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Wendy Bucknum
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Kathryn Freshley
Special District Member

Carol Moore
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Lou Penrose
Public Member

VACANT
County Member

STAFF

Luis Tapia
Executive Officer

Scott Smith
General Counsel

MEETING DATE: June 10, 2026

TO: Local Agency Formation Commission
of Orange County

FROM: Executive Officer

SUBJECT: Alliance of LAFCOs Update

BACKGROUND

In March 2025, the Executive Officers (EOs) of Los Angeles, Orange, San Bernardino, and San Diego LAFCOs held discussions to launch an effort to provide continued education and training for staff. Subsequently, to formalize the effort, the group drafted the “Memorandum of Understanding by and between Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions” (MOU). The MOU outlines the proposed collaboration between the four LAFCOs (Alliance) for providing and receiving services and programs, with a focus on educational opportunities and legislative advocacy, including a \$10,000 commitment by each LAFCO. In May 2025, the Commission unanimously approved the MOU and supported OC LAFCO's continued participation in the Alliance.

The Alliance hosted its first in-person workshop in Irvine on Tuesday, March 24th. The workshop was well attended by over thirty Commissioners and staff representing the four LAFCOs. Commissioners James Fisler, Kathryn Freshley, Carol Moore, and Derek J. McGregor, along with staff, represented OC LAFCO. This report summarizes the items discussed during the workshop and a recent Alliance meeting held on May 27th, including next steps for the Alliance and an update to the Alliance’s FY 2026-27 funding commitment for Commission consideration.

DISCUSSION

Since the MOU became effective in July 2025, key milestones have been accomplished, including routine monthly meetings, the establishment of a membership listserv, a legislative advocacy and lobbying services contract with Politico Group, a joint request for proposals for audit services, and the first Alliance workshop. During the workshop and Alliance May meeting, Commissioners and staff discussed several topics related to the ongoing development of the Alliance’s structure, including governance, administrative responsibilities, membership, and annual budget. The following sections summarize the discussions.

Governance

Since the Alliance's inception, the Commissioners and EOs have informally voted on issues affecting the Alliance. As the Alliance continues its efforts, the workshop attendees agreed that the organization should have a bottom-up structure, with the EOs leading the group's efforts in educational opportunities, legislative advocacy, and planning an annual workshop. Additionally, the group discussed the option of establishing an 8-member board comprised of four Commissioners and four EOs (one from each LAFCO). The topic was further discussed during the May meeting, and the group agreed to continue working on identifying the makeup of the Board.

The attendees also discussed the inherent limitations of not being registered as a nonprofit organization, particularly in legislative advocacy. During the May meeting, the Alliance reviewed an initial draft of the proposed bylaws and recommended that each LAFCO obtain feedback from its Commission. Staff will provide a copy of the bylaws during a future meeting for Commission review.

Administrative

To ensure the Alliance moves forward, the group recommends continuing to provide support by allocating staff on a volunteer basis from each LAFCO. Staff from each LAFCO will focus on planning and leading the monthly or quarterly Alliance meetings, participating in the legislative meetings, planning and leading the annual workshop, and lastly managing the legislative contract with Politico Group. Additionally, staff will assist with planning educational opportunities to be conducted via Zoom.

Membership

The Alliance anticipates that in the upcoming fiscal year, other LAFCOs may be interested in joining its educational and legislative advocacy efforts. As these efforts take shape, other LAFCOs with similar priorities are likely to seek participation to stay informed, contribute to legislative discussions, and access shared resources through the MOU. The Alliance is open to new members whose interests align with the group's purpose and approach.

Annual Budget

The current approved MOU commits the four LAFCOs to a cost-sharing arrangement not to exceed \$10,000 per fiscal year to support the services under the agreement. During the workshop, the LAFCOs agreed that the Alliance would need to increase its budget to support a more rigorous agenda for fiscal year 2026-27 to enhance its educational opportunities and legislative advocacy. The Alliance's current budget only covers the cost of legislative services with Politico Group. To ensure funding is available for the additional efforts, the four LAFCOs agreed to request their Commissions consider increasing the annual fiscal commitment to \$15,000.

Staff Recommendations

Staff recommends the Commission approve OC LAFCO's continued participation in the Alliance, including the approval to increase the upcoming fiscal commitment to \$15,000 for FY 2026-27

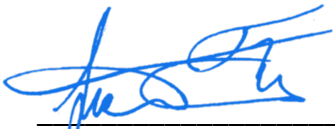
(the OC LAFCO FY 2026-27 budget includes the increase) and authorize the Executive Officer to work with the EOs to register the organization as a nonprofit.

RECOMMENDED ACTIONS

Staff recommends the Commission:

1. Support continued participation in the Alliance.
2. Approve the fiscal commitment of \$15,000 for FY 2026-27 and authorize the Executive Officer to execute the amended MOU.
3. Authorize the Executive Officer to participate on behalf of the Commission to register the Alliance as a nonprofit organization.

Respectfully submitted,



LUIS TAPIA

Attachments:

1. First Amendment - Memorandum of Understanding by and between the Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions.
2. Memorandum of Understanding by and between the Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions.

**FIRST AMENDMENT TO THE
MEMORANDUM OF UNDERSTANDING
LOS ANGELES, ORANGE, SAN BERNARDINO, and SAN DIEGO
LOCAL AGENCY FORMATION COMMISSIONS**

This First Amendment ("Amendment") to the Memorandum of Understanding dated July 1, 2025 ("MOU") is made and entered into as of July 1, 2026 ("Amendment Effective Date") by and between the Los Angeles, Orange, San Bernardino, and San Diego Local Agency Formation Commissions ("LAFCOs") and are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

- A. The Parties entered into the MOU effective July 1, 2025 to establish terms for providing and receiving collaborative services among the Parties.
- B. The Parties operate collectively under the name "Alliance of LAFCOs" ("Alliance") in furtherance of the collaborative purposes established by the MOU.
- C. The Parties desire to reaffirm their commitment to the MOU by formally extending the term through Fiscal Year 2027.
- D. The Parties further desire to increase their respective good-faith cost-commitments under the MOU to reflect the scope and value of collaborative services being provided, as well as collaborate to formalize the partnership into a nonprofit.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Term Extension

Section 11 (Term) of the MOU is reaffirmed and extended through June 30, 2027, subject to the termination provisions set forth therein.

2. Cost-Commitment Increase

Section 5 (Cost-Commitment) of the MOU is amended to increase each Party's annual good-faith cost-commitment from \$10,000 to \$15,000 for Fiscal Year 2027. Each Party agrees to budget and otherwise make reasonably available \$15,000 to contribute towards services provided under the MOU during Fiscal Year 2027.

3. Transition to Nonprofit Structure

The Parties agree to work together in good faith during Fiscal Year 2027 to pursue a transition of the Alliance from its current MOU-based partnership into a formal nonprofit organizational structure. Any such transition shall be subject to the separate approval of each Party's respective governing body.

4. **No Other Changes.** Except as expressly amended herein, all terms and conditions of the MOU remain in full force and effect. In the event of any conflict between the MOU and this Amendment, this Amendment shall control.

5. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Electronic signatures shall be deemed equivalent to original signatures.

IN WITNESS WHEREOF, the Parties agree to this Amendment.

Los Angeles LAFCO
Paul Novak, Executive Officer

Date: _____

Orange LAFCO
Luis Tapia, Executive Officer

Date: _____

San Bernardino LAFCO
Samuel Martinez, Executive Officer

Date: _____

San Diego LAFCO
Keene Simonds, Executive Officer

Date: _____

MEMORANDUM OF UNDERSTANDING

LOS ANGELES, ORANGE, SAN BERNADINO, and SAN DIEGO LOCAL AGENCY FORMATION COMMISSIONS

This Memorandum of Understanding ("MOU") is made and entered into as of July 1, 2025 ("Effective Date") by and between the Los Angeles, Orange, San Bernadino, and San Diego Local Agency Formation Commissions ("LAFCOs") and are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

- A. Los Angeles, Orange, San Bernardino, and San Diego LAFCOs are local subdivisions of public agencies in the State of California and are periodically in need of services that can be provided more efficiently or conveniently through collaboration or partnership of the Parties.
- B. The Parties desire by this MOU to establish the terms for each Party to provide and receive the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. MOU Composition. The Parties agree the composition of the MOU is limited to Los Angeles, Orange, San Bernardino, and San Diego LAFCOs. Additional LAFCOs may be added to the MOU composition by amendment if unanimously approved by the MOU Committee as provided in Section 3.
2. Services. The Parties will work together to identify potential services that could be delivered more efficiently through collaboration or partnership. Some of the potential services to be provided include:
 - Information exchanges.
 - Continuing education involving LAFCO statutes.
 - Training on best practices in local government.
 - Professional networking.
 - Legislative advocacy.

3. Decision-Making. The Parties agree to an MOU Committee consisting of each Party's Executive Officer responsible for organizing all related services herein. Decision-making will be based on Committee consensus - whether by majority or unanimity of the members. The MOU Committee will hold quarterly meetings to discuss and plan services as needed. An Executive Officer may appoint a delegate from their respective LAFCO to serve as the Executive Officer's Alternate on the MOU Committee in the event the Executive Officer is unavailable.
4. Cost-Sharing. The Parties agree to equally contribute to all costs associated with services provided through the MOU. Costs will be appropriated among the Parties for their direct payments to any outside vendors and consultants and/or through reimbursements paid between the Parties.
5. Cost-Commitment. To help inform decision-making, each Party agrees to budget and otherwise make reasonably available \$10,000 annually to contribute towards services provided under this MOU. All reasonable efforts shall be made by the MOU Committee to achieve unanimous decisions in providing services and generating associated costs to the Parties.
6. Sponsoring Outside Vendors. The Parties understand it may be necessary for one Party to sponsor an outside vendor (e.g., consultant, conference center, etc.) on behalf of all Parties in securing services provided under this MOU. The Parties agree to reasonably share these sponsorship needs while also making good-faith efforts to expedite reimbursement payments.
7. Maintenance of Records. Any books, documents, papers, and other evidence pertaining to costs incurred in implementing this MOU and associated services shall be maintained by each Party in line with the respective Party's appropriate local policy.
8. Retention of Employee Status. Any Party providing MOU services through their own employees shall remain employees of that Party at all times.
9. Compensation. No Party shall receive any compensation associated with implementing this MOU other than reimbursements involving the services described herein.
10. Performance of Services. The MOU Committee shall be solely responsible for determining the scope and timing of services provided through this MOU.
11. Term. The MOU shall become effective on July 1, 2025 and shall continue until termination as provided below.
 - a) Any Party may terminate their participation in this MOU with or without cause upon thirty (30) calendar days' written notice to the other Parties.

b) Notwithstanding the above provision, the Parties agree to good-faith efforts to time any decision to terminate their participation in this MOU to coincide with the end of the fiscal year - June 30th.

12. Compliance with Law. Each Party shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government as applicable in implementing this MOU.

13. Notice. Any notice to be given or delivered by this MOU shall be done whenever possible by e-mail to the following Party representatives:

Los Angeles LAFCO
Paul Novak, Executive Officer
80 South Lake Ave, Suite 870
Pasadena, CA 91101
pnovak@lalafco.org

Orange LAFCO
Luis Tapia, Interim Executive Officer
2677 North Main, Suite 1050
Santa Ana, CA 92705
ltapia@oclafco.org

San Bernardino LAFCO
Samuel Martinez, Executive Officer
1601 E. 3rd Street, Suite 102
San Bernardino, CA 92415
smartinez@lafco.sbcounty.ca.gov

San Diego LAFCO
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, CA 92103
keene.simonds@sdcountry.ca.gov

IN WITNESS WHEREOF, the Parties agree to this MOU.

Los Angeles LAFCO
Paul Novak, Executive Officer

Date: April 10, 2025

Orange LAFCO
Luis Tapia, Interim Executive Officer

Date:

San Bernardino LAFCO
Samuel Martinez, Executive Officer

Date: April 16, 2025

San Diego LAFCO
Keene Simonds, Executive Officer

Date: April 10, 2025