subject territory, composed of the two notch areas, will be placed under the City of Irvine’s jurisdiction and receive adequate municipal services from the City. See Table 1 below for the current and proposed service providers for the subject territory upon approval of the annexation.

<b>Table 1 – Proposed City of Irvine Annexation – Gateway Development Notch Areas 1 and 2</b>		
<b>Services</b>	<b>Provider (Existing)</b>	<b>Provider (Upon Annexation)</b>
Animal Control	County of Orange	County of Orange
Fire Protection	Orange County Fire Authority	Orange County Fire Authority
Library Services	Irvine Public Library	Irvine Public Library
Parks and Recreation	County of Orange	City of Irvine
Public Works	County of Orange	City of Irvine
Police Service	Orange County Sheriff’s Department	City of Irvine
Local Water/Wastewater	Irvine Ranch Water District	Irvine Ranch Water District
<b>Regional Providers (No Change)</b>		
Orange County Cemetery District (countywide public cemetery)		
Orange County Sanitation District (regional wastewater)		
Orange County Mosquito and Vector Control District (countywide vector control)		

- III. **Effect on Adjacent Areas, Mutual Social and Economic Interests, Local Government Structure**
- Upon annexation, the City of Irvine would be the local governing body for the subject territory. The proposed annexation will not have an effect on adjacent areas, mutual social and economic interests, or local government structure.
- IV. **The Conformity of both the Proposal and its Anticipated Effects with both the Adopted Commission Policies on Providing Planned, Orderly, Efficient Patterns of Urban Development, and the Policies and Priorities set forth in Government Code Section 56377**
- The proposed annexation was processed in accordance with Commission policies and procedures and is consistent with the priorities set forth in Government Code Section 56377.
- V. **Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands**
- No agricultural lands are contained within the proposed territory.
- VI. **The Definiteness and Certainty of the Boundaries of the Territory, the Nonconformance of Proposed Boundaries with Lines of Assessment or Ownership, the Creation of Islands or Corridors of Unincorporated Territory, and other Similar Matters Affecting the Proposed Boundaries**
- The proposed annexation boundary has been reviewed by staff and does not create any islands or corridors of unincorporated territory.
- VII. **Regional Transportation Plan (RTP) Adopted and Consistency with City or County General and Specific Plans**
- The subject territory is consistent with the City and County General Plans and will not impact the Regional Transportation Plan and Sustainable Communities Strategy that has been adopted for the region by the Southern California Association of Governments.
- VIII. **Sphere of Influence of Local Agencies**
- The subject territory is within the sphere of influence of the City of Irvine and the Irvine Ranch Water District, Orange County Sanitation District, Orange County Mosquito and Vector Control District, Municipal Water District of Orange County, and Orange County Cemetery District.
- IX. **The Proposal's Consistency with City or County General and Specific Plans**
- Land use for the subject territory is currently designated within the City of Irvine's General Plan as Recreation.
- X. **Comments from affected agencies and/or other public agency**
- The comment period for affected agencies to provide comments started on April 21, 2026, and ended on May 12, 2026. No comments on the proposed annexation were received. As required by State law, 21-days prior to the public hearing on May 13, 2026, a public notice was published in the Orange County Register.

- XI. **Ability of newly formed or receiving entity to provide services to the proposal area and sufficiency of revenues for those services**
- The City of Irvine has sufficient revenue and can provide adequate municipal services to the proposed territory.
- XII. **Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5**
- The annexation of territory to the City of Irvine will not interrupt or alter current service provision and the availability of water supplies as specified in Government Code Section 65352.5.
  - The proposed territory includes approximately 1.97 undeveloped acres included in one parcel. The Irvine Ranch Water District is the current designated provider to the annexation area. The District has indicated in its Water Supply Assessment and Water Supply Verification prepared for the project that it can adequately provide water and wastewater services to the subject territory during normal, dry, and multiple dry years.
- XIII. **Extent to which the proposal will affect the City of Irvine and the County in achieving their respective fair shares of the regional housing needs**
- There were no comments received from the City or County regarding the extent to which the proposal will affect their respective shares of the regional housing needs.
- XIV. **Information or Comments from landowners, voters, or residents within affected territory**
- Collectively, the proposed annexation areas contain no residents and less than 12 registered voters, and is therefore deemed uninhabited.
  - The annexation area includes a portion of the Gateway Development owned by the County of Orange, who has consented to the annexation. Staff notified all landowners within the affected territory 21 days prior to the public hearing. There were no comments from landowners within the affected territory or from the public.
  - In accordance with Government Code Section 56427, a notice of the public hearing was published in the local newspaper, the Orange County Register, 21 days prior to the public hearing. At the date of the agenda distribution on May 6, 2026, no written comments had been received.
- XV. **Information Relating to Existing Land Use Designations**
- The land use designation for the proposed annexation areas within the County of Orange is Open Space Reserve.
  - The land use designation for the proposed annexation within the City of Irvine’s General Plan is Recreation.
- XVI. **The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and income with respect to the location of public facilities and the provision of public services**
- If annexed to the City of Irvine, the subject territory will receive the same municipal services currently provided to all City residents.

**XVII. Information contained in a local hazard mitigation plan, information contained in safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to 4102 of the Public Resources Code**

- Government Code Section 51178 requires the California Department of Forestry and Fire Protection (CAL FIRE) to identify "very high fire hazard severity zones" using consistent statewide criteria. The Gateway Development is identified to be in a "very high fire hazard severity zone." The Gateway Development must also meet the requirements set forth by the Orange County Fire Authority Guideline B-01, Fire Master Plans for Commercial & Residential Development, and Access During Construction, and comply with California Fire Code Chapter 33. The Gateway Development will also be required to comply with applicable fire and building codes, and fire-resistant landscape plans in accordance with the Orange County Fire Authority Fuel Modification Zone Plant List.

**CA 25-06**

**RESOLUTION OF THE LOCAL AGENCY  
FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA  
MAKING RESPONSIBLE AGENCY FINDINGS UNDER THE CALIFORNIA  
ENVIRONMENTAL QUALITY ACT AND APPROVING THE “CITY OF IRVINE ANNEXATION OF  
GATEWAY DEVELOPMENT NOTCH AREAS 1 AND 2 (CA 25-06)”**

**May 13, 2026**

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

WHEREAS, the proposed annexation, designated as “City of Irvine Annexation of Gateway Development Notch Areas 1 and 2 (CA 25-06),” was hereto filed with and accepted for filing on April 27, 2026 by the Executive Officer of the Local Agency Formation Commission of Orange County (“OC LAFCO”) pursuant to Title 5, Division 3, commencing with Section 56000 et seq. of the Government Code; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56658, set for May 13, 2026 as the hearing date of this proposal; and

WHEREAS, as the Executive Officer, pursuant to Government Code Section 56665 has reviewed this proposal and prepared a report including his recommendation therein and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposed annexation consists of the annexation of approximately 1.97 acres of uninhabited territory located in unincorporated Orange County identified as the “Gateway Development Notch Areas 1 and 2”, encompassing approximately 1.41 acres and 0.56 acres, respectively. The subject territory is substantially surrounded by the City of Irvine; and

WHEREAS, the City of Irvine served as the lead agency for the environmental review, analysis, and approval of the “Gateway Development” pursuant to the requirements of the California Environmental Quality Act (Public Resources Code section 21000 et seq.) and the State CEQA Guidelines (14 Cal. Code Regs., § 15000 et seq.) (“CEQA”); and

Resolution (CA 25-06)

WHEREAS, pursuant to CEQA, the City of Irvine as the lead agency, certified the “Final Environmental Impact Report Irvine Gateway Village Project” (State Clearinghouse Number 2024100742) on December 11, 2025; and

WHEREAS, the OC LAFCO has been asked to approve the proposed “City of Irvine Annexation of Gateway Development Notch Areas 1 and 2 (CA 25-06)” that consists of the annexation of approximately 1.97 acres to the City of Irvine; and

WHEREAS, OC LAFCO is the “responsible agency” for the proposal under CEQA because it has limited approval and implemental authority over the proposal; and

WHEREAS, OC LAFCO, at its agendized public meeting on May 13, 2026, independently reviewed and considered the Final Environmental Impact Report Irvine Gateway Village Project prepared by the City of Irvine and other related documents in the record before it; and

WHEREAS, all of the procedures of CEQA have been met, and the Final Environmental Impact Report Irvine Gateway Village Project, prepared in connection with the proposed annexation, is sufficiently detailed so that all of the potential effects of the proposal on the environment and measures necessary to avoid or substantially lessen such effects that have been evaluated in accordance with CEQA; and

WHEREAS, as contained herein, OC LAFCO has endeavored in good faith to set forth the basis for its decision on the proposal; and

WHEREAS, this Commission called for and held a public hearing on the proposal on May 13, 2026, and heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons presented were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, all of the findings and conclusions made by OC LAFCO pursuant to this Resolution are based upon the oral and written evidence presented to it as a whole and not based solely on the information provided in this Resolution; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, OC LAFCO does hereby resolve as follows:

Section 1. OC LAFCO Findings

The subject territory is found to be an uninhabited area of unincorporated territory, located within the City of Irvine’s Sphere of Influence, and is assigned the following distinctive short-form designation, “City of Irvine Annexation of Gateway Development Notch Areas 1 and 2 (CA 25-06).” The proposal consists of the annexation of approximately 1.97 acres located north of the intersection of Bee Canyon Access Road and Portola Parkway within the County of Orange and within the City of Irvine’s sphere of influence.

Section 2. Compliance with the California Environmental Quality Act.

As the decision-making body for OC LAFCO, and in OC LAFCO’s limited role as a responsible agency under CEQA, the Commission has reviewed and considered the information contained in the Final Environmental Impact Report Irvine Gateway Village Project and all supporting documentation, copies of which are on file at OC LAFCO’s office and are incorporated by reference as though set forth fully herein. Based on this review, the Commission finds that, as to those potential environmental impacts within the Commission’s powers and authorities as the responsible agency, that the Final Environmental Impact Report Irvine Gateway Village Project and supporting environmental documentation contain a complete, objective, and accurate reporting of those potential impacts, and that these findings reflect the independent judgement and analysis of the Commission.

Section 3. Findings on Environmental Impacts.

The Commission concurs with the City of Irvine’s environmental findings regarding the proposed annexation and adopts these findings, attached hereto as “Exhibit A,” as though fully set forth herein.

Section 4. The Proposal is approved subject to the following terms and conditions:

- a) Payment by the City of Irvine of County Clerk-Recorder and State Board of

Equalization fees prior to the recordation of the OC LAFCO Certificate of Completion.

- b) The City of Irvine agrees to defend, hold harmless and indemnify OC LAFCO and/or its agents, officers and employees from any claim, action or proceeding against OC LAFCO and/or its agents, officers and employees to attack, set aside, void or annul the approval of OC LAFCO concerning this proposal or any action relating to or arising out of such approval.
- c) The effective date shall be the date of recordation of the OC LAFCO Certificate of Completion.

Section 5. Notice of Determination.

The Commission directs the Executive Officer to file a Notice of Determination with the Orange County Clerk-Recorder within five working days of adoption of this Resolution.

Section 6. Conducting Authority Proceedings

The Commission shall waive the protest proceedings for the proposed annexation in accordance with Government Code Section 56662. The waiver of protest proceedings appropriately applies under this statute as the subject territory is uninhabited, the affected agencies have not filed objections to the waiver, and the landowners have consented to the proposed annexation.

Section 7. Mail Copy of Resolution

The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Government Code Section 56882.

Section 8. Custodian of Records.

The documents and materials that constitute the record of proceedings on which this Resolution and the above findings have been based are located at the offices of OC

LAFCO. The custodian for these records is the Local Agency Formation Commission of Orange County, 2677 North Main Street, Suite 1050, Santa Ana, California 92705.

AYES:

NOES:

STATE OF CALIFORNIA)

) SS.

COUNTY OF ORANGE)

I, 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 13<sup>th</sup> day of May 2026.

IN WITNESS WHEREOF, I have hereunto set my hand this 13<sup>th</sup> day of May 2026.

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

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

**NOTICE OF DETERMINATION**

TO:	<input type="checkbox"/> Clerk of the Board of Supervisors or <input checked="" type="checkbox"/> County Clerk County of: Address: County Administration South Building 601 N. Ross Street Santa Ana, CA 92701	FROM:	Public Agency: Local Agency Formation Commission of Orange County (Responsible Agency) Address: 2677 N. Main Street, Suite 1050, Santa Ana, CA 92705 Contact: Aimee Diaz Phone: 714-640-5100
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TO:	<input checked="" type="checkbox"/> Office of Planning and Research P. O. Box 3044 Sacramento, CA 95812-3044 (overnight or hand delivery) <input type="checkbox"/> 1400 Tenth Street, Rm. 113 Sacramento, CA 95814	Lead Agency:	City of Irvine Address: 1 Civic Center Plaza Irvine, CA 92606 Contact: Andrew Pham Phone: 949-724-7309
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SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (If submitted to SCH): 2024100742	Applicant: City of Irvine Contact Person: Andrew Pham 1 Civic Center Plaza Irvine, CA 92606	Telephone Number: 949-724-7309
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Project Title: City of Irvine Annexation of Gateway Development Notch Areas 1 and 2 (CA 25-06)

Specific Project Location – Identify street address and cross street or attach a map showing project site (preferably a USGS 15’ or 7 ½’ topographical map identified by quadrangle name): See attached vicinity map.

General Project Location (City and/or County): The subject territory is located north of the intersection of Bee Canyon Access Road and Portola Parkway. The territory is substantially surrounded by the City of Irvine and is adjacent to the northeast quadrant of the City’s jurisdictional boundary in unincorporated Orange County.

Project Description: The proposed annexation consists of two separate areas, referred to as Notch Area 1 and Notch Area 2, encompassing approximately 1.41 acres and 0.56 acres, respectively, totaling approximately 1.97 acres.

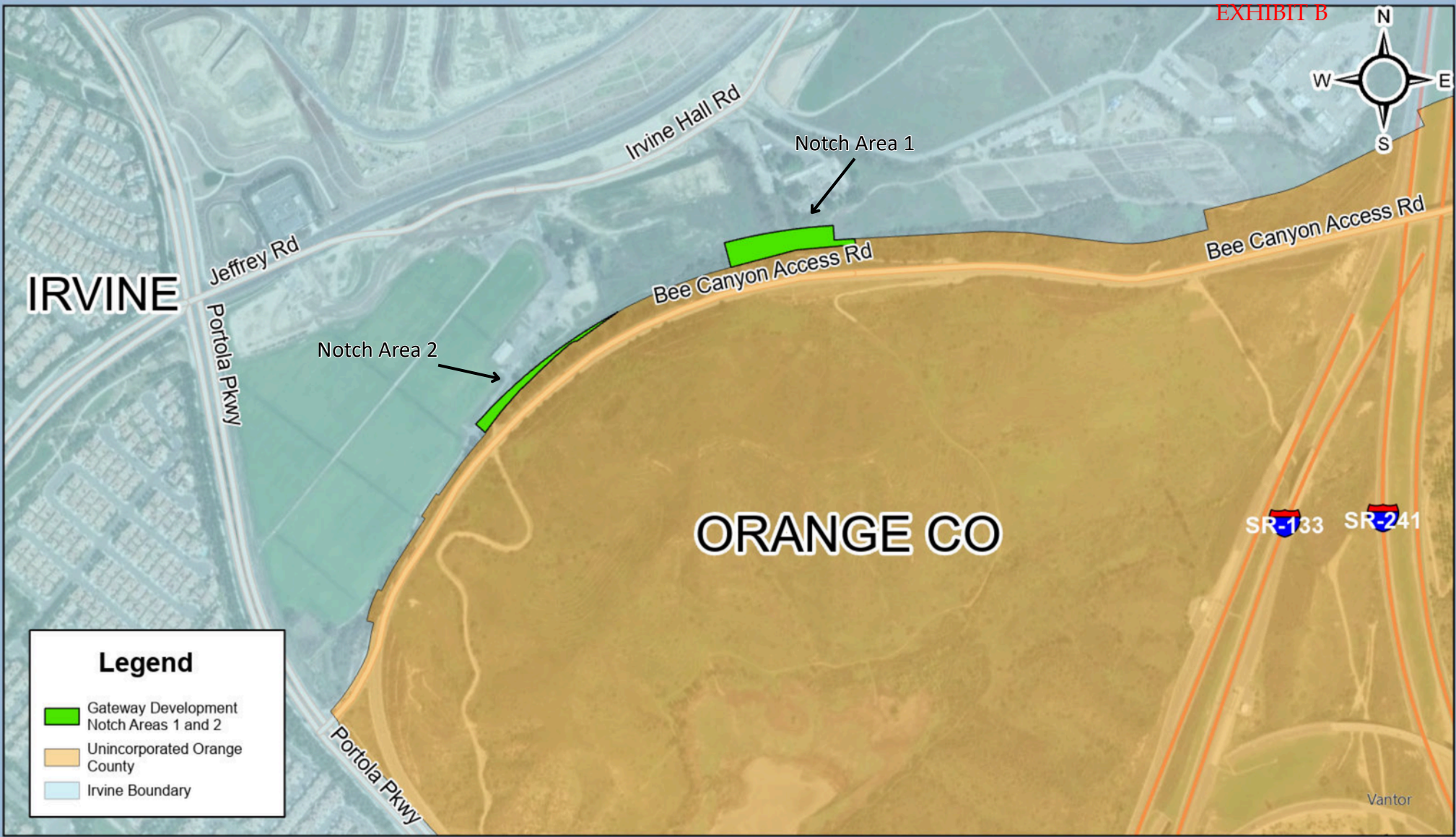
Identify the person or entity undertaking the project, including any private applicant, any other person undertaking an activity that receives financial assistance from the Public Agency as part of the project, and any person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the project.

The City of Irvine, 1 Civic Center Plaza, Irvine, CA 92606




This is to advise that the ( Lead Agency or  Responsible Agency) has approved the above-described project on May 13, 2026, and has made the following determinations regarding the above-described project:

1. <input checked="" type="checkbox"/>	The project will have a significant effect on the environment.	
<input type="checkbox"/>	The project will NOT have a significant effect on the environment	
2. <input checked="" type="checkbox"/>	An Environmental Impact Report was prepared and certified for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.	
<input type="checkbox"/>	A Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.	
<input type="checkbox"/>	A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.	
3. <input checked="" type="checkbox"/>	Mitigation measures were made a condition of the Lead Agency's approval of the project.	
<input type="checkbox"/>	Mitigation measures were NOT made a condition of the approval of the project.	
4. <input checked="" type="checkbox"/>	A Mitigation Monitoring or Reporting Plan was adopted by the Lead Agency for this project.	
<input type="checkbox"/>	A Mitigation Monitoring or Reporting Plan was NOT adopted for this project.	
5. <input checked="" type="checkbox"/>	A Statement of Overriding Considerations was adopted for this project.	
	A Statement of Overriding Considerations was NOT adopted for this project	
6. <input checked="" type="checkbox"/>	Findings were made pursuant to the provisions of CEQA.	
<input type="checkbox"/>	Findings were NOT made pursuant to the provisions of CEQA.	
	This is to certify that the Environmental Impact Report is available to the general public at:	
	Custodian(s): City of Irvine	Location(s): 1 Civic Center Plaza Irvine, CA 92606
	Local Agency Formation Commission of Orange County	2677 N. Main St., Suite 1050 Santa Ana, CA
<b>Date:</b> _____	_____ <b>Signature</b>	
<b>Date Received for Filing:</b> _____	_____ <b>Executive Officer</b> <b>Title</b>	

Authority cited: Sections 21083, Public Resources Code.  
Reference Section 21000-21174, Public Resources Code.



**Legend**

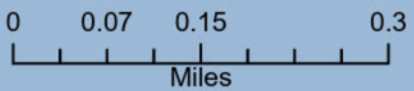
-  Gateway Development Notch Areas 1 and 2
-  Unincorporated Orange County
-  Irvine Boundary



### Proposed "City of Irvine Annexation of Gateway Development Notch Areas 1 and 2"

(CA 25-06)

Vicinity Map



**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:** May 13, 2026

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

**FROM:** Executive Officer  
Policy Analyst I

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

**BACKGROUND**

Following the Legislature’s return from spring recess on April 6<sup>th</sup>, policy committees took up pending legislation ahead of key deadlines. April 24<sup>th</sup> was the deadline for bills with fiscal impact to be reviewed and reported out of policy committees to fiscal committees, while May 1<sup>st</sup> was the deadline for non-fiscal bills to advance out of policy committees. Now that the deadlines have passed, only bills that have been referred to fiscal committees or advanced to the Senate or Assembly floors remain active.

OC LAFCO staff, through its participation with the Alliance of Local Agency Formation Commissions (Alliance) Legislative Committee, has reviewed legislation of LAFCO interest and legislative activity for Commission discussion. During the most recent committee meeting in April, staff discussed Assembly Bill 1821, Validating Acts of 2026, and recent activity related to the amicus brief filing for *Monterey Peninsula Water Management District v. Monterey LAFCO*.

**LEGISLATION OF LAFCO INTEREST**

**ASSEMBLY BILLS**

**AB 1821 (Pacheco) - California Public Records Act: Agency Response Time**

Under the California Public Records Act, local agencies, including LAFCOs, must provide prompt access to identifiable public records upon a public records request. The Act requires a public agency to respond within 10 calendar days of receiving a request, and in specified unusual circumstances, extend the response period by up to 14 additional calendar days.

Authored by Assembly Member Pacheco, AB 1821 proposes to change the existing timelines for public agencies to respond to public records requests, requiring agencies to respond within 10 business days instead of calendar days and allowing extensions of up to 14 business days. The proposed change aligns the timeframe for responding to a records request with the operational schedules of public agencies. If enacted, the bill would allow agencies to increase the efficiency of responding to records requests within the allotted time, considering the operational schedules of public agencies, which are typically closed on weekends and major holidays. For LAFCOs, which typically have 3 to 8-member staff, the proposed change would further assist in responding to public requests within the required timeframe. Staff recommends the Commission adopt a **Support** position on AB 1821, as the bill is consistent with OC LAFCO's legislative policy of supporting measures that reflect good governance principles and responsible public policy.

**RECOMMENDED ACTION:** Adopt a **Support** position on AB 1821.

**Support:** Alameda County Office of Education, Association of California School Administrators, California Association of School Business Officials (CASBO), California Municipal Clerks Association (CMCA), California Special Districts Association, California State Association of Counties, California State Sheriffs' Association, City of Buena Park, City of La Verne, League of California Cities, City of Newport Beach, Rural County Representatives of California (RCRC), City of Upland, and Urban Counties of California (UCC).

**Oppose:** ACLU California Action, Buen Vecino, California Common Cause, California News Publishers Association, Center on Juvenile and Criminal Justice, Construction Industry Force Account Council, Corporation for Supportive Housing, Disability Rights California, First Amendment Coalition, Justice in Aging, Justice2jobs Coalition, LA Defensa, Western Center on Law & Poverty, INC., and two individuals.

**BILL LOCATION/STATUS:** Assembly. No hearing date has been scheduled at the time of agenda distribution.

## SENATE BILLS

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### **SB 1440, SB 1441, SB 1442 (Local Government Committee) – Validating Acts of 2026**

During each legislative session, the Legislature adopts the annual Validating Acts (Acts) to cure public officials' minor procedural errors or omissions. Authored by the Senate Local Government Committee, the annual bills affect the state government, cities, counties, special districts, and LAFCOs and are enacted to retroactively fix typographical, grammatical, and procedural errors that might invalidate boundary changes or bond issues. The Acts are not meant to protect against fraud, corruption, or unconstitutional acts. Support of the Validating Acts is consistent with the Commission's legislative policies, including those that promote LAFCO's authority, orderly boundary formations, and the effective and reliable conduct of public agency actions. As the Acts would apply to related Commission actions, staff recommends the Commission adopt a **Support** position on SB 1440, SB 1441, and SB 1442.

**RECOMMENDED ACTION:** Adopt a **Support** position on SB 1440, SB 1441, and SB 1442.

**Support:** None on record.

**Oppose:** None on record.

**BILL LOCATION/STATUS:** Assembly. No hearing date has been scheduled at the time of agenda distribution.

### AMICUS BRIEF

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On September 17, 2025, the Commission approved OC LAFCO's participation as a party to an amicus brief in *Monterey Peninsula Water Management District v. Monterey LAFCO*, involving the denial of the Monterey Peninsula Water Management District's (MPWMD) request to activate latent powers to provide retail water service to a portion of Monterey County. The court ruled in favor of MPWMD, finding that Monterey LAFCO applied an incorrect "substantial evidentiary" standard to deny MPWMD's proposal. Monterey LAFCO appealed the court's decision, stating the court applied the incorrect "rational connection" instead of the substantial evidence standard required under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act). In response, the amicus brief is intended to provide additional information on the statutory substantial evidence requirement under the CKH Act and to highlight the broader policy and precedent implications of the court's decision. Staff then provided the Commission with an update during the February 2026 regular meeting, summarizing the anticipated appellate schedule and the planned submission of the amicus brief, including the expected filing of MPWMD's cross-appeal reply brief and the timeline for participating LAFCOs to submit the amicus brief.

Since the last update provided to the Commission, Monterey LAFCO requested and was granted an extension to file its reply brief, moving the deadline from March 6, 2026 to April 7, 2026. Subsequently, MPWMD requested and was granted an extension to file its reply brief, extending the deadline to June 26, 2026. As a result of this extension, the amicus brief is now due on July 10, 2026. Bill Pellman of Nossaman LLP is expected to submit the amicus brief on behalf of OC LAFCO and the other participating LAFCOs. The following table summarizes the anticipated timeline for the remaining appellate filings, assuming no further extensions are requested or granted.

Filing	Responsible Party	Due Date
Monterey LAFCO Reply Brief (Response to MPWMD Cross-Appeal)	Monterey LAFCO	April 7, 2026
MPWMD Reply Brief (Response to Monterey LAFCO Reply Brief)	MPWMD	June 26, 2026
Bill Pellman - Amicus Brief	Participating LAFCOs	July 10, 2026

Staff will continue to monitor the appellate proceedings and will provide updates at future Commission meetings.

**RECOMMENDED ACTIONS**

Staff recommends the Commission:

1. Adopt a **Support** position on Assembly Bill 1821, and Senate Bills 1440, 1441, 1442.
2. Direct staff to send letters of support to Assembly Member Pacheco and the Senate Local Government Committee.

Respectfully Submitted,

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

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

Attachments:

1. Assembly Bill 1821 (Pacheco)
2. Senate Bills 1440, 1441, 1442 (Senate Local Government Committee)

Exhibits:

- A. Letter of Support – AB 1821
- B. Letter of Support – SB 1440, 1441, 1442


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## AB-1821 California Public Records Act: agency response time. (2025-2026)

SHARE THIS:



Date Published: 04/06/2026 09:00 PM

AMENDED IN ASSEMBLY APRIL 06, 2026

AMENDED IN ASSEMBLY MARCH 16, 2026

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

### ASSEMBLY BILL

### NO. 1821

Introduced by Assembly Member Pacheco

February 11, 2026

An act to amend ~~Sections 7922.530 and~~ [Section](#) 7922.535 of the Government Code, relating to public records.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1821, as amended, Pacheco. California Public Records Act: ~~fees and~~ agency response time.

Existing law, the California Public Records Act, requires each state or local agency, upon a request for a copy of records that reasonably describes an identifiable record or records, to make the records promptly available to any person upon payment of fees covering direct costs of duplication, or a statutory fee if applicable, except with respect to public records exempt from disclosure by express provisions of law.

~~This bill would require, if a single request exceeds 2 hours of search time, or if the total requests by a requestor exceed 10 hours of search time in one month, the requestor to also submit to the agency a payment of fees in an amount determined by the agency as reasonable to compensate the agency for the administrative time of completing the requests. The bill would exempt from that requirement a journalist, a newspaper, and an educational or noncommercial scientific institution, as specified. The bill would define "search" for purposes of that requirement to mean to review, either manually or by automated means, agency records for the purpose of locating those records that are responsive to a request.~~

Existing law requires each agency, within 10 days of a request for a copy of records, to determine whether the request seeks copies of disclosable public records in possession of the agency and to promptly notify the person of the determination and the reasons therefor. Existing law authorizes that time limit to be extended by no more than 14 days under unusual circumstances, as defined.

This bill would instead require each agency to determine whether the request seeks copies of disclosable public records in possession of the agency and to promptly notify the person as described above within 10 business days of a request for a copy of records. The bill would instead authorize the time period for each agency to respond to be extended by no more than 14 business days.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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

### ~~SECTION 1.~~Section 7922.530 of the Government Code is amended to read:

~~7922.530.(a)(1)Except with respect to public records exempt from disclosure by express provisions of law, each state or local agency, upon a request for a copy of records that reasonably describes an identifiable record or records, shall make the records promptly available to any person upon payment of fees covering direct costs of duplication, or a statutory fee if applicable. Upon request, an exact copy shall be provided unless impracticable to do so.~~

~~(2)(A)If a single request exceeds 2 hours of search time, or if the total requests by a requestor exceed 10 hours of search time in one month, the requestor shall submit to the agency a payment of fees in an amount determined by the agency as reasonable to compensate the agency for the administrative time of completing the requests.~~

~~(B)Subparagraph (A) shall not apply to any of the following:~~

~~(i)A journalist.~~

~~(ii)A newspaper.~~

~~(iii)An educational or noncommercial scientific institution whose purpose is scholarly or scientific research.~~

~~(C)For purposes of subparagraph (A), "search" means to review, either manually or by automated means, agency records for the purpose of locating those records that are responsive to a request.~~

~~(b)A requester who inspects a disclosable record on the premises of the agency has the right to use the requester's equipment on those premises, without being charged any fees or costs, to photograph or otherwise copy or reproduce the record in a manner that does not require the equipment to make physical contact with the record, unless the means of copy or reproduction would result in either of the following:~~

~~(1)Damage to the record.~~

~~(2)Unauthorized access to the agency's computer systems or secured networks by using software, equipment, or any other technology capable of accessing, altering, or compromising the agency's electronic records.~~

~~(c)The agency may impose any reasonable limits on the use of the requester's equipment that are necessary to protect the safety of the records or to prevent the copying of records from being an unreasonable burden to the orderly function of the agency and its employees. In addition, the agency may impose any limit that is necessary to maintain the integrity of, or ensure the long-term preservation of, historic or high-value records.~~

### ~~SEC. 2.~~**SECTION 1.** Section 7922.535 of the Government Code is amended to read:

**7922.535.** (a) Each agency, upon a request for a copy of records, shall, within 10 business days from receipt of the request, determine whether the request, in whole or in part, seeks copies of disclosable public records in the

possession of the agency and shall promptly notify the person making the request of the determination and the reasons therefor. If the agency determines that the request seeks disclosable public records, the agency shall also state the estimated date and time when the records will be made available.

(b) In unusual circumstances, the time limit prescribed in this article and Article 1 (commencing with Section 7922.500) may be extended by written notice from the head of the agency or a designee to the person making the request, setting forth the reasons for the extension and the date on which a determination is expected to be dispatched. The notice shall not specify a date that would result in an extension for more than 14 business days.

(c) As used in this section, "unusual circumstances" means the following, but only to the extent reasonably necessary to the proper processing of the particular request:

(1) The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.

(2) The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records that are demanded in a single request.

(3) The need for consultation, which shall be conducted with all practicable speed, with another agency having substantial interest in the determination of the request or among two or more components of the agency having substantial subject matter interest therein.

(4) The need to compile data, to write programming language or a computer program, or to construct a computer report to extract data.

(5) The inability of the agency, because of a cyberattack, to access its electronic servers or systems in order to search for and obtain a record that the agency believes is responsive to a request and is maintained on the servers or systems in an electronic format.

(A) This paragraph does not relieve the agency of its obligation to comply with subdivision (a) when the requested record is maintained in a location other than on the electronic server or system affected by the cyberattack, or maintained in a nonelectronic format.

(B) This paragraph applies only until the agency regains its ability to access its electronic servers or systems and search for and obtain electronic records that may be responsive to a request.

(6) The need to search for, collect, and appropriately examine records during a state of emergency proclaimed by the Governor in the jurisdiction where the agency is located when the state of emergency currently and directly affects, due to the state of emergency, the agency's ability to timely respond to requests due to staffing shortages or closure of facilities where the requested records are located.

(A) This paragraph shall not apply to a request for records created during and related to the state of emergency proclaimed by the Governor.

(B) For purposes of this paragraph, "state of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2).

~~SEC. 3.~~ **SEC. 2.** The Legislature finds and declares that Section 1 ~~of this act, which amends Section 7922.530 of the Government Code, and Section 2~~ of this act, which amends Section 7922.535 of the Government Code, ~~further, furthers~~, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act balances the right of the public to access public records in a timely manner while ~~providing public agencies proper compensation and protection from convoluted requests.~~ *acknowledging that state and local agencies provide a variety of public services and may need additional time to properly respond to requests.*

~~SEC. 4.~~ **SEC. 3.** The Legislature finds and declares that Section 1 ~~of this act, which amends Section 7922.530 of the Government Code, and Section 2~~ of this act, which amends Section 7922.535 of the Government Code, ~~impose~~ *imposes* a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to

that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

This act balances the right of the public to access public records in a timely manner while ~~providing public agencies proper compensation and protection from convoluted requests.~~ *acknowledging that state and local agencies provide a variety of public services and may need additional time to properly respond to requests.*


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## SB-1440 Validations. (2025-2026)

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Date Published: 03/11/2026 09:00 PM

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

### SENATE BILL

**NO. 1440**

**Introduced by Committee on Local Government (Senators Durazo (Chair), Arreguín, Ashby, Cervantes, Choi, Laird, and Seyarto)**

**March 11, 2026**

An act to validate the organization, boundaries, acts, proceedings, and bonds of public bodies, and to provide limitations of time in which actions may be commenced, and declaring the urgency thereof, to take effect immediately.

### LEGISLATIVE COUNSEL'S DIGEST

SB 1440, as introduced, Committee on Local Government. Validations.

This bill would enact the First Validating Act of 2026, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: no Local Program: no

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

**SECTION 1.** This act shall be known, and may be cited, as the First Validating Act of 2026.

**SEC. 2.** As used in this act:

(a) "Public body" means all of the following:

(1) The state and all departments, agencies, boards, commissions, and authorities of the state. Except as provided in paragraph (2), "public body" also means all cities, counties, cities and counties, districts, authorities, agencies, boards, commissions, and other entities, whether created by a general statute or a special act, including, but not limited to, the following:

Agencies, boards, commissions, or entities constituted or provided for under or pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code).

Affordable housing authorities.

Air pollution control districts of any kind.

Air quality management districts.

Airport districts.

Assessment districts, benefit assessment districts, and special assessment districts of any public body.

Bridge and highway districts.

California water districts.

Citrus pest control districts.

City maintenance districts.

Climate resilience districts.

Community college districts.

Community development commissions in their capacity to act as a housing authority for other community development purposes of the jurisdiction in which the commission operates, except for any action taken with respect to the commission's authority to act as a community redevelopment agency.

Community facilities districts.

Community rehabilitation districts.

Community revitalization and investment authorities.

Community services districts.

Conservancy districts.

Cotton pest abatement districts.

County boards of education.

County drainage districts.

County flood control and water districts.

County free library systems.

County maintenance districts.

County sanitation districts.

County service areas.

County transportation commissions.

County water agencies.

County water authorities.

County water districts.

County waterworks districts.

Department of Water Resources and other agencies acting pursuant to Part 3 (commencing with Section 11100) of Division 6 of the Water Code.

Distribution districts of any public body.

Districts acting pursuant to Section 53395.82 of the Government Code.

Drainage districts.

Enhanced infrastructure financing districts.

Fire protection districts.

Flood control and water conservation districts.

Flood control districts.

Garbage and refuse disposal districts.

Garbage disposal districts.

Geologic hazard abatement districts.

Harbor districts.

Harbor improvement districts.

Harbor, recreation, and conservation districts.

Health care authorities.

Highway districts.

Highway interchange districts.

Highway lighting districts.

Housing authorities.

Improvement districts or improvement areas of any public body.

Industrial development authorities.

Infrastructure financing districts.

Integrated financing districts.

Irrigation districts.

Joint highway districts.

Levee districts.

Library districts.

Library districts in unincorporated towns and villages.

Local agency formation commissions.

Local health care districts.

Local health districts.

Local hospital districts.

Local transportation authorities or commissions.

Maintenance districts.

Memorial districts.

Metropolitan transportation commissions.

Metropolitan water districts.

Mosquito abatement and vector control districts.

Multifamily improvement districts.

Municipal improvement districts.

Municipal utility districts.

Municipal water districts.

Nonprofit corporations.

Nonprofit public benefit corporations.

Open-space maintenance districts.

Parking and business improvement areas.

Parking authorities.

Parking districts.

Permanent road divisions.

Pest abatement districts.

Police protection districts.

Port districts.

Property and business improvement areas.

Protection districts.

Public cemetery districts.

Public utility districts.

Rapid transit districts.

Reclamation districts.

Recreation and park districts.

Regional housing finance authorities.

Regional justice facility financing agencies.

Regional park and open-space districts.

Regional planning districts.

Regional transportation commissions.

Resort improvement districts.

Resource conservation districts.

River port districts.

Road maintenance districts.

Sanitary districts.

School districts of any kind or class.

School facilities improvement districts.

Separation of grade districts.

Service authorities for freeway emergencies.

Sewer districts.

Sewer maintenance districts.

Small craft harbor districts.

Special municipal tax districts.

Stone and pome fruit pest control districts.

Storm drain maintenance districts.

Storm drainage districts.

Storm drainage maintenance districts.

Stormwater districts.

Toll tunnel authorities.

Traffic authorities.

Transit development boards.

Transit districts.

Unified and union school districts' public libraries.

Vehicle parking districts.

Water agencies.

Water authorities.

Water conservation districts.

Water districts.

Water replenishment districts.

Water storage districts.

Watermaster districts.

Wine grape pest and disease control districts.

Zones, improvement zones, or service zones of any public body.

(2) Notwithstanding paragraph (1), a "public body" does not include any of the following:

(A) A community redevelopment agency formed pursuant to the Community Redevelopment Law (Part 1 commencing with Section 33000) of Division 24 of the Health and Safety Code).

(B) A community development commission, with respect to its exercise of the powers of a community redevelopment agency.

(C) A joint powers authority that includes a community redevelopment agency or a community development commission as a member, with respect to its exercise of the powers of a community redevelopment agency.

(3) "Public body" includes both of the following:

(A) The successor agency to the Redevelopment Agency of the City and County of San Francisco, solely for the purpose of issuing bonds or incurring other indebtedness pursuant to the provisions of Section 34177.7 of the Health and Safety Code.

(B) A successor agency, as defined in subdivision (j) of Section 34171 of the Health and Safety Code, solely for the purpose of issuing bonds or incurring other indebtedness pursuant to the provisions of Section 34177.5 of the Health and Safety Code.

(b) "Bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, all leases, installment purchase agreements, or similar agreements wherein the obligor is one or

more public bodies, all instruments evidencing the borrowing of money in anticipation of taxes, revenues, or other income of that body, all instruments payable from revenues or special funds of those public bodies, all certificates of participation evidencing interests in the leases, installment purchase agreements, or similar agreements, and all instruments funding, refunding, replacing, or amending any thereof or any indebtedness.

(c) "Hereafter" means any time subsequent to the effective date of this act.

(d) "Heretofore" means any time prior to the effective date of this act.

(e) "Now" means the effective date of this act.

**SEC. 3.** All public bodies heretofore organized or existing under any law, or under color of any law, are hereby declared to have been legally organized and to be legally functioning as those public bodies. Every public body, heretofore described, shall have all the rights, powers, and privileges, and be subject to all the duties and obligations, of those public bodies regularly formed pursuant to law.

**SEC. 4.** The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

**SEC. 5.** All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into those public bodies or for the annexation of those public bodies to any other public body or for the detachment, withdrawal, or exclusion of territory from any public body or for the consolidation, merger, or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of territory or the consolidation, merger, or dissolution of those public bodies.

**SEC. 6.** (a) All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds of any public body for any public purpose are hereby authorized, confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of public bodies and of any person, public officer, board, or agency heretofore done or taken upon the question of the authorization, issuance, sale, execution, delivery, or exchange of bonds.

(b) All bonds of, or relating to, any public body heretofore issued shall be, in the form and manner issued and delivered, the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued by ordinance, resolution, order, or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, those bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with that authorization, shall be the legal, valid, and binding obligations of the public body.

**SEC. 7.** (a) This act shall operate to supply legislative authorization as may be necessary to authorize, confirm, and validate any acts and proceedings heretofore taken pursuant to authority the Legislature could have supplied or provided for in the law under which those acts or proceedings were taken.

(b) This act shall be limited to the validation of acts and proceedings to the extent that the same can be effectuated under the California Constitution and the United States Constitution.

(c) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter being legally contested or inquired into in any legal proceeding now pending and undetermined or that is pending and undetermined during the period of 30 days from and after the effective date of this act.

(d) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter that has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

(e) This act shall not operate to authorize, confirm, validate, or legalize a contract between any public body and the United States.

**SEC. 8.** Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization, or incorporation of any public body, or for any annexation thereto, detachment or exclusion therefrom, or other change of boundaries thereof, or for the consolidation, merger, or dissolution of any public bodies, or for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds thereof upon any ground involving any alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches shall be commenced within six months of the effective date of this act, otherwise each and all of those matters shall be held to be valid and in every respect legal and incontestable. This act shall not extend the period allowed for legal action beyond the period that it would be barred by any presently existing valid statute of limitations.

**SEC. 9.** Nothing contained in this act shall be construed to render the creation of any public body, or any change in the boundaries of any public body, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed pursuant to Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code, is filed within the time and substantially in the manner required by those sections.

**SEC. 10.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to validate the organization, boundaries, acts, proceedings, and bonds of public bodies as soon as possible, it is necessary that this act take immediate effect.


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## SB-1441 Validations. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

### SENATE BILL

### NO. 1441

**Introduced by Committee on Local Government (Senators Durazo (Chair), Arreguín, Ashby, Cervantes, Choi, Laird, and Seyarto)**

**March 11, 2026**

An act to validate the organization, boundaries, acts, proceedings, and bonds of public bodies, and to provide limitations of time in which actions may be commenced, and declaring the urgency thereof, to take effect immediately.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1441, as introduced, Committee on Local Government. Validations.

This bill would enact the Second Validating Act of 2026, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: no Local Program: no

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

**SECTION 1.** This act shall be known, and may be cited, as the Second Validating Act of 2026.

**SEC. 2.** As used in this act:

(a) "Public body" means all of the following:

- (1) The state and all departments, agencies, boards, commissions, and authorities of the state. Except as provided in paragraph (2), "public body" also means all cities, counties, cities and counties, districts, authorities, agencies, boards, commissions, and other entities, whether created by a general statute or a special act, including, but not limited to, the following:

Agencies, boards, commissions, or entities constituted or provided for under or pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code).

Affordable housing authorities.

Air pollution control districts of any kind.

Air quality management districts.

Airport districts.

Assessment districts, benefit assessment districts, and special assessment districts of any public body.

Bridge and highway districts.

California water districts.

Citrus pest control districts.

City maintenance districts.

Climate resilience districts.

Community college districts.

Community development commissions in their capacity to act as a housing authority for other community development purposes of the jurisdiction in which the commission operates, except for any action taken with respect to the commission's authority to act as a community redevelopment agency.

Community facilities districts.

Community rehabilitation districts.

Community revitalization and investment authorities.

Community services districts.

Conservancy districts.

Cotton pest abatement districts.

County boards of education.

County drainage districts.

County flood control and water districts.

County free library systems.

County maintenance districts.

County sanitation districts.

County service areas.

County transportation commissions.

County water agencies.

County water authorities.

County water districts.

County waterworks districts.

Department of Water Resources and other agencies acting pursuant to Part 3 (commencing with Section 11100) of Division 6 of the Water Code.

Distribution districts of any public body.

Districts acting pursuant to Section 53395.82 of the Government Code.

Drainage districts.

Enhanced infrastructure financing districts.

Fire protection districts.

Flood control and water conservation districts.

Flood control districts.

Garbage and refuse disposal districts.

Garbage disposal districts.

Geologic hazard abatement districts.

Harbor districts.

Harbor improvement districts.

Harbor, recreation, and conservation districts.

Health care authorities.

Highway districts.

Highway interchange districts.

Highway lighting districts.

Housing authorities.

Improvement districts or improvement areas of any public body.

Industrial development authorities.

Infrastructure financing districts.

Integrated financing districts.

Irrigation districts.

Joint highway districts.

Levee districts.

Library districts.

Library districts in unincorporated towns and villages.

Local agency formation commissions.

Local health care districts.

Local health districts.

Local hospital districts.

Local transportation authorities or commissions.

Maintenance districts.

Memorial districts.

Metropolitan transportation commissions.

Metropolitan water districts.

Mosquito abatement and vector control districts.

Multifamily improvement districts.  
Municipal improvement districts.  
Municipal utility districts.  
Municipal water districts.  
Nonprofit corporations.  
Nonprofit public benefit corporations.  
Open-space maintenance districts.  
Parking and business improvement areas.  
Parking authorities.  
Parking districts.  
Permanent road divisions.  
Pest abatement districts.  
Police protection districts.  
Port districts.  
Property and business improvement areas.  
Protection districts.  
Public cemetery districts.  
Public utility districts.  
Rapid transit districts.  
Reclamation districts.  
Recreation and park districts.  
Regional housing finance authorities.  
Regional justice facility financing agencies.  
Regional park and open-space districts.  
Regional planning districts.  
Regional transportation commissions.  
Resort improvement districts.  
Resource conservation districts.  
River port districts.  
Road maintenance districts.  
Sanitary districts.  
School districts of any kind or class.  
School facilities improvement districts.  
Separation of grade districts.  
Service authorities for freeway emergencies.  
Sewer districts.

Sewer maintenance districts.

Small craft harbor districts.

Special municipal tax districts.

Stone and pome fruit pest control districts.

Storm drain maintenance districts.

Storm drainage districts.

Storm drainage maintenance districts.

Storm water districts.

Toll tunnel authorities.

Traffic authorities.

Transit development boards.

Transit districts.

Unified and union school districts' public libraries.

Vehicle parking districts.

Water agencies.

Water authorities.

Water conservation districts.

Water districts.

Water replenishment districts.

Water storage districts.

Watermaster districts.

Wine grape pest and disease control districts.

Zones, improvement zones, or service zones of any public body.

(2) Notwithstanding paragraph (1), a "public body" does not include any of the following:

(A) A community redevelopment agency formed pursuant to the Community Redevelopment Law (Part 1 commencing with Section 33000) of Division 24 of the Health and Safety Code).

(B) A community development commission, with respect to its exercise of the powers of a community redevelopment agency.

(C) A joint powers authority that includes a community redevelopment agency or a community development commission as a member, with respect to its exercise of the powers of a community redevelopment agency.

(3) "Public body" includes both of the following:

(A) The successor agency to the Redevelopment Agency of the City and County of San Francisco, solely for the purpose of issuing bonds or incurring other indebtedness pursuant to the provisions of Section 34177.7 of the Health and Safety Code.

(B) A successor agency, as defined in subdivision (j) of Section 34171 of the Health and Safety Code, solely for the purpose of issuing bonds or incurring other indebtedness pursuant to the provisions of Section 34177.5 of the Health and Safety Code.

(b) "Bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, all leases, installment purchase agreements, or similar agreements wherein the obligor is one or

more public bodies, all instruments evidencing the borrowing of money in anticipation of taxes, revenues, or other income of that body, all instruments payable from revenues or special funds of those public bodies, all certificates of participation evidencing interests in the leases, installment purchase agreements, or similar agreements, and all instruments funding, refunding, replacing, or amending any thereof or any indebtedness.

(c) "Hereafter" means any time subsequent to the effective date of this act.

(d) "Heretofore" means any time prior to the effective date of this act.

(e) "Now" means the effective date of this act.

**SEC. 3.** All public bodies heretofore organized or existing under any law, or under color of any law, are hereby declared to have been legally organized and to be legally functioning as those public bodies. Every public body, heretofore described, shall have all the rights, powers, and privileges, and be subject to all the duties and obligations, of those public bodies regularly formed pursuant to law.

**SEC. 4.** The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

**SEC. 5.** All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into those public bodies or for the annexation of those public bodies to any other public body or for the detachment, withdrawal, or exclusion of territory from any public body or for the consolidation, merger, or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of territory or the consolidation, merger, or dissolution of those public bodies.

**SEC. 6.** (a) All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds of any public body for any public purpose are hereby authorized, confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of public bodies and of any person, public officer, board, or agency heretofore done or taken upon the question of the authorization, issuance, sale, execution, delivery, or exchange of bonds.

(b) All bonds of, or relating to, any public body heretofore issued shall be, in the form and manner issued and delivered, the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued by ordinance, resolution, order, or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, those bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with that authorization, shall be the legal, valid, and binding obligations of the public body.

**SEC. 7.** (a) This act shall operate to supply legislative authorization as may be necessary to authorize, confirm, and validate any acts and proceedings heretofore taken pursuant to authority the Legislature could have supplied or provided for in the law under which those acts or proceedings were taken.

(b) This act shall be limited to the validation of acts and proceedings to the extent that the same can be effectuated under the California Constitution and the United States Constitution.

(c) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter being legally contested or inquired into in any legal proceeding now pending and undetermined or that is pending and undetermined during the period of 30 days from and after the effective date of this act.

(d) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter that has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

(e) This act shall not operate to authorize, confirm, validate, or legalize a contract between any public body and the United States.

**SEC. 8.** Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization, or incorporation of any public body, or for any annexation thereto, detachment or exclusion therefrom, or other change of boundaries thereof, or for the consolidation, merger, or dissolution of any public bodies, or for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds thereof upon any ground involving any alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches shall be commenced within six months of the effective date of this act, otherwise each and all of those matters shall be held to be valid and in every respect legal and incontestable. This act shall not extend the period allowed for legal action beyond the period that it would be barred by any presently existing valid statute of limitations.

**SEC. 9.** Nothing contained in this act shall be construed to render the creation of any public body, or any change in the boundaries of any public body, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed pursuant to Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code, is filed within the time and substantially in the manner required by those sections.

**SEC. 10.** This act shall become operative on September 1, 2026.

**SEC. 11.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to validate the organization, boundaries, acts, proceedings, and bonds of public bodies as soon as possible, it is necessary that this act take immediate effect.


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## SB-1442 Validations. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

### SENATE BILL

**NO. 1442**

**Introduced by Committee on Local Government (Senators Durazo (Chair), Arreguín, Ashby, Cervantes, Choi, Laird, and Seyarto)**

**March 11, 2026**

An act to validate the organization, boundaries, acts, proceedings, and bonds of public bodies, and to provide limitations of time in which actions may be commenced.

### LEGISLATIVE COUNSEL'S DIGEST

SB 1442, as introduced, Committee on Local Government. Validations.

This bill would enact the Third Validating Act of 2026, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

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

**SECTION 1.** This act shall be known, and may be cited, as the Third Validating Act of 2026.

**SEC. 2.** As used in this act:

(a) "Public body" means all of the following:

(1) The state and all departments, agencies, boards, commissions, and authorities of the state. Except as provided in paragraph (2), "public body" also means all cities, counties, cities and counties, districts, authorities, agencies, boards, commissions, and other entities, whether created by a general statute or a special act, including, but not limited to, the following:

Agencies, boards, commissions, or entities constituted or provided for under or pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code).

Affordable housing authorities.

67

Air pollution control districts of any kind.

Air quality management districts.

Airport districts.

Assessment districts, benefit assessment districts, and special assessment districts of any public body.

Bridge and highway districts.

California water districts.

Citrus pest control districts.

City maintenance districts.

Climate resilience districts.

Community college districts.

Community development commissions in their capacity to act as a housing authority for other community development purposes of the jurisdiction in which the commission operates, except for any action taken with respect to the commission's authority to act as a community redevelopment agency.

Community facilities districts.

Community rehabilitation districts.

Community revitalization and investment authorities.

Community services districts.

Conservancy districts.

Cotton pest abatement districts.

County boards of education.

County drainage districts.

County flood control and water districts.

County free library systems.

County maintenance districts.

County sanitation districts.

County service areas.

County transportation commissions.

County water agencies.

County water authorities.

County water districts.

County waterworks districts.

Department of Water Resources and other agencies acting pursuant to Part 3 (commencing with Section 11100) of Division 6 of the Water Code.

Distribution districts of any public body.

Districts acting pursuant to Section 53395.82 of the Government Code.

Drainage districts.

Enhanced infrastructure financing districts.

Fire protection districts.

Flood control and water conservation districts.

Flood control districts.

Garbage and refuse disposal districts.

Garbage disposal districts.

Geologic hazard abatement districts.

Harbor districts.

Harbor improvement districts.

Harbor, recreation, and conservation districts.

Health care authorities.

Highway districts.

Highway interchange districts.

Highway lighting districts.

Housing authorities.

Improvement districts or improvement areas of any public body.

Industrial development authorities.

Infrastructure financing districts.

Integrated financing districts.

Irrigation districts.

Joint highway districts.

Levee districts.

Library districts.

Library districts in unincorporated towns and villages.

Local agency formation commissions.

Local health care districts.

Local health districts.

Local hospital districts.

Local transportation authorities or commissions.

Maintenance districts.

Memorial districts.

Metropolitan transportation commissions.

Metropolitan water districts.

Mosquito abatement and vector control districts.

Multifamily improvement districts.

Municipal improvement districts.

Municipal utility districts.

Municipal water districts.

Nonprofit corporations.

Nonprofit public benefit corporations.

Open-space maintenance districts.

Parking and business improvement areas.

Parking authorities.

Parking districts.

Permanent road divisions.

Pest abatement districts.

Police protection districts.

Port districts.

Property and business improvement areas.

Protection districts.

Public cemetery districts.

Public utility districts.

Rapid transit districts.

Reclamation districts.

Recreation and park districts.

Regional housing finance authorities.

Regional justice facility financing agencies.

Regional park and open-space districts.

Regional planning districts.

Regional transportation commissions.

Resort improvement districts.

Resource conservation districts.

River port districts.

Road maintenance districts.

Sanitary districts.

School districts of any kind or class.

School facilities improvement districts.

Separation of grade districts.

Service authorities for freeway emergencies.

Sewer districts.

Sewer maintenance districts.

Small craft harbor districts.

Special municipal tax districts.

Stone and pome fruit pest control districts.

Storm drain maintenance districts.

Storm drainage districts.

Storm drainage maintenance districts.

Storm water districts.

Toll tunnel authorities.

Traffic authorities.

Transit development boards.

Transit districts.

Unified and union school districts' public libraries.

Vehicle parking districts.

Water agencies.

Water authorities.

Water conservation districts.

Water districts.

Water replenishment districts.

Water storage districts.

Watermaster districts.

Wine grape pest and disease control districts.

Zones, improvement zones, or service zones of any public body.

(2) Notwithstanding paragraph (1), a "public body" does not include any of the following:

(A) A community redevelopment agency formed pursuant to the Community Redevelopment Law (Part 1 commencing with Section 33000) of Division 24 of the Health and Safety Code).

(B) A community development commission, with respect to its exercise of the powers of a community redevelopment agency.

(C) A joint powers authority that includes a community redevelopment agency or a community development commission as a member, with respect to its exercise of the powers of a community redevelopment agency.

(3) "Public body" includes both of the following:

(A) The successor agency to the Redevelopment Agency of the City and County of San Francisco, solely for the purpose of issuing bonds or incurring other indebtedness pursuant to the provisions of Section 34177.7 of the Health and Safety Code.

(B) A successor agency, as defined in subdivision (j) of Section 34171 of the Health and Safety Code, solely for the purpose of issuing bonds or incurring other indebtedness pursuant to the provisions of Section 34177.5 of the Health and Safety Code.

(b) "Bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, all leases, installment purchase agreements, or similar agreements wherein the obligor is one or more public bodies, all instruments evidencing the borrowing of money in anticipation of taxes, revenues, or other income of that body, all instruments payable from revenues or special funds of those public bodies, all certificates of participation evidencing interests in the leases, installment purchase agreements, or similar agreements, and all instruments funding, refunding, replacing, or amending any thereof or any indebtedness.

~~(7)~~ "Hereafter" means any time subsequent to the effective date of this act.

(d) "Heretofore" means any time prior to the effective date of this act.

(e) "Now" means the effective date of this act.

**SEC. 3.** All public bodies heretofore organized or existing under any law, or under color of any law, are hereby declared to have been legally organized and to be legally functioning as those public bodies. Every public body, heretofore described, shall have all the rights, powers, and privileges, and be subject to all the duties and obligations, of those public bodies regularly formed pursuant to law.

**SEC. 4.** The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

**SEC. 5.** All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into those public bodies or for the annexation of those public bodies to any other public body or for the detachment, withdrawal, or exclusion of territory from any public body or for the consolidation, merger, or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of territory or the consolidation, merger, or dissolution of those public bodies.

**SEC. 6.** (a) All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds of any public body for any public purpose are hereby authorized, confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of public bodies and of any person, public officer, board, or agency heretofore done or taken upon the question of the authorization, issuance, sale, execution, delivery, or exchange of bonds.

(b) All bonds of, or relating to, any public body heretofore issued shall be, in the form and manner issued and delivered, the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore awarded and sold to a purchaser and hereafter issued and delivered in accordance with the contract of sale and other proceedings for the award and sale shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued by ordinance, resolution, order, or other action adopted or taken by or on behalf of the public body and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. All bonds of, or relating to, any public body heretofore authorized to be issued at an election and hereafter issued and delivered in accordance with that authorization shall be the legal, valid, and binding obligations of the public body. Whenever an election has heretofore been called for the purpose of submitting to the voters of any public body the question of issuing bonds for any public purpose, those bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with that authorization, shall be the legal, valid, and binding obligations of the public body.

**SEC. 7.** (a) This act shall operate to supply legislative authorization as may be necessary to authorize, confirm, and validate any acts and proceedings heretofore taken pursuant to authority the Legislature could have supplied or provided for in the law under which those acts or proceedings were taken.

(b) This act shall be limited to the validation of acts and proceedings to the extent that the same can be effectuated under the California Constitution and the United States Constitution.

(c) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter being legally contested or inquired into in any legal proceeding now pending and undetermined or that is pending and undetermined during the period of 30 days from and after the effective date of this act.

(d) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter that has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

(e) This act shall not operate to authorize, confirm, validate, or legalize a contract between any public body and the United States.

**SEC. 8.** Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization, or incorporation of any public body, or for any annexation thereto, detachment or exclusion therefrom, or other change of boundaries thereof, or for the

consolidation, merger, or dissolution of any public bodies, or for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds thereof upon any ground involving any alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches shall be commenced within six months of the effective date of this act, otherwise each and all of those matters shall be held to be valid and in every respect legal and incontestable. This act shall not extend the period allowed for legal action beyond the period that it would be barred by any presently existing valid statute of limitations.

**SEC. 9.** Nothing contained in this act shall be construed to render the creation of any public body, or any change in the boundaries of any public body, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed pursuant to Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code, is filed within the time and substantially in the manner required by those sections.

**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

May 13, 2026

Honorable Blanca Pacheco  
California State Assembly  
1021 O Street, Suite 4510  
Sacramento, CA 95814

RE: **Support** – AB 1821: California Public Records Act: Agency Response Time

Dear Assembly Member Pacheco:

The Local Agency Formation Commission of Orange County (OC LAFCO) is pleased to support Assembly Bill 1821. AB 1821 proposes to amend the California Public Records Act (CPRA) by specifying that the timeframes for an agency's determination of whether a request seeks disclosable records should be based on business days, rather than calendar days.

Under existing law, agencies are currently required to determine if a CPRA request seeks disclosable records within 10 calendar days, with a possible 14-day extension in unusual circumstances. For small agencies such as LAFCOs, which operate with limited staff and resources and do not maintain seven-day workweeks, these timelines can be difficult to meet, particularly when requests require coordination with legal counsel.

Consequently, AB 1821 would provide a practical update by converting these timeframes to business days, ensuring agencies have the full number of working days intended under the law. This change better reflects the operational realities of LAFCOs and supports timely, accurate, and complete responses to CPRA requests while maintaining public access to records.

OC LAFCO supports the effort of AB 1821 and appreciates your authorship of this important legislation.

Respectfully Submitted,

Wendy Bucknum  
Chair

CC: Orange County Legislators

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Executive Officer

**Scott Smith**

General Counsel

May 13, 2026

Honorable Maria Elena Durazo, Chair  
Senate Local Government Committee  
State Capitol, Room 407  
Sacramento, CA 95814

RE: **Support** – SB 1440, SB 1441, SB 1442: Validating Acts of 2026

Dear Chair Durazo:

The Local Agency Formation Commission of Orange County (OC LAFCO) is pleased to support Senate Bills 1440, 1441, and 1442, authored by the Senate Local Government Committee.

Also known as the Validating Acts of 2026, these measures serve an important role in protecting public agencies and investors by curing minor procedural errors that could otherwise invalidate boundary changes, bonds, and other official acts. As in prior years, the passage of these bills will ensure that municipal bonds receive the highest possible rating, resulting in the lowest possible borrowing costs for California residents.

OC LAFCO appreciates the Committee's effort in authoring these important bills.

Respectfully Submitted,

Wendy Bucknum  
Chair

CC: Orange County Legislators

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**STAFF**

**Luis Tapia**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** May 13, 2026

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

**FROM:** Executive Officer  
Policy Analyst

**SUBJECT:** Professional Services Agreement – Davis Farr LLP

**BACKGROUND**

Since 2003, OC LAFCO has entered into agreements with independent auditing firms to prepare the agency’s audited financial statements. The intent of the audited financial statements is to present the agency’s financial performance and position through the conducting of an audit by an independent auditor. In 2021, OC LAFCO entered into an agreement with Davis Farr LLP to provide audit services for the fiscal years 2020-21 through 2023-24. The Commission subsequently exercised its option to extend the agreement for one additional fiscal year ending on June 30, 2025. The extension represents the final year of the agency’s current contract with the firm.

In accordance with the Commission’s Accounting and Financial Policies, a change in the auditor every six years should be considered to comply with State law and to ensure competitive pricing and a high quality of service. As the current agreement for auditing services has ended, a joint Request for Proposals (“RFP”) process was conducted. The Alliance of LAFCOs, encompassing Los Angeles, Orange, San Bernardino, and San Diego LAFCOs, conducted an RFP process to solicit proposals from qualified firms to provide independent auditing services to the four LAFCOs starting with Fiscal Year 2025-26.

This report provides an overview of the joint RFP process and a recommendation to enter into a new agreement with Davis Farr LLP for professional auditing services beginning with the fiscal year ending on June 30, 2026.

**Joint RFP Process**

Previously, OC LAFCO participated with two of the current Alliance LAFCOs (Los Angeles and San Bernardino) in a joint RFP for independent audit services. The current joint RFP represents the most recent proposal for audit services with the southern region partners, which include Los

Angeles, San Bernardino, and San Diego. It is the consensus of the group that the cooperative process has resulted in cost savings and greater efficiency through the sharing and rotating of staff resources to coordinate the process for each participating LAFCO.

In 2025, the RFP was distributed to independent firms located throughout California and generated three formal bids by the December 2025 deadline from the following firms: Davis Farr (Irvine), Harshwal and Company (San Diego), and Vazquez and Company (Los Angeles). Following the close of the submittal period, a Commissioner from each LAFCO, including Commissioner Derek McGregor and staff from Los Angeles, Orange, San Diego, and San Bernardino LAFCOs, convened a joint meeting to evaluate the proposals. The proposals were evaluated using a standardized scoring framework, including four criteria: cost, work plan, qualifications and experience, and project schedule. By unanimous decision, Davis Farr emerged as the top-ranked firm for the strength of its proposal. The working group reviewing the proposals noted that although Davis Farr had served as the independent auditor for the past five years, for three of the four LAFCOs (San Diego was not part of the previous RFP process), the firm's proposal continues to demonstrate its qualifications to conduct the audits.

In addition to past and current experience with multiple LAFCOs, Davis Farr has over 30 years of experience providing accounting and auditing services. With offices in the Counties of Orange and San Diego, and Tacoma, Washington, the firm employs 61 employees and takes a proactive leadership role in local government accounting. Currently, the firm serves on the Governmental Audit Quality Center (GAQC) and the California Society of Municipal Finance Officers (CSMFO).

#### **Davis Farr LLP Professional Services Agreement**

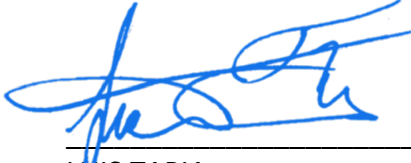
The term of the proposed professional services agreement with Davis Farr LLP is for four fiscal years (FYs 2025-26, 2026-27, 2027-28, and 2028-29) with an option to extend the contract for up to two additional one-year terms (FYs 2029-30 and 2030-31) (see Attachment 2). For the first four years, the proposed annual auditing fees are \$12,350, \$12,720, \$13,100, and \$13,620, and the two additional years would be subject to an annual 4% increase, unless the scope of work is substantially changed. If the Commission exercises its first one-year option to extend the audit services for FY 2029-30, the cost to perform the annual audit is estimated at \$14,165, followed by the second one-year option to extend services at an estimated \$14,732. Should the Commission approve this agreement, and in accordance with State law, a new Senior Lead Auditor from the firm will be assigned to oversee the provision of services to OC LAFCO.

**RECOMMENDATION**

Staff recommends that the Commission:

1. Approve the professional services agreement with Davis Farr LLP for professional auditing services.

Respectfully submitted,



LUIS TAPIA



LEO LARA

Attachments:

1. Professional Services Agreement – Davis Farr LLP
2. Davis Farr, LLP Proposal for Audit Services

**AGREEMENT FOR SERVICES BETWEEN  
ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION  
AND  
DAVIS FARR LLP**

This Agreement is made and entered into as of July 1, 2026 (“Effective Date”) by and between ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (hereinafter referred to as “LAFCO”), organized and operating pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000 *et seq.*, Davis Farr LLP (hereinafter referred to as “Consultant”).

**RECITALS**

A. LAFCO is a public agency of the State of California and is in need of the following professional services: Audit Services for the fiscal years ending on June 30, 2026, June 30, 2027, June 30, 2028, and June 30, 2029, as more particularly described herein (hereinafter referred to as “the Project”).

B. Consultant is a qualified independent Certified Public Accounting firm.

C. The parties desire by this Agreement to establish the terms for LAFCO to retain Consultant to provide the services described herein.

**AGREEMENT**

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide LAFCO with the services described in the Scope of Services attached hereto as Exhibit “A.” Should LAFCO determine, in its sole discretion, to exercise its option to renew this Agreement for an additional year as set forth in Section 5 of this Agreement, such renewed services shall be performed as described in the Scope of Services attached hereto as Exhibit “A.”

2. Compensation.

a. The total amount paid for services rendered by Consultant pursuant to Exhibit “A” for the audit of the fiscal year ending on June 30, 2026, shall not exceed \$12,350 without prior written approval by LAFCO. For the fiscal years ending on June 30, 2027, June 30, 2028, and June 30, 2029, the total annual amount paid for services shall not exceed \$12,720, \$13,100, and \$13,620, respectively, without prior written approval by LAFCO. In its sole discretion, LAFCO may extend this Agreement for up to two additional one-year terms. Compensation for each extension year shall not exceed the amount paid for the immediately

preceding fiscal year increased by up to four percent (4%), unless otherwise approved by the Commission. Periodic payments shall be made within 30 days of receipt of a statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

b. Subject to paragraph 2(a) above, LAFCO shall pay for additional consulting services in accordance with the Schedule of Additional Charges set forth in Exhibit “B.”

c. LAFCO shall reimburse costs advanced by Consultant on LAFCO’s behalf, as well as other expenses, in addition to the amount billed for fees. These currently include, but are not limited to, automobile mileage and actual expenses away from Consultant’s offices on LAFCO business, extraordinary photocopy charges and any costs of producing or reproducing photographs, documents and other things necessary for the preparation or presentation of LAFCO business. All costs will be itemized on LAFCO’s monthly statement. LAFCO shall not pay fees for travel to or from LAFCO’s offices in the ordinary course of business or reimburse mileage to Consultant.

3. Additional Work.

If changes in the work seem merited by Consultant or LAFCO, and informal consultations with the other party indicate that a change is warranted, it shall be processed by LAFCO in the following manner: a letter outlining the changes shall be forwarded to LAFCO by Consultant with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by LAFCO and executed by both parties before performance of such services or 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.

4. 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 seven (7) years from the date of final payment under the contract for inspection by LAFCO or any government agencies included in the audit of federal grants.

5. Term and Time of Performance.

The term of this Agreement shall be from July 1, 2026 to June 30, 2029. In its sole discretion, LAFCO may extend the Services required hereunder to two additional one-year terms to include audit services related to the fiscal years ending on June 30, 2030 and June 30, 2031, in writing providing notice to Consultant that such Services shall be extended for an additional year. Consultant shall perform its services hereunder in a prompt and timely manner, in accordance with the Activity Schedule shown in Exhibit “C” and shall commence performance upon the execution of this Agreement.

6. Delays in Performance.

Neither 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 LAFCO in obtaining and maintaining all permits required of Consultant by Federal, State and local regulatory agencies.

c. Consultant certifies by executing this Agreement that, on the Effective Date and for the duration of this Agreement, neither Consultant nor its employees assigned to perform services hereunder shall have any prohibited conflict of interest as defined under the California Political Reform Act or conflicting financial interest in this Agreement as defined under California Government Code Section 1090.

d. Consultant agrees that in the event an administrative agency or court of competent jurisdiction finds this Agreement to have been executed or administered in violation of Government Code Section 1090 or any other applicable law, that disgorgement of profits or anything received by Consultant may be required as a consequence of both civil and criminal liability. In such a case, payments made by LAFCO to the Consultant must be returned to LAFCO by the Consultant and no claim for future payments under this Agreement may be made, and LAFCO shall be entitled to retain any benefits which it receives under this Agreement.

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 Subconsultant.

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

10. Independent Contractor.

Consultant is retained as an independent contractor and is not an employee of LAFCO. No employee or agent of Consultant shall become an employee of LAFCO. The work to be performed shall be in accordance with the work described in Exhibit "A," subject to such directions and amendments from LAFCO as herein provided.

11. Integration.

This Agreement represents the entire understanding of 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.

a. Commercial General Liability

(1) Consultant shall maintain occurrence version Commercial General Liability Insurance or equivalent form with a combined single limit of not less than \$1,000,000 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than twice the occurrence limit.

(2) All such policies shall name Orange County Local Agency Formation Commission, the Commission and each member of the Commission, its officers, employees, agents and LAFCO designated volunteers as Additional Insureds under the policy.

(3) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by LAFCO.

b. Automobile Liability

(1) 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 non-owned and hired vehicles, in a form and with insurance companies acceptable to LAFCO.

(2) Coverage for Automobile Liability Insurance shall be at least as broad as Insurance Services Office Form Number CA 0001 (ed. 6/92) covering automobile liability, Code 1.

(3) The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by LAFCO.

(4) All such policies shall name LAFCO, the Commission and each member of the Commission, its officers, employees, agents and designated volunteers as Additional Insureds under the policies.

c. Workers' Compensation/Employer's Liability

(1) At all times during the performance of the work under this Agreement and for 24 months following the date of Project completion and acceptance by LAFCO, the Consultant shall maintain workers' compensation in compliance with applicable statutory requirements and Employer's Liability Coverage in amounts indicated herein.

(2) Such insurance shall include an insurer's Waiver of Subrogation in favor of LAFCO and will be in a form and with insurance companies acceptable to LAFCO.

(3) If insurance is maintained, the workers' compensation and employer's liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by LAFCO.

(4) Before beginning work, the Consultant shall furnish to LAFCO satisfactory proof that Consultant has taken out, for the period covered by the work under this Agreement, full compensation insurance for all persons employed directly by Consultant 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. 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.

d. Professional Liability (Errors and Omissions).

At all times during the performance of the work under this Agreement, the Consultant shall maintain professional liability insurance, in a form and with insurance companies acceptable to LAFCO and in an amount indicated herein.

e. Minimum Policy Limits Required

(1) The following insurance limits are required for the Contract:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/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	\$1,000,000 per occurrence
Professional Liability (errors and omissions)	\$1,000,000 per claim and aggregate

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with 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 primary 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.

g. Policy Provisions Required

(1) All policies shall contain a provision for 30 days advance written notice by the insurer(s) to LAFCO of any cancellation. 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.

(2) All policies shall contain a provision stating that the Consultant's policies are primary insurance and that the insurance of LAFCO or any Additional Insured shall not be called upon to contribute to any loss.

h. Additional Insurance Provisions

(1) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by 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.

(2) 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, LAFCO may terminate the Agreement.

(3) 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.

(4) LAFCO may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(5) Neither LAFCO nor the Commission, nor any member of the Commission, nor any of the directors, officers, employees, agents or volunteers of LAFCO or the Commission shall be personally responsible for any liability arising under or by virtue of this Agreement.

13. Indemnification.

Consultant agrees to protect, save, defend and hold harmless LAFCO and its Commission and each member of the Commission, officers, agents and employees from any and all claims, liabilities, expenses or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of or in any way connected with the alleged acts, errors or omissions or willful misconduct by Consultant, Consultant's agents, officers, employees, subconsultants or independent consultants hired by Consultant under this Agreement. This hold harmless Agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification, etc. to be provided by Consultant.

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 attorneys' fees, as determined by the court.

15. Termination or Abandonment.

a. LAFCO has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, LAFCO shall be immediately given title and possession to all original field notes, drawings and

specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. 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 LAFCO and Consultant of the portion of such task completed but not paid prior to said termination. 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 LAFCO only in the event of substantial failure by LAFCO to perform in accordance with the terms of this Agreement through no fault of Consultant.

16. Organization.

Consultant shall assign Joyce Amankwah and Krisztina Varga as Audit Managers. The Audit Manager shall not be removed from the Project or reassigned without the prior written consent of 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:

LAFCO:  
2677 North Main Suite 1050  
Santa Ana, CA 92705  
Attn: Executive Officer

Consultant:  
Davis Farr LLP  
18201 Von Karman Avenue, Suite 1100  
Irvine, CA 92612  
Attn: Jennifer Farr

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 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.

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

**ORANGE COUNTY LOCAL AGENCY  
FORMATION COMMISSION**

**DAVIS FARR, LLP**

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

By: \_\_\_\_\_  
Jennifer Farr, Partner

Approved as to Form:

\_\_\_\_\_  
General Counsel  
Orange County Local Agency  
Formation Commission

**EXHIBIT A**

**Scope of Services**

**Consultant shall provide the following services:**

1) Audit

- a) Consultant will perform an independent audit of all funds of LAFCO. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States.
- b) The Commission's Basic Financial Statements will be prepared and word-processed by the Consultant in full compliance with generally accepted accounting principles.
- c) The Consultant will render their auditors' report on the Basic Financial Statements that will include both Government-Wide Financial Statements and Fund Financial Statements.
- d) The Consultant will also apply limited audit procedures to Management's Discussion and Analysis ("MD&A"), consisting of the control environment, accounting systems, and control procedures, and required supplementary information pertaining to the General Fund and each major fund of the Commission.
- e) The Consultant will prepare an internal control letter to the Commission reporting matters dealing with internal control that meet the threshold of being a significant deficiency or material weakness, as defined by the Codification of Auditing Standards.
- f) The Consultant will prepare a Communication with Those in Governance letter to the Commission summarizing the audit results in accordance with Codification of Auditing Standards.
- g) The Consultant will attend a Commission meeting to present the results of the audit.
- h) The Consultant will conduct an annual GASB Update.

2) Management Letter

- a) The Consultant will issue a separate "management letter" that includes recommendations to the governing board for improvements in internal control that are considered to be nonreportable conditions.

**LAFCO will provide the following services:**

The LAFCO staff will provide normal cooperation and assistance during the audit including typing of confirmation requests, referral to the appropriate person and/or department for supporting documents, and reconciliations of major asset and liability balances. LAFCO staff will prepare the MD&A based on a template supplied by the Consultant. All other information and financial statements are the responsibility of the Consultant. All working papers and reports are to be retained at the Consultant's sole expense for a minimum of seven (7) years. Consultant will be responsible for making working papers available to LAFCO or any other appropriate government agency.

**EXHIBIT B****Schedule of Additional Charges/Payments**

Fee Schedule  
for  
DAVIS FARR, LLP.

The following fee schedule shall apply for additional consulting services over the term of the Agreement:

<b>Professional Services Classification</b>	<b>Hourly Rates</b>
Partner	\$ 200
Manager	\$ 160
Supervisor	\$ 130
Senior	\$ 120
Staff	\$ 110

Consultant shall bill LAFCO only for the actual hours incurred in performing the services required under this Agreement, in accordance with the fee schedule set forth above, and subject to the provisions of Section 2 of this Agreement.

**EXHIBIT C**

**Activity Schedule**

**Timetable of Audit Work and Deliverable Reports to be performed for the Fiscal Years ending on June 30, 2026, June 30, 2027, June 30, 2028, June 30, 2029:**

Consultant shall be responsible for performing the audit at the end of each fiscal year over the term of the Agreement in accordance with Exhibit “A” and preparation and word processing of the following financial statements:

<u>Report Description</u>	<u>Number of Copies</u>	<u>Due Date of Each Audit Year</u>
Basic Financial Statements	1 photo ready 3 hard copies (Final audit)	Timeline established by LAFCO for the audit of each fiscal year.

A draft copy of the Basic Financial Statements should be delivered to the LAFCO Executive Officer for review approximately 10 days prior to the deadline noted above.

The audit shall begin no earlier than August 1 of each year and be completed in time to meet the deadline established by LAFCO for the audit of each fiscal year.



**PROPOSAL FOR**  
**INDEPENDENT**  
**AUDIT SERVICES**

**Prepared By:**

Davis Farr LLP  
18201 Von Karman Avenue, Suite 1100  
Irvine, California 92612

**Contact Person:**

Jennifer Farr, CPA, MBA | Partner  
Office: 949.474.2020 | Direct: 949.783.1740  
Email: [jfarr@davisfarr.com](mailto:jfarr@davisfarr.com)



**Los Angeles Local Agency Formation Commission**  
**Orange Local Agency Formation Commission**  
**San Bernardino Local Agency Formation Commission**  
**San Diego Local Agency Formation Commission**

December 2, 2025

## Table of Contents

Section A – About Davis Farr LLP.....	1
Section B – Qualifications and Related Experience.....	3
Section C – Client References.....	4
Section D – Partner, Supervisory and Staff Qualifications and Experience.....	5
Section E – Audit Approach.....	6
Section F – Implementation of New GASB Pronouncements.....	8
Section G – Scope of Work.....	9
Section H – Proposed Timing of Audit for FY 25/26.....	10
Section I – Fees.....	10

### APPENDIX

- Peer Review Documentation
- Resumes



**Davis Farr LLP**  
 18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612  
 Main: 949.474.2020 | Fax: 949.263.5520

**December 2, 2025**

Attn: Adriana Romo, Deputy Executive Officer  
 Los Angeles Local Agency Formation Commission  
 80 South Lake Avenue, Suite 870  
 Pasadena, CA 91101

Dear Ms. Romo:

We are pleased to provide our proposal to perform audit services to the Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions (“Commissions”) for the fiscal year ending June 30, 2026 through 2029, with an optional extensions through 2031.

Our service philosophy is one of open and constant communication, a proactive approach and responsive, value-added services. We will listen to your ideas and concerns and will bring creative solutions to you in both financial and other operational areas. We are aware that while the Commissions have solicited numerous proposals, Davis Farr LLP would be your best selection for the following reasons which are set forth in greater detail in our proposal:

- We specialize in auditing California governments and special districts. We have extensive experience auditing Local Agency Formation Commissions and are currently the auditors for the following LAFCOs: Los Angeles LAFCO, Orange LAFCO, San Bernardino LAFCO, Imperial LAFCO, Riverside LAFCO, Santa Barbara LAFCO, Marin LAFCO, and Santa Cruz LAFCO. Our deep understanding of the systems and operations of LAFCOs enables us to provide high quality audit services to the Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions.
- We take a proactive leadership role in local government accounting and auditing issues. Jennifer Farr is a past Chair and Jonathan Foster is the current Chair of the Government Accounting and Audit Committee of the Cal CPA Society. Our Partners are active members of the CSMFO Professional Standards Committee, the GFOA Special Review Committee, and other organizations. Our Partners are frequent speakers on technical topics at conferences and training events throughout California, including the CSMFO Annual Conference.

The proposal is valid for 90 days. We are committed to performing the audits within the required timeframes specified in the request for proposal. Davis Farr and all key personnel are independent with respect to each participating LAFCO and is an Equal Opportunity Employer. We appreciate the opportunity to share our credentials and look forward to further developing our professional relationship. I look forward to you contacting me so that I may answer any questions which you may have. You may contact me at (949) 783-1740 or by email at [jfarr@davisfarr.com](mailto:jfarr@davisfarr.com).

Very truly yours,

**Jennifer Farr, CPA, MBA**  
**Partner**

## Section A – About Davis Farr LLP

**Background Information** – Davis Farr LLP is a full-service regional accounting firm that specializes in providing attest and advisory services to federal, state, and local governments out of our California and Washington offices. This engagement would be serviced by our Irvine office. The firm was created in 2015 and our personnel have served governmental entities for over 30 years. A breakdown of our government audit personnel by classification is provided below.

**License to Practice in California** – Davis Farr LLP and all key personnel are licensed with the California State Board of Accountancy to practice as independent certified public accountants.

**Independence and Conflict of Interest** – Davis Farr LLP is independent with respect to the Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions as defined by U.S. General Accounting Office’s *Government Auditing Standards* and Generally Accepted Auditing Standards. Neither Davis Farr LLP nor the key personnel have any potential or real conflicts of interest. Davis Farr has recently audited the Los Angeles and San Bernardino LAFCOs. In accordance with State law, we propose a Partner rotation and the past primary Partner on those engagements will not be part of the audit team.

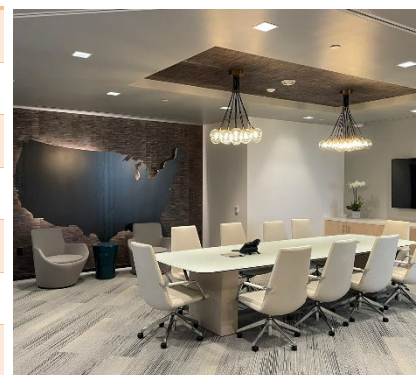
**Insurance** – Davis Farr LLP has sufficient insurance coverage to meet or exceed the Commissions’ requirements and will provide insurance certificates to the Commissions prior to entering into a contract.

**Quality Control** – Davis Farr LLP and its Partners are members of the American Institute of Certified Public Accountants (AICPA) and is a member of the AICPA’s Government Audit Quality Center. Our firm is a voluntary participant in the AICPA Peer Review Program. Included in the appendix is our most recent Peer Review report where our firm received a *Pass*. A *Pass* demonstrates the highest level of quality control in a Peer Review. The Peer Review included a review of government engagements. Davis Farr LLP and its Partners have not had any disciplinary action taken or pending with state regulatory bodies or professional organizations.

**Training** – Every professional of the firm must enroll in continuing professional education courses. Each person is required to take at least 80 hours of training over a two-year period including 24 hours a year specific to government accounting and audit topics. Courses cover a wide spectrum of professional and technical subjects, and include Fraud Auditing, Professional Ethics and Governmental Accounting and Auditing topics to help the practitioner maintain his/her professional expertise.



Classification	Number of Employees
Partners	8
Managers	11
Supervisors	8
Seniors	20
Staff	8
Administrative	6
<b>Total personnel</b>	<b>61</b>



## Professional Affiliations

**Government Audit Quality Center** – Davis Farr LLP is a member of the Government Audit Quality Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to providers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

**National Registry of CPE Sponsors** – Davis Farr LLP is registered to provide continuing professional education through the National Association of State Board of Accountancy (NASBA). NASBA recognizes CPE program sponsors who provide continuing professional education programs in accordance with nationally recognized standards. We provide CPE to our clients at our annual GASB Update.

**CalCPA** – Many of the CPAs employed by Davis Farr LLP are members of CalCPA and regularly participate in chapter meetings, education, and events. CalCPA recognized one of Davis Farr LLP’s partners with their *Women to Watch* award in the Experienced Leader category. Davis Farr has presented at several CalCPA **Women’s Leadership Forums**. Davis Farr LLP partners are also members of the **Governmental Accounting and Auditing Committee** of the CalCPA. The founding firm Partner Jennifer Farr is the past Chair of the Committee and Partner Jonathan Foster is the current Chair.

**American Institute of CPAs** – Davis Farr LLP and the firm’s Partners are members of the American Institute of CPAs (AICPA). The AICPA develops standards for audits, provides educational guidance materials to its members, and monitors and enforces compliance with the profession’s technical and ethical standards.

**CSMFO** – The Partners of Davis Farr LLP are members of the California Society of Municipal Finance Officers (CSMFO), the statewide organization serving all California municipal finance professionals. Firm personnel regularly attend CSMFO Chapter Meetings and Conferences. The Partners of Davis Farr LLP are frequent presenters on accounting and auditing technical topics at Chapter Meetings and Conferences. Davis Farr has presented at many of the annual CSMFO conferences.

**GFOA** – The Government Finance Officers Association (GFOA) enhances and promotes the professional management of governmental financial resources by identifying, developing, and advancing fiscal strategies, policies, and practices for the public benefit. The Partners of Davis Farr LLP are members of the Certificate of Achievement Program’s Special Review Committee. The Committee reviews Annual Comprehensive Financial Reports submitted to GFOA for the Excellence in Financial Reporting Award Program.



## Section B – Qualifications and Related Experience

Davis Farr LLP is a leader in the local government sector throughout the Southern California Area. Currently, we service approximately 70 local, state, and federal government entities. Davis Farr LLP services routinely provided to our clients include, but are not limited to:



Our government expertise includes Cities, Special Districts, and other Governmental entities. Among the government agencies that the professionals of Davis Farr LLP have served recently are the following:

- Cucamonga Valley Water District
- Hass Avocado Board
- Irvine Ranch Water District
- Leucadia Wastewater District
- Los Angeles LAFCO
- Marin LAFCO
- Metropolitan Water District of Southern CA
- Municipal Water District of Southern CA
- Orange County LAFCO
- Orange County Sanitation District
- Otay Water District
- Oxnard Housing Authority
- Placer County Water Agency
- Ramona Municipal Water District
- Rancho California Water District
- San Bernardino LAFCO
- Salton Sea Authority
- San Diego County Water Authority
- San Diego Association of Governments
- San Juan Water District
- Santa Cruz LAFCO
- Santa Barbara LAFCO
- Santa Margarita Water District
- Santa Rosa Regional Resources Authority
- Soquel Creek Water District
- Tahoe Regional Planning Agency
- Tahoe Transportation District
- Vallecitos Water District
- Valley Sanitary District
- Ventura Regional Sanitation District
- Vista Irrigation District
- Yucaipa Valley Water District

## Section C – Client References

For your convenience, we have listed below references for audit work currently being performed by Davis Farr LLP personnel for several similar government agencies throughout Southern California.

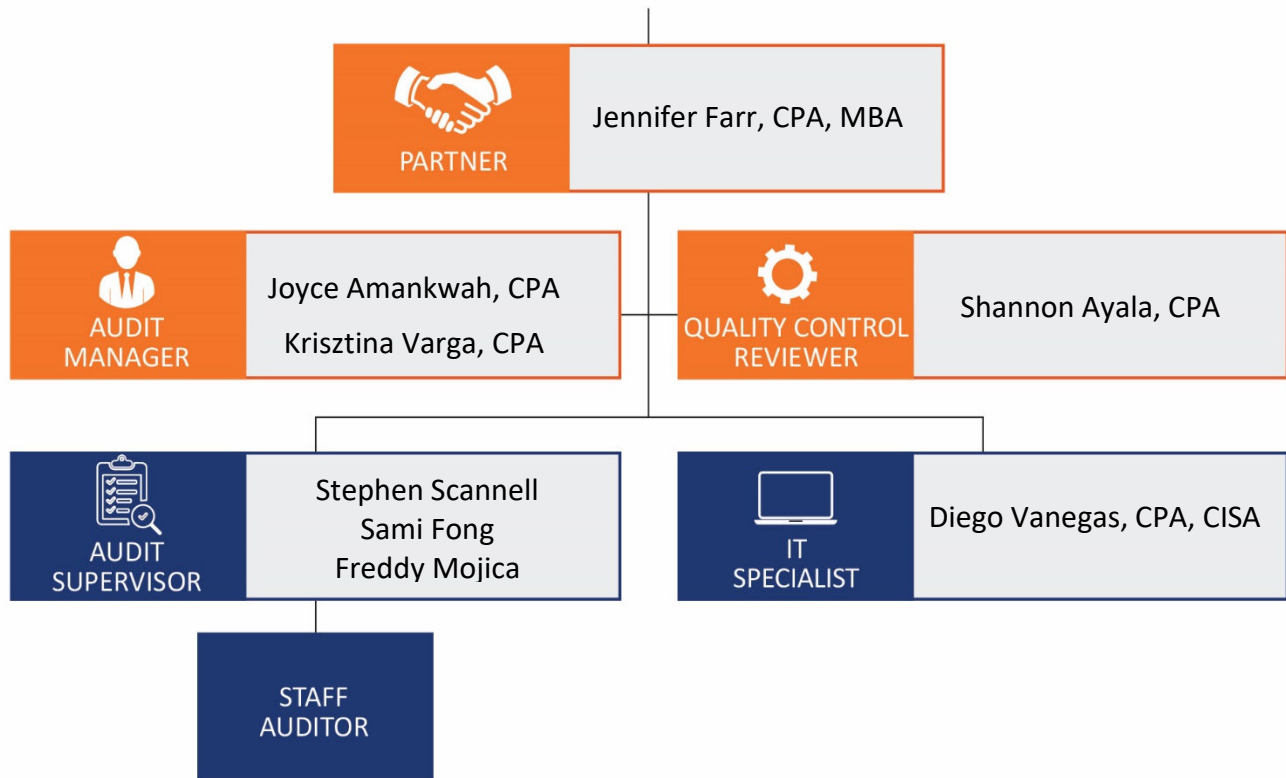
<p><b>CLIENT</b> <b>1</b></p>	<p><b>Santa Cruz LAFCO</b> 701 Ocean St   Santa Cruz, CA <b>Joe Serrano, Executive Officer</b> 831.454.2055 <a href="mailto:joe@santacruzlafco.org">joe@santacruzlafco.org</a></p>	<p><i>Scope: Financial Statement Audit</i> <a href="#">Link</a> to last year's audit report <i>Davis Farr presents the results to the Commission when requested</i></p>	<p><b>90 Hours</b></p>
<p><b>CLIENT</b> <b>2</b></p>	<p><b>Santa Barbara LAFCO</b> 105 E Anapamu St   Santa Barbara, CA <b>Mike Prater, Executive Officer</b> 805.568.3391 <a href="mailto:lafco@sblafco.org">lafco@sblafco.org</a></p>	<p><i>Scope: Financial Statement Audit</i> <a href="#">Link</a> to last year's audit report <i>Davis Farr presents the results annually to the Commission remotely on periodic basis</i></p>	<p><b>100 Hours</b></p>
<p><b>CLIENT</b> <b>3</b></p>	<p><b>Marin LAFCO</b> 1401 Los Gamos Dr   San Rafael, CA <b>Jason Fried, Executive Officer</b> 415.578.2304 <a href="mailto:jfried@marinlafco.org">jfried@marinlafco.org</a></p>	<p><i>Scope: Financial Statement Audit</i> <a href="#">Link</a> to last year's audit report <i>Davis Farr presents the results annually to the Commission remotely on periodic basis</i></p>	<p><b>110 Hours</b></p>

## Section D – Partner, Supervisory and Staff Qualifications and Experience

The successful outcome of any audit requires personnel with the managerial and technical skills to perform the work required. The engagement team who will serve the Commissions have served together as a team of professionals on numerous financial audit examinations of local government entities. No key personnel will be removed or replaced without the prior written concurrence of the Commissions. All personnel have obtained at least 40 hours of government yellow book CPE each year (list of CPE course taken available upon request)

We believe that efficient administrative management and supervision of the audits is an extremely critical factor in achieving the desired results for the Commissions. In that regard, our proposal organizational structure for providing independent auditing services is as follows:

# LAFCO



## Section E – Audit Approach

Davis Farr plans and conducts our engagements in the most efficient manner possible, and our audit approach is unique with regard to the following:

- Our firm is sensitive to the priorities and work requirements of our clients. We work around the schedules of our clients when scheduling segments of the audit or requesting documentation in order to minimize disruption of the Commissions staff and to complete the audit in a timely manner.
- Whenever possible, we use accounting support already prepared by the Commissions staff to avoid duplication or unnecessary requests for audit supporting schedules. Typically, we request support for balance sheet items, the year ending trial balance and cash and long-term debt confirmations.
- Our firm’s expertise is in governmental auditing. Our auditors are GASB experts and skilled at addressing audit issues that are specific to local governments. You will not spend time training our personnel.
- When formulating internal control recommendations, we obtain a thorough understanding of the specific circumstances at the Commissions to provide a tailored, practical recommendation.
- Throughout the year we are a resource to our clients in providing accounting advice, researching technical questions, dealing with tax problems, and helping with other problems as they arise.

**Audit Software** - We utilize CaseWare audit software for the electronic copy of the Commissions workpapers. We have the ability to accept audit documentation in either hard copy or electronic format. CaseWare allows us the ability to import trial balances that can be provided in either excel or a text document. Some of the benefits of using CaseWare trial balance software are as follows:

- We create our own lead sheets (i.e., analytical review comparison schedules). This limits the amount of time finance staff spends creating audit schedules. Our software automatically generates analytical review reports by account number for ease of analyzing significant fluctuations between fiscal years.
- We can link the financial statement schedules directly to the CaseWare trial balances. As a result, we can provide the Commissions with financial statements almost immediately after receiving the trial balance from the Commissions. Additionally, journal entries are easy to post to the financial statement schedules and the risk of data entry error is minimized.
- We can provide the Commissions with reports showing the grouping of the financial statement schedules for ease of review by the Commissions staff. These reports show each account grouped to a specific financial statement line item as well as journal entries that are posted during the audit.

**Data Mining Software** - We have a dedicated team of personnel trained to use special data mining software, IDEA. Our software uses source data from your accounting system to search for anomalies, such as duplicate or voided checks, cross-referencing vendor addresses with employee addresses, detecting accounting transactions recorded on the weekend, and reviewing journal entry postings for unauthorized individuals. The IDEA software identifies specific transactions for the auditors to review for potential fraud or error.

**Internal Control Evaluation** - Our approach to evaluating internal controls involves observation and inquiry. We spend time with the personnel responsible for the accounting cycles to gain an understanding of the processes. We also carefully evaluate your policies and procedures. After our initial evaluation, we identify key controls in your processes and design test to evaluate the effectiveness of those processes. In the initial year of the audit, we will focus on the following accounting cycles:

- Billing and cash receipting
- Capital assets
- Purchase and disbursements
- Payroll
- Investment and cash controls
- Information systems

In future years, we will review the accounting cycles noted above but also look at other processes such as credit card transactions, petty cash, inventory controls, offsite cash receipting, employee reimbursements, contract compliance, and other areas. Our goal is to modify our audit approach every year to further evaluate your internal controls.

Audit Stage	Procedures Performed
<b>Planning and Inquiry</b>	<p><b>During the planning phase of the audit, we plan to perform the following procedures:</b></p> <ul style="list-style-type: none"> <li>✓ Meet with finance personnel to obtain an understanding of significant transactions during the year.</li> <li>✓ Communicate with the Commission regarding fraud, compliance with laws, and any concerns they have regarding the finances of the Commissions.</li> <li>✓ Perform internal control evaluations as noted on the previous page.</li> <li>✓ Determine materiality levels that will be used in selecting audit transactions.</li> <li>✓ Perform a risk assessment to develop the audit plan for the year.</li> <li>✓ Review minutes of the Commission meetings.</li> <li>✓ Review important new contracts, bond documents, and agreements.</li> <li>✓ Evaluate compliance with investments.</li> <li>✓ Test purchase orders and contract management.</li> <li>✓ Test a sample of cash disbursements to determine adherence to policies and internal controls.</li> <li>✓ Perform a review of the Commissions’s information systems and controls.</li> <li>✓ Provide a GASB Update and templates for implementing new accounting standards including the upcoming lease accounting standard.</li> </ul>
<b>Year-End Testing</b>	<p><b>After the books are closed and ready for audit, we will perform our year-end procedures which include the following:</b></p> <ul style="list-style-type: none"> <li>✓ We will confirm 100% of all cash and investment balances and test market values provided by your investment custodians or the County.</li> <li>✓ We will test for proper cutoffs of accounts receivable.</li> <li>✓ We will test additions and deletions to capital assets. We will review depreciation expense for reasonableness.</li> <li>✓ Evaluate leases for right-of-use accounting and lease liabilities.</li> <li>✓ We will test current liabilities and perform a search for unrecorded liabilities.</li> <li>✓ We will review unearned revenue balances for proper cutoffs.</li> <li>✓ We will test the balances of accrued payroll and employee related liabilities.</li> <li>✓ We will confirm long-term debt with independent parties, when applicable.</li> <li>✓ Testing of actuarial valuations and calculations related to pension and OPEB obligations and disclosures under GASB 68 and 75.</li> <li>✓ Ensure compensated absences is recorded in accordance with GASB 101.</li> <li>✓ Evaluation of claims and judgments payable.</li> <li>✓ Testing of restrictions and classifications of net position.</li> <li>✓ Tie out of revenue to the approved Apportionment Schedule.</li> <li>✓ Test revenues from fees for reasonableness.</li> <li>✓ Test the reasonableness of interest income, realized, and unrealized gains/losses on investments.</li> <li>✓ Analytically and substantively test revenues and expenses reported in the financial statements.</li> <li>✓ Compare budgeted expenses to actuals.</li> <li>✓ We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as petty cash, credit card purchases, new vendors, travel expenses, etc.</li> </ul> <p>The aforementioned tests are only a few of the tests performed during the examination and by no means is it meant to be all inclusive. During the final stage of the audit, we will meet with Finance staff to review our audit findings and any adjusting journal entries.</p>

Audit Stage	Procedures Performed
<b>Completion of the Audit and Preparation of Financial Statements</b>	<p>The nature and extent of the work required is dependent on our assessment of the likelihood of misstatements in the financial statements together with our conclusions from the planning and testing stages of the audit. All of the audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> <li>✓ We will review significant events after year end.</li> <li>✓ We will review attorney letters for significant legal matters.</li> <li>✓ We will prepare the Commissions’s Financial Statements</li> <li>✓ We will meet with the Commission to present the audit results, as requested.</li> </ul>

## Section F – Implementation of New GASB Pronouncements

The Commissions will be required to implement the following accounting standards during the upcoming fiscal years. Part of our service to you includes consulting on these new auditing standards. A sampling of significant new GASB pronouncements planned or proposed for local governments that will impact the Commissions are listed below:

### GASB 103: Financial Model Improvements

This statement changes the presentation requirements of Management’s Discussion & Analysis, defines Unusual or Infrequent Items, and makes substantial changes to the presentation of Proprietary Fund financial statements. The standard will be effective for the fiscal year ending June 30, 2026.

### GASB 104: Disclosures of Certain Capital Assets

This statement requires certain types of capital assets to be disclosed separately in the capital assets note, and also requires additional disclosures for capital assets held for sale. The standard will be effective for the fiscal year ending June 30, 2026.

## Section G – Scope of Work

Our understanding of the objectives and scope of the work to be performed is as follows:

Deliverable	Procedures Performed
<b><i>Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions</i></b>	Financial Statement Audit in accordance with Generally Accepted Accounting Principles, Government Auditing Standards. We will prepare the Basic Financial Statements based on the information provided to us during the audit. Management is responsible for the preparation of Management’s Discussion & Analysis.
<b><i>Internal Control Letter</i></b>	We will prepare a letter to the Commission reporting matters dealing with internal control that meet the threshold of being a significant deficiency or material weakness, as defined by the Codification of Auditing Standards.
<b><i>Communication with Those in Governance</i></b>	We will prepare a letter to the Commission summarizing the audit results in accordance with the Codification of Auditing Standards.
<b><i>Presentation of Audit Results</i></b>	If requested, we will meet with the Commission to present the results of the audit.
<b><i>Annual GASB Update</i></b>	We will conduct an annual GASB Update for our clients. Our clients can obtain the training free of charge.
<b><i>General Consultation</i></b>	Finally, we perceive the scope of our work as being advisors to the Commissions regarding generally accepted accounting principles. Throughout the year, the management and other finance personnel of the Commissions will have access to us to seek advice in the application of generally accepted accounting principles, advice regarding debt issuance, financial statement presentation, new accounting standards, and other matters.

## Section H – Proposed Timing of Audits for FY 25/26

The following timeline is proposed for the Los Angeles and Orange Local Agency Formation Commissions, subject to client approval:

June 2026	Early September 2026	September 2026	Early October 2026
<ul style="list-style-type: none"> <li>• Audit planning</li> <li>• Request list published</li> </ul>	<ul style="list-style-type: none"> <li>• Start of audit fieldwork</li> <li>• Preparation of draft financial statements</li> </ul>	<ul style="list-style-type: none"> <li>• Draft of financial statements provided for review</li> <li>• Final audit procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize audit</li> <li>• Schedule presentation to Commission in November 2026</li> </ul>

The following timeline is proposed for the San Diego and San Bernardino Local Agency Formation Commissions, subject to client approval:

June 2026	September 2026	October 2026	November 2026
<ul style="list-style-type: none"> <li>• Audit planning</li> <li>• Request list published</li> </ul>	<ul style="list-style-type: none"> <li>• Start of audit fieldwork</li> <li>• Preparation of draft financial statements</li> </ul>	<ul style="list-style-type: none"> <li>• Draft of financial statements provided for review</li> <li>• Final audit procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize audit</li> <li>• Schedule presentation to Commission</li> </ul>

## Section I – Fees

The following is our estimate of the hours by professional classification required to perform the audit:

Classification	Los Angeles, Orange, and San Diego LAFCO	San Bernardino LAFCO
<i>Partner</i>	8	8
<i>Manager</i>	12	12
<i>Audit Senior</i>	60	50
<i>Staff Auditor</i>	20	20
<b>Total</b>	<b>100</b>	<b>90</b>

The following are our fixed fees for the four years ending June 30, 2026 through 2029.

Entity	2026	2027	2028	2029
Los Angeles LAFCO	\$ 12,350	\$ 12,720	\$ 13,100	\$ 13,620
Orange LAFCO	\$ 12,350	\$ 12,720	\$ 13,100	\$ 13,620
San Bernardino LAFCO	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,140
San Diego LAFCO	\$ 12,350	\$ 12,720	\$ 13,100	\$ 13,620

To extend our services in future years, our fixed fees would then be limited to 4% increases per year unless the scope of work is substantially changed. You will not be billed for routine consultations on accounting issues.



# APPENDIX



## Report on the Firm's System of Quality Control

To the Partners of  
**DAVIS FARR LLP**  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Davis Farr LLP (the firm) in effect for the year ended May 31, 2025. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and examination of a service organization (SOC 1 engagement).

#### **CPAs ■ Advisors**

 4120 Concours, Suite 100, Ontario, CA 91764  
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Peer Review Report  
Page 2 of 2

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Davis Farr LLP in effect for the year ended May 31, 2025, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Davis Farr LLP has received a peer review rating of *pass*.

***GYL LLP***

Ontario, California  
September 19, 2025

# RESUMES





## Jennifer Farr, CPA, MBA

### Partner

Ms. Farr will serve as the Partner on this audit. She will oversee the project to ensure all required deadlines are met, provide technical assistance to the audit teams, review audit reports and workpapers, and meet with those in governance to present the audit results. Ms. Farr is a Certified Public Accountant with over 20 years of experience in local government auditing. Ms. Farr is a frequent speaker and author on matters pertaining to technical accounting and audit issues including new GASB pronouncements.

#### Employment History

- Davis Farr LLP – Founding Partner
- Shareholder – National CPA Firm

#### Education

- Bachelor of Arts - Business Administration / Accounting (California State University, Fullerton)
- Bachelor of Arts - English (California State University, Fullerton)
- Master of Business Administration

#### Licenses / Registrations

- California CPA Certificate No. 76292, October 1998

#### Professional Affiliations & Awards

- California Society of Certified Public Accountants
- Government Accounting & Auditing Committee
  - Member and past Chair of Committee
- California Society of Municipal Finance Officers
- American Institute of Certified Public Accountants
- Government Finance Officers Association
  - Financial Review Committee

### AUDITS OF SPECIAL DISTRICTS AND SPECIAL PURPOSE GOVERNMENTS

- |   |  |
|---|--|
| ✓ Coachella Valley Assoc of Governments   | ✓ Rancho California Water District       |
| ✓ Cucamonga Valley Water District         | ✓ Salton Sea Authority                   |
| ✓ Eastern Municipal Water District        | ✓ San Diego Association of Governments   |
| ✓ Inland Empire Utilities Agency          | ✓ San Diego County Water Authority       |
| ✓ Irvine Ranch Water District             | ✓ Santa Rosa Regional Resources Auth     |
| ✓ Leucadia Wastewater District            | ✓ South Coast Water District             |
| ✓ Los Angeles Homeless Services Authority | ✓ Southern CA Association of Governments |
| ✓ Mesa Water District                     | ✓ Sweetwater Authority                   |
| ✓ Middle Fork Financing Authority         | ✓ Vallecitos Water District              |
| ✓ Moulton Niguel Water District           | ✓ Vista Irrigation District              |
| ✓ Orange County Sanitation District       | ✓ Walnut Valley Water District           |
| ✓ Orange County Water District            | ✓ West Basin Municipal Water District    |
| ✓ Placer County Water Agency              | ✓ Yucaipa Valley Water District          |

### AUDITS OF LAFCOs

- |                     |                        |
|---------------------|------------------------|
| ✓ Orange LAFCO      | ✓ Riverside LAFCO      |
| ✓ Los Angeles LAFCO | ✓ San Bernardino LAFCO |
| ✓ Imperial LAFCO    | ✓ San Diego LAFCO      |



## Shannon Ayala, CPA

### *Quality Control Partner*

Ms. Ayala will serve as the Quality Control Partner on this audit. She will act as an independent quality control reviewer to ensure the quality and accuracy of the audit results and audit workpapers in accordance with Government Auditing Standards. Ms. Ayala is a Certified Public Accountant with over twenty years of audit experience, spending most of that time on audits for local governments in San Diego County. Ms. Ayala has performed financial statement audits of cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with Uniform Guidance,

and compliance audits.

#### Employment History

- Davis Farr LLP – Since 2015
- National CPA Firm – 10 years
- Lennar Homes – 2 years

#### Education

- Bachelor of Science - Accounting (San Diego State University)

#### Licenses / Registrations

- California CPA Certificate No. 88126

#### Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officers

## AUDITS OF GOVERNMENTAL AGENCIES

- |  |  |
|--|--|
| ✓ City of Carlsbad                         | ✓ Marin LAFCO                            |
| ✓ City of Coronado                         | ✓ North County Dispatch JPA              |
| ✓ City of Del Mar                          | ✓ Otay Water District                    |
| ✓ City of Encinitas                        | ✓ Ramona Water District                  |
| ✓ City of Poway                            | ✓ Rancho California Water District       |
| ✓ City of Solana Beach                     | ✓ San Diego County Water Authority       |
| ✓ City of Santee                           | ✓ San Diego Association of Governments   |
| ✓ City of Vista                            | ✓ Santa Barbara LAFCO                    |
| ✓ Coachella Valley Association of Gov't    | ✓ Santa Cruz LAFCO                       |
| ✓ Coachella Valley Conservation Commission | ✓ Santa Fe Irrigation District           |
| ✓ Desert Community Energy                  | ✓ Valley Center Municipal Water District |
| ✓ Imperial County LAFCO                    | ✓ Vista Irrigation District              |



## Krisztina Varga, CPA

### *Manager*

Ms. Varga will serve as the manager on this engagement. She will be responsible for managing the engagement, providing technical assistance, reviewing reports, and supervising staff. Ms. Varga has 8 years of audit experience, spending the majority of that time on audits for non-profits and local government. The types of audits Ms. Varga has been involved in include financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; and Single Audits in accordance with OMB Circular A-133.

#### Employment History

- Davis Farr LLP – Since 2017
- Inveco USA – 2012-2017

#### Education

- Bachelor of Arts in Business Administration/Accounting (California State University, San Marcos)

#### Licenses / Registrations

- California CPA Certificate  
No. 145505

### AUDITS OF SPECIAL DISTRICTS

- |                                     |  |
|-------------------------------------|--|
| ✓ Community Colleges of Spokane     | ✓ Rincon Del Diablo Municipal Water District |
| ✓ Cascadia College                  | ✓ San Diego Association of Governments       |
| ✓ Eastern Municipal Water District  | ✓ San Diego County LAFCO                     |
| ✓ Encinitas Ranch Golf Authority    | ✓ San Diego County Water Authority           |
| ✓ Julian Community Service District | ✓ San Diego County of Emergency Services     |
| ✓ Imperial County LAFCO             | ✓ San Diego Geographic Information Source    |
| ✓ Leucadia Wastewater District      | ✓ San Dieguito River Park Valley JPA         |
| ✓ Otay Water District               | ✓ Santa Rosa Regional Recourses Authority    |
| ✓ Placer County LAFCO               | ✓ Santa Fe Irrigation District               |
| ✓ Peninsula College                 | ✓ Yucaipa Valley Water District              |
| ✓ Rancho California Water District  | ✓ Valley Center Municipal Water District     |
| ✓ Ramona Municipal Water District   |  |

### AUDITS OF NON-PROFITS

- |                              |   |
|------------------------------|---|
| ✓ Family YMCA of the Desert  | ✓ San Diego Children's Discovery Museum |
| ✓ Just Keep Livin Foundation | ✓ San Diego Futures Foundation          |

### AUDITS OF LOCAL GOVERNMENTS

- |                         |                        |
|-------------------------|------------------------|
| ✓ City of Carlsbad      | ✓ City of Santee       |
| ✓ City of Encinitas     | ✓ City of Solana Beach |
| ✓ City of Indian Wells  | ✓ City of Vista        |
| ✓ City of Laguna Niguel | ✓ County of San Diego  |
| ✓ City of Poway         |                        |



## Joyce Vondee Amankwah, CPA

### Manager

Ms. Amankwah will serve as the manager of this engagement. She has been conducting financial statement audits, reviews, agreed-upon procedures, and compilations for over six years. Her engagements include nonprofits, and governmental entities such as cities, counties, special districts, and state agencies. She has performed financial and compliance audits of federal awards in accordance with Uniform Guidance, and her single audit experience includes programs from the Department of Health and Human Services, Department of Children and Family Services, Department of Housing and Urban Development, and a variety of other agencies.

#### Employment History

- Davis Farr LLP – Since December 2024
- Citrin Cooperman LLP, Maryland – 2022 - 2024
- Eide Bailly LLP – 2019 -2022
- Green Hasson Janks– 2017 -2018

#### Education

- Bachelor of Science in Accountancy & Finance (California State University, Northridge)

#### Licenses / Registrations

- California Certified Public Accountant (CPA) (License Number: 148989)

#### Professional Affiliations & Awards

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

### AUDITS OF GOVERNMENTAL AGENCIES

- |                                |   |
|--------------------------------|---|
| ✓ City of Rancho Mirage, CA    | ✓ First 5 California, Los Angeles, CA       |
| ✓ City of Whittier, CA         | ✓ First 5 California, Riverside, CA         |
| ✓ City of Walnut, CA           | ✓ Riverside County, CA                      |
| ✓ City of Jurupa Valley, CA    | ✓ Temple City, CA                           |
| ✓ City of Paramount, CA        | ✓ Omnitrans, CA                             |
| ✓ County of San Bernardino, CA | ✓ Ventura Council of Governments, CA        |
| ✓ County of Ventura, CA        | ✓ North County Transit District, CA         |
| ✓ County of San Bernardino, CA | ✓ San Diego Emergency Services Organization |

### AUDITS OF NON-PROFITS

- |   |   |
|---|---|
| ✓ Therapeutic Living Centers for the Blind, CA      | ✓ Boys and Girls Club of Laguna Beach, CA   |
| ✓ Norton Simon Museum, CA                           | ✓ Visit Huntington Beach, CA                |
| ✓ Community Action Partnership of SB County, CA     | ✓ Irvine Adult Day Health Services Inc., CA |
| ✓ Baker Institute of Children with Hearing Loss, CA | ✓ Ayn Rand Institute                        |



## Stephen Scannell

### *Supervisor*

Mr. Scannell will serve as the in-charge on this engagement. He will be the main point of contact for the staff. He will be responsible for providing technical assistance, reviewing reports, and supervising staff. Mr. Scannell has 9 years of audit experience. Mr. Scannell has spent time on audits for non-profits and federal and local government engagements. The types of audits Mr. Scannell has been involved in include financial audits of non-profits, cities and special districts; grant specific audits of funds awarded by Federal, state, and county governments; Single Audits in accordance with Uniform Guidance; Federal Compliance Audits; and State Compliance Audits.

### Employment History

- Davis Farr LLP – Since 2015
- Seven years at a National CPA Firm

### Education

- Bachelor of Science in Accounting  
(Biola University)

---

## AUDITS OF LOCAL, STATE & FEDERAL GOVERNMENTS

- |                                   |   |
|-----------------------------------|---|
| ✓ City of Avalon <sup>1</sup>     | ✓ City of Upland                            |
| ✓ City of Commerce                | ✓ Commonwealth of Kentucky                  |
| ✓ City of El Segundo              | ✓ Center for Medicare and Medicaid Services |
| ✓ City of Fontana <sup>1</sup>    | ✓ Oxnard Housing Authority                  |
| ✓ City of South Gate <sup>1</sup> | ✓ Ventura Housing Authority                 |

## AUDITS OF SPECIAL DISTRICTS

- |  |  |
|--|--|
| ✓ Cucamonga Valley Water District                              | ✓ Local Agency Formation Commission, Orange County |
| ✓ Eastern Municipal Water District                             | ✓ Puente Basin Water Agency                        |
| ✓ Los Angeles Interagency Police Apprehension Crime Task Force | ✓ San Bernardino Municipal Water                   |
| ✓ Laguna Beach County Water District                           | ✓ Slope Water Company                              |
| ✓ Local Agency Formation Commission, Los Angeles County        | ✓ Walnut Valley Water District                     |
|  | ✓ West Basin Municipal Water District              |

## AUDITS OF INSTITUTIONS OF HIGHER EDUCATION

- |                                       |                            |
|---------------------------------------|----------------------------|
| ✓ Cascadia College                    | ✓ Lower Columbia College   |
| ✓ Community Colleges of Spokane       | ✓ Olympic College          |
| ✓ Columbia Basin College              | ✓ Peninsula College        |
| ✓ Edmonds College                     | ✓ Seattle Colleges         |
| ✓ Lake Washington Technical Institute | ✓ Wenatchee Valley College |
| ✓ Walla Walla Community College       |                            |



## Freddy Mojica

### Senior Auditor

Mr. Mojica has seven years of audit experience, including the last 3 years in public accounting. Most of his public accounting audit background is in non-profits, counties, and local government engagements. The types of audits Mr. Mojica has been involved in are financial audits of non-profits, cities, counties, and other governmental organizations; agreed upon procedures; and Single Audits in accordance with Uniform Guidance. Before working in public accounting, Mr. Mojica spent four years as a Tax Auditor for the State of California.

#### Employment History

- Davis Farr LLP – March 2024 - Present
- CliftonLarsonAllen – 3 years
- State of California – 4 years

#### Education

- Bachelor of Arts in Business Admin. with Accounting Concentration (California State University, Fullerton)

### AUDITS OF LOCAL GOVERNMENTS

- |                     |                         |
|---------------------|-------------------------|
| ✓ City of Pasadena  | ✓ City of Camarillo     |
| ✓ City of Santa Ana | ✓ City of Cerritos      |
| ✓ City of Alhambra  | ✓ City of Colton        |
| ✓ City of Banning   | ✓ City of Glendale      |
| ✓ City of La Habra  | ✓ City of Westminster   |
| ✓ City of Vernon    | ✓ City of Monterey Park |

### AUDITS OF SPECIAL DISTRICTS

- |                                 |   |
|---------------------------------|---|
| ✓ Mesa Water District           | ✓ Western Municipal Water District        |
| ✓ El Toro Water District        | ✓ OC Mosquito and Vector Control District |
| ✓ Midway City Sanitary District |   |

### AUDITS OF NON-PROFITS

- |                               |                               |
|-------------------------------|-------------------------------|
| ✓ Catalina Island Conservancy | ✓ Trinity Youth Services      |
| ✓ Meals on Wheels OC          | ✓ Rose Bowl Operating Company |
| ✓ Hass Avocado Board          | ✓ Caterina's Club             |
| ✓ Mind OC                     |                               |



## Sami Fong

### Senior Auditor

Ms. Fong will serve as the in-charge on this engagement. She will be the main point of contact for the staff. She will be responsible for supervising the staff. Ms. Fong has two years of audit experience, including the last year in public accounting. Ms. Fong has spent time on audits for non-profits, local government, and federal government engagements. The types of audits Ms. Fong has been involved in include: financial audits of non-profits, cities and water districts, and federal compliance.

#### Employment History

- Davis Farr LLP – 2023 - Present

#### Education

- Bachelor of Arts in Economics  
(University of California, Irvine)

### AUDITS OF LOCAL GOVERNMENTS

- ✓ Orange County Local Agency Formation Commission
- ✓ San Bernardino Local Agency Formation Commission
- ✓ City of Rancho Santa Margarita
- ✓ City of Newport Beach
- ✓ City of Costa Mesa

### AUDITS OF SPECIAL DISTRICTS

- ✓ Rancho Santa Margarita Water District
- ✓ Fairfield-Suisun Sewer District
- ✓ Yucaipa Valley Water District

### AUDITS OF NON-PROFITS

- ✓ Ayn Rand Institute
- ✓ KidWorks
- ✓ Visit Greater Palm Springs
- ✓ Radiant Health Centers
- ✓ Shanti of Orange County
- ✓ Beverly Hills Conference & Visitors Bureau

### AUDITS OF FEDERAL COMPLIANCE

- ✓ Centers for Medicare and Medicaid Services (CMS)
- ✓ Orange County Community Resources (OCCR) Fiscal Monitoring Services



## Diego Vanegas, CPA, CISA, CITP

### *Partner*

Mr. Vanegas will serve as the IT Specialist on the engagement. Mr. Vanegas, CPA, CISA, CITP has over 16 years of progressive governmental accounting and audit experience, including extensive compliance audit experience for governmental and non-profit agencies. He has been involved in financial/compliance audits, internal control audits and assessments, operational/performance audits, and cost proposal analysis/price reviews for various governmental agencies. Mr. Vanegas has served in many capacities depending on the size and requirements of the engagements. He has participated in audits of federal agencies such as NSF, CMS, and CNCS, among others. Additionally, Mr. Vanegas has been involved in agreed-upon-procedures and audit engagements of state/local agencies. These engagements have often combined both financial and compliance aspects of the audit as well as Information Technology (IT). Furthermore, he has strong internal control audit experience through the performance of System and Organization Control examinations of the internal controls of service organizations, as well as knowledge of Government Auditing Standards, Office of Management and Budget (OMB) Circular A-87 and the Federal Acquisition Regulations (FAR).

#### Employment History

- Davis Farr LLP: Partner – January 1, 2018 – Present
- Davis Farr LLP: Manager – June 2015 – December 31, 2017
- Top 10 National CPA Firm – May 2005 - June 2015

#### Education

- Bachelor of Science in Business Administration, with an emphasis in Accounting (California State University - Los Angeles)
- Bachelor of Science in Computer Information Systems, with an emphasis in Business Systems (California State University - Los Angeles)

#### Licenses / Registrations

- CA CPA Certificate No. 113040
- Certified Information Systems Auditor
- Certified Information Technology Professional, No. 3298



**DavisFarr**  
CERTIFIED PUBLIC ACCOUNTANTS

**REGULAR MEMBERS**

CHAIR  
**Wendy Bucknum**  
City Member

VICE CHAIR  
**James Fisler**  
Special District Member

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

**Douglas 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:** May 13, 2026

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

**FROM:** Executive Officer  
Office Manager/Commission Clerk

**SUBJECT:** OC LAFCO Conflict of Interest Code Biennial Review  
and Amendments

**BACKGROUND**

The Political Reform Act of 1974, Government Code section 81000 et seq. (the “Act”), requires all public agencies to adopt and maintain a conflict of interest code establishing the rules for disclosure of personal assets and the disqualification from making or participating in the making of any decisions that may affect any personal assets designating positions and establishing disclosure categories.

Pursuant to Section 87306 of the Act, the Agency must amend its Code when necessitated by changed circumstances, including the creation of new positions which must be designated.

The Orange County Board of Supervisors is the code-reviewing body for OC LAFCO and directed that OC LAFCO’s Code be reviewed, as required by the Act. During this review process, staff determined that amendments to the Code are necessary.

Attached is a redlined (legislative) version of the proposed amended Code. The proposed revisions are based on the need to include new positions that must be designated and revisions to certain language as provided by the Fair Political Practices Commission (FPPC) to help clarify requirements.

**RECOMMENDATION**

Staff recommends that the Commission:

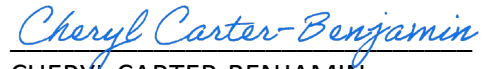
1. Adopt Resolution No. CP 26-03 (Attachment 1) adopting the amended Conflict of Interest Code pursuant to the Political Reform Act of 1974.

Respectfully submitted,



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LUIS TAPIA



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CHERYL CARTER-BENJAMIN

Attachments:

1. Form of Resolution No. CP 26-03

**RESOLUTION NO. CP 26-03**

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF ORANGE COUNTY AMENDING ITS  
CONFLICT OF INTEREST CODE PURSUANT TO THE  
POLITICAL REFORM ACT OF 1974**

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Local Agency Formation Commission of Orange County ("OC LAFCO"), and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and,

WHEREAS, OC LAFCO adopted a Conflict of Interest Code which was amended on November 14, 2018, in compliance with Government Code Section 81000 et seq.; and,

WHEREAS, subsequent changed circumstances within OC LAFCO have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update OC LAFCO's Conflict of Interest Code; and,

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in OC LAFCO being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and,

WHEREAS, notice of the time and place of a public meeting on, and of consideration by OC LAFCO of the proposed amended Code was provided each affected designated employee and publicly posted for review at the offices of OC LAFCO; and,

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of OC LAFCO on May 13, 2026, at which all present were given an opportunity to be heard on the proposed amended Conflict of Interest Code.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Local Agency Formation Commission of Orange County that the Commission does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Office Manager and available for inspection to the public during regular business hours;

BE IT FURTHER RESOLVED that the said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of Orange for approval and said amendment shall become effective at the time the Board of Supervisors approves the proposed Code as submitted.

APPROVED AND ADOPTED this 13th day of May, 2026.

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Wendy Bucknum  
Chairwoman, Board of Commissioners  
Local Agency Formation Commission  
of Orange County

ATTEST:

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Cheryl Carter-Benjamin  
Clerk to the Commission  
Local Agency Formation Commission  
of Orange County

**CONFLICT OF INTEREST CODE OF THE**  
**LOCAL AGENCY FORMATION COMMISSION**  
**COUNTY OF ORANGE**

**(Amended ~~November 14, 2018~~ May 13, 2026)**

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations ~~§ Section~~ 18730) ~~which~~ that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations ~~§~~ Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Local Agency Formation Commission of Orange County ("OC LAFCO")**.

~~All officials and designated positions required to submit a statement of economic interests shall file their statements with the **Office Manager** as LAFCO's Filing Officer. The **Office Manager** shall make and retain a copy of all statements filed by Members of the Board of Commissioners, Alternate Commissioners, and the Executive Officer and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of Orange. The **Office Manager** shall retain the originals of the statements filed by all other officials and designated positions and make all statements available for public inspection and reproduction during regular business hours. (Gov. Code § 81008.)~~

Members of the Board of Directors, Board Alternates, Treasurer and Executive Director must file their statements of economic interests electronically with the Fair Political Practices Commission. All other individuals holding designated positions must file their statement of economic interests shall file their statements with the **Commission Clerk**. All statements must be made available for public inspection and reproduction under Government Code Section

81008.

## APPENDIX

### CONFLICT OF INTEREST CODE OF THE

### LOCAL AGENCY FORMATION COMMISSION COUNTY OF ORANGE

(Amended ~~November 14, 2018~~ May 13, 2026)

#### PART "A"

#### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

LAFCO Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b) are NOT subject to LAFCO's Code, but must file disclosure statements under Government Code Section 87200 et seq. ~~[Regs. § 18730(b)(3)]~~ These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments<sup>1</sup>:

Members of the Board of Commissioners

Alternate Commissioners

Executive Officer

Financial Consultants

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<sup>1</sup> Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

**DESIGNATED POSITIONS****GOVERNED BY THE CONFLICT OF INTEREST CODE**

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Assistant Executive Officer	1, 2
General Counsel	1, 2
Office Manager	4
Policy Analyst (ALL)	2, 3, 4
<u>Senior Policy Analyst</u>	<u>2, 3, 4</u>

Consultant and New Position<sup>2</sup>

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Individuals providing services as a Consultant defined in Regulation 18700.3(a) or in a new position created since this Code was last approved that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

**PART "B"**  
**DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.<sup>3</sup> "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of LAFCO.

Category 1: All investments and business positions in business entities, and sources of income, including receipt of gifts, loans and travel payments, that are located in, do business in or own real property within the jurisdiction of LAFCO.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of LAFCO.

Category 3: All investments and business positions in business entities, and sources of income, including receipt of gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of LAFCO.

Category 4: All investments and business positions in business entities, and sources of income, including receipt of gifts, loans and travel payments, that provide services (including training or consulting services), products, materials, machinery, vehicles or equipment of ~~a~~the type purchased or leased by LAFCO.

Category 5: All investments and business positions in business entities, and sources of income, including receipt of gifts, loans and travel payments, that provide services (including training or consulting services), products, materials, machinery, vehicles or equipment of ~~a~~the type purchased or leased by the designated position's department, unit or division.

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<sup>3</sup> This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

**REGULAR MEMBERS**

CHAIR  
**Wendy Bucknum**  
City Member

VICE CHAIR  
**James Fisler**  
Special District Member

IMMEDIATE PAST CHAIR  
**Donald P. Wagner**  
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**STAFF**

**Luis Tapia**  
Executive Officer

**Scott Smith**  
General Counsel

**MEETING DATE:** May 13, 2026

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

**FROM:** Executive Officer  
Policy Analyst I

**SUBJECT:** Bi-Annual News (“The Pulse”)

**BACKGROUND**

Staff has prepared the Spring 2026 Edition of “The Pulse”, OC LAFCO’s bi-annual newsletter. The bi-annual newsletter is an objective under Goal Three: Optimize Communication, included in the Commission’s three-year Work Plan 2025-2028. The newsletter is published twice a year and features multiple summaries of projects, events, and initiatives undertaken by the Commission and its staff. Each edition of the newsletter is distributed to the County Executive Officer, each of the 34 cities and 34 independent and dependent special districts (i.e., Clerks, City Managers, and General Managers), Orange County legislators, Independent Special District of Orange County (ISDOC), and the Alliance of California Local Agency Formation Commissions. The newsletter is also included in the media kit and posted on the OC LAFCO website.

**RECOMMENDED ACTION**

Staff recommends the Commission:

1. Receive and file the bi-annual newsletter, “The Pulse.”

Respectfully Submitted,



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



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

Attachment: The Pulse, Spring 2026



Huntington  
Beach  
Central  
Library



Welcome to *The Pulse*, where agencies and the public can obtain more information about the Commission's recent activities and projects. This edition highlights the Commission's activity during the 2025-2026 fiscal cycle, including recent appointments, key activities and projects, and progress of the Alliance of Local Agency Formation Commissions.



Wendy Bucknum, Chair

## A Message from the Chair

statement and the goals set out in the OC LAFCO FY 2025-28 Work Plan. During the fiscal year 2025-26, the Commission welcomed the reappointments of experienced long-standing Commissioners, a transition in the Executive Officer position, and the hiring of two new analysts. Although there were significant changes in staff, the Commission did not halt its ongoing projects and activities - OC LAFCO continued with its regular agenda.

leadership during the upcoming fiscal year to remain on track with the Work Plan and be responsive to Orange County's local agencies and communities.

To learn more about OC LAFCO, I welcome you to continue reading the articles included in this edition or attend one of our monthly meetings.

As the OC LAFCO Chairwoman, I welcome you to the Spring Edition of *The Pulse*. This edition provides an update on recent activities by the Commission and staff, underscoring the agency's continued efforts to accomplish the goals outlined in the OC LAFCO FY 2025-2028 Work Plan. To our new readers - and to those who have been engaged through our past editions - we thank you for your continued interest in OC LAFCO.

In January, I was appointed Chairwoman, alongside longstanding Commissioner James Fisler, as Vice Chair. Since the appointments, Commissioners and staff have been working collaboratively to ensure the agency upholds its mission

Some of the key items included as part of the Commission's agenda were routine administrative activities, a fiscal and legal analysis of a potential consolidation, municipal service reviews, activation of latent powers, monitored and adopted positions on legislation of LAFCO-interest. OC LAFCO also entered into a partnership between Los Angeles, San Bernardino, Orange, and San Diego to create the Alliance of Local Agency Formation Commissions. As the fiscal year continues, the Commission and staff will continue to support the County, cities and special districts with inquiries and potential proposals.

As Chairwoman, I will continue to provide



SPRING EDITION

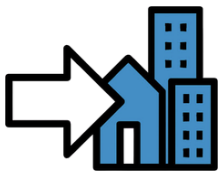
### Contents

- 2 OC LAFCO Featured Projects
- 3 Legislative Corner
- 4 Commission Activity
- 5 Legal Alert: New Digital Accessibility Requirements in 2026
- 6 Get Acquainted with the Executive Officer

Over the past several months, the Commission has advanced several projects related to OC LAFCO's work in local government service delivery across Orange County. Below are summaries highlighting recent key activity.



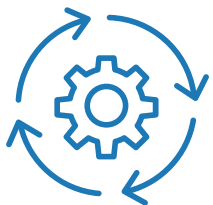
The Commission recently approved a request to activate latent powers for the Three Arch Bay Community Services District (Three Arch Bay CSD). The District currently provides stormwater management and security services to the community. Historically, within the Three Arch Bay community, park and recreation services, including beach and park maintenance, lifeguard services, and other recreational activities, have been provided through the Three Arch Bay Homeowners Association. As outlined in the Community Service District's Principal Act, community service districts may provide park and recreation services. As service needs have grown and long-term costs have become a concern, the District submitted an application to OC LAFCO requesting to activate its latent powers to provide park and recreation services, including: upgrades to turf areas, planter beds, hardscape areas, sports courts, the recreation building, cleaning beaches and beach amenities, as well as maintenance of these areas. Lastly, the District would provide lifeguard services. The Commission's approval of the activation of the latent powers allows the proposal to move forward in the process. This action is expected to enhance the efficient delivery of park and recreation services to the residents within the Three Arch Bay CSD.



Building on the efforts of processing applications, the Commission will also consider the proposed annexation of two small areas associated with the Gateway Development located within the City of Irvine. The proposed annexation totals approximately 1.97 acres of unincorporated territory. The annexation realigns two small "notch" areas within the Gateway Development project site to establish a more logical jurisdictional boundary for the City of Irvine and support the efficient delivery of municipal services. Upon annexation, services such as public safety, public works, and parks and recreation would be provided by the City of Irvine, while water and wastewater services would be provided by the Irvine Ranch Water District upon development of the project site.



In addition to project-specific proposals, OC LAFCO is continuing its Municipal Service Review (MSR) efforts. An MSR is a comprehensive evaluation of how services are delivered across jurisdictions. Work is underway on the North MSR Region, which includes the cities of Brea, Fullerton, La Habra, Placentia, and Yorba Linda, as well as the Placentia Library District and the Yorba Linda Water District. The MSR is nearing completion and is expected to be presented to the Commission at a public hearing in early summer.



As the North MSR is nearing its completion, OC LAFCO has initiated the Coastal MSR Region, which includes the cities of Costa Mesa, Huntington Beach, Los Alamitos, Newport Beach, and Seal Beach, as well as the 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, and Surfside Colony Stormwater Protection District. MSRs are a key planning tool used by LAFCOs to assess service delivery, identify opportunities for coordination, and support long-range planning of services. Through the MSR effort, OC LAFCO ensures that boundary and organizational decisions are responsive to community needs. The reviews include data analysis, coordination with affected agencies, and development of recommendations for Commission consideration.



Concurrently with the ongoing projects, staff have continued to enhance communication by meeting with stakeholders involved in multiple projects and MSRs. Additionally, staff participate in multiple stakeholder groups, including: Alliance of Local Agency Formation Commissions, Center for Demographics, Independent Special Districts of Orange County, Orange County City Managers Association, Orange County Council of Governments, and Orange County Business Council.



During FY 2025-26, OC LAFCO has been actively engaged in legislative and legal efforts of interest to LAFCOs. Staff reviewed key bills and provided recommendations to guide Commission action, while also participating in an effort focused on small water and wastewater systems with documented health and safety threats, and a statewide amicus brief effort that addresses issues with potential implications for LAFCOs.

This year marked an important step forward in regional collaboration. OC LAFCO joined the Alliance of California Local Agency Formation Commissions (Alliance), a partnership among Los Angeles, Orange, San Bernardino, and San Diego LAFCOs. The Alliance serves as a unifying platform to foster efficient, sustainable, and transparent local governance through legislative advocacy and education. As part of this effort, the Alliance formed a Legislative Committee, which meets regularly to review and monitor legislation of shared interest. This collaboration enables coordinated action among LAFCOs and offers deeper insight into statewide legislative priorities.

In addition to these efforts, OC LAFCO staff participated in a stakeholder group focused on potential amendments to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) regarding small water and wastewater systems. The proposed amendments aimed to strengthen LAFCO's authority in supporting efficient and reliable service delivery, particularly in communities facing public health and safety challenges tied to water and wastewater services, while also improving coordination between state and local regulators. OC LAFCO staff remained engaged in these discussions and provided updates to the Commission. Ultimately, the stakeholder group decided to pause the effort due to a lack of support and feedback from stakeholder groups. If the effort resumes in the future, OC LAFCO will reengage in the discussions.



OC LAFCO has also actively participated in a statewide legal policy effort through an amicus brief related to the case of Monterey Peninsula Water Management District v. Monterey LAFCO. The case arose from Monterey LAFCO's denial of the District's request to activate latent powers to provide retail water service in part of Monterey County. While the trial court ruled in favor of the District, Monterey LAFCO appealed the decision, asserting that the court applied a 'rational connection' standard rather than the substantial evidence standard defined by the CKH Act. As part of this effort, OC LAFCO joined other LAFCOs as a party to an amicus brief, which will be submitted on July 10, 2026. The amicus brief will highlight the CKH Act's substantial evidence standard and emphasize that a ruling in the District's favor would be inconsistent. By participating in the amicus brief, OC LAFCO reinforces the importance of consistent standards across LAFCOs and contributes to discussions that shape local governance statewide.

Looking ahead, OC LAFCO will continue to actively monitor legislative developments, participate in statewide policy efforts, and build on local and regional partnerships to remain proactive, engaged, and connected to the issues shaping local governance.

# Alliance of LAFCOs Workshop ATTACHMENT 1

The Alliance of LAFCOs convened its inaugural workshop on March 24, 2026, bringing together Commissioners and staff from four southern region LAFCOs to discuss its structure, priorities, and future direction. Read on for highlights of the workshop.



The Alliance of LAFCOs, comprised of the Los Angeles, Orange, San Bernardino, and San Diego LAFCOs, held its inaugural Workshop on March 24, 2026 at the Duck Club in the City of Irvine, a facility owned and operated by Irvine Ranch Water District. The workshop brought staff and Commissioners from the four LAFCOs together to exchange ideas and further define the future direction of the Alliance.

Guided by its mission to promote efficient, sustainable, and transparent local governance through legislative advocacy and education, the Alliance used the workshop as an opportunity to reflect on its role and consider how the group will operate moving forward. Discussions focused on clarifying the Alliance's structure and purpose, strengthening coordination among the four LAFCOs, and identifying where the Alliance can be most effective. The discussion was facilitated by Stephen Lucas, a longtime LAFCO professional and former Executive Officer of Butte County, whose experience helped guide a thoughtful and productive conversation. Keynote Speaker Bill Pellman, a Partner at Nossaman LLP and previously a longtime legal advisor to Los Angeles LAFCO, shared insights into the broader legislative and legal landscape affecting LAFCOs.

A central focus of the Workshop was the Alliance's legislative efforts. Staff and Commissioners emphasized the importance of taking a more proactive approach, identifying opportunities to shape legislation and advocate for policies that support LAFCOs at both the regional and statewide levels. The Alliance has already taken steps in this direction by securing a consultant to assist with tracking legislation of interest to LAFCOs, and there was strong agreement among participants that legislative engagement should remain a primary focus moving forward. Concurrently, participants acknowledged the continued importance of education and information sharing. While legislative advocacy will be a key priority, providing opportunities for staff collaboration and professional development remains an important component of the Alliance's mission. In support of this goal, the Alliance committed to continuing to plan an annual staff workshop to provide a space for staff to connect, share best practices, learn from one another, and engage with guest speakers.



The four LAFCOs reaffirmed their commitment to the Alliance, including continued collaboration for the next two years. With a renewed focus on proactive legislation, member education, and ongoing collaboration, the Alliance is ready to advance shared priorities and make a meaningful impact across the region.



# BBK

BEST BEST & KRIEGER LLP

# Legal Alert: New Digital Accessibility Requirements in 2026

ATTACHMENT 1



Scott Smith



On April 24, 2024, the U.S. Department of Justice (DOJ) published a final rule that updated Title II of the Americans with Disabilities Act (ADA). These regulations require all services, programs, and activities of state or local governments to be accessible to people with disabilities including public sector websites, online systems, and digital resources. As part of the final rule, the DOJ adopted Web Content Accessibility Guidelines (WCAG) 2.1 Level AA and incorporated them by reference into Title II. Beginning in 2026, public agencies must “comply with both Level A and Level AA success criteria and conformance requirements specified in WCAG 2.1.” (28 CFR § 35.200(b).) This is the first time that the DOJ has ever adopted a technical standard for digital content.

## Compliance Deadlines

- April 24, 2026: Public entities with a total population of 50,000 or more (except special districts).
- April 26, 2027: Public entities with a total population of less than 50,000, and all special districts regardless of size.

## WCAG’s Key Requirements

WCAG 2.1 Level AA is a set of technical standards to ensure a public agency’s website meets the minimum criteria for accessibility. Public agencies will still be subject to requests for reasonable accommodations. WCAG 2.1 Level AA includes testable criteria for web access, including contrast, headings, links, images, forms, and all types of multimedia. The guidelines are organized under four principles that digital content must be Perceivable, Operable, Understandable, and Robust, also referred to as the “POUR” model.

The requirements of WCAG 2.1 Level AA include, but are not limited to:

### 1. Perceivable

- Alternative text (alt-text) for images: Any informational image must also provide meaningful alt-text. For example, a county parks webpage that uses map icons must provide alt-text such as “icon depicting a shaded tree overlooking a picnic table.”
- High contrast: Text and interactive controls must contrast sufficiently with backgrounds so users with low vision can read them. Text and images of text must have a contrast ratio of at least 4.5 to 1.
- Captions/transcripts: Video content and time-based media must include captions.

### 2. Operable:

- Keyboard navigation: All functionality of the site or app, including forms and navigation, must be accessible by using a keyboard alone.
- Focus indicators: Each item receiving focus must have a visible indicator to specify where on the screen the user is navigating.

### 3. Understandable

- Navigation links should be identical and predictable across several different web pages.
- The body of the page should be formatted differently from headers, and should be identified using the “lang” attribute (<html lang=“en”>).
- If an input error is detected on a form page, suggestions should be provided for fixing the input in a timely and accessible manner. Submissions should also be fixable when an error is detected.

### 4. Robust

- Content should be compatible with a wide range of user agents, including assistive technology like screen readers, speech-output software, Braille displays, etc.
- Semantic HTML: Use proper structural elements (e.g., <header>, <nav>, <main>, <footer>) so assistive devices can interpret the page.

## WCAG’s Key Requirements

Confidential documents; individualized, password-protected documents, such as an individual’s municipal water bill; and third-party content; pre-existing documents; archived content. The following are exempt from WCAG 2.1 Level AA: social media posts created before the compliance date.

SCOTT C. SMITH of Best Best & Krieger LLP, General Counsel Orange County LAFCO

# Getting Acquainted with the Executive Officer



**Luis Tapia,**  
Executive Officer

I've had the pleasure of serving on the OC LAFCO team for over a decade, including as Executive Officer since October of 2025. In this role, I look forward to guiding staff efforts and supporting the Commission by implementing the Board's policies and its mission: "Serving Orange County cities, special districts, and the county to ensure effective and efficient delivery of municipal services."

As Executive Officer, I will lead by balancing technical expertise, policy insights, and coordination among multiple stakeholders. I am committed to ensuring that proposals brought before the Commission are thoroughly evaluated, supported by clear analysis, and grounded in an understanding of their impacts on the communities in the County, all with the goal of ensuring effective and efficient delivery of municipal services.

During my tenure with OC LAFCO, we have processed a broad spectrum of initiatives, including multiple reorganizations (e.g., annexations, detachments, and transitions of water and sewer systems) involving cities and special districts, annexations of unincorporated islands, municipal services reviews, special studies, collaborative efforts with stakeholders focused on boundary changes, activation of latent powers, and legislative advocacy for LAFCOs. These efforts will continue in the coming fiscal years through close collaboration with the County, cities, and special districts.

Looking ahead, I see continued opportunities for OC LAFCO to expand its impact to ensure the delivery of efficient and effective municipal services and serve as a valuable resource for public agencies and the public.

May 13, 2026

**11a** | Informational  
Item

**REGULAR MEMBERS**

CHAIR  
**Wendy Bucknum**  
City Member

VICE CHAIR  
**James Fisler**  
Special District Member

IMMEDIATE PAST CHAIR  
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**STAFF**

**Luis Tapia**  
Executive Officer

**Scott Smith**  
General Counsel

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

**FROM:** Executive Officer  
Policy Analyst I

**SUBJECT:** Protest Hearing Results for the “Activation of  
Latent Power for Three Arch Bay Community  
Services District (LP 25-02)”

At the March 11, 2026 regular meeting, the Commission approved the “Activation of Latent Power for Three Arch Bay Community Services District (LP 25-02)” and directed the Executive Officer to conduct protest proceedings for the activation of latent powers. Subsequently, the protest period and hearing were properly noticed in the Orange County Register in accordance with State law. The protest period began on March 18, 2026 through the hearing date on April 20, 2026, during which there was a submittal of one email of opposition to the proposal. Staff is coordinating the final recordation of the documents for the activation of latent powers with the District.

This is an informational item only, and no further action by the Commission is required.

Respectfully Submitted,



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



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