ORANGE COUNTY LAFCO

2677 North Main Street | Suite 1050
Santa Ana, CA 92705
Phone: 714.640.5100 | **Fax:** 714.640.5139

LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY

REGULAR MEETING AGENDA

Wednesday, August 12, 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/RE-6DEQvBZw?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. **BOARD APPOINTMENTS**
   The Commission will receive a report on the recent appointments to the Commission, and the Oath of Office will be administered for the respective terms.

4. **ROLL CALL**

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

6. **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.

7. **CONSENT CALENDAR**

   a.) June 10 – Regular Commission Meeting Minutes
   The Commission will consider approval of the June 10, 2026 meeting minutes.

b.) Local Agency Investment Fund (LAIF) Account Update
The Commission will consider adopting the revised resolution authorizing designated staff to invest agency funds in LAIF.

8. PUBLIC HEARING

a.) Municipal Service Review and Sphere of Influence Reviews for North Region (MSR 25-08 and SOI 25-09)
The Commission will consider the Municipal Service Review and Sphere of Influence reviews for agencies within the North MSR Region prepared in accordance with Government Code Sections 56425 and 56430. As the lead agency, the Commission will consider the Notices of Exemption prepared for the MSR and SOIs in compliance with the California Environmental Quality Act (CEQA).

9. COMMISSION DISCUSSION AND ACTION

a.) Fiscal Year 2025-2026 Year-End Comprehensive Report
The Commission will receive the year-end comprehensive report for FY 2025-26.

b.) Legislative Report (August 2026)
The Commission will receive an update on the status of previously reviewed legislation, the amicus brief, and recent activity by the Alliance of LAFCOs Legislative Committee.

c.) OC LAFCO Office Lease Agreement Update
The Commission will receive an update on the OC LAFCO Lease Agreement and consider approval for the Executive Officer to initiate negotiations for a new lease agreement with the Orange County Transportation Authority (OCTA).

10. 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.

11. 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.

12. INFORMATIONAL ITEMS & ANNOUNCEMENTS
No informational items or announcements.

13. CLOSED SESSION

a.) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code section 54957
Title: Executive Officer

b.) CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Section 54957.6
Agency designated representative: Commission Chair Wendy Bucknum
Unrepresented employee: Executive Officer

14. ADJOURNMENT OF REGULAR COMMISSION MEETING

The next Regular Commission Meeting will be held on Wednesday, September 9, 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). 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. 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.

"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. 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.

ORANGE COUNTY LAFCO

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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April

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July

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October

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25	26	27	28	29	30	31

February

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May

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31						

August

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March

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29	30	31				

June

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September

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27	28	29	30			

December

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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.

No scheduled regular meeting due to legal holiday.

April 8, 2026 Regular Meeting Cancelled.
July 8, 2026 Regular Meeting Cancelled.

Office closure due to legal holidays and flexible work schedule.

2026 CALAFCO Annual Conference - October 21-23, Sacramento, CA.

Agenda materials available at http://oclafco.org.

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LAFCO

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3 | Board Appointments

MEETING DATE: August 12, 2026

TO: Local Agency Formation Commission of Orange County

FROM: Executive Officer

SUBJECT: Board Appointments

The following Board Appointments of OC LAFCO members were made for terms beginning July 1, 2026:

Donald P. Wagner, Regular County Member
Term of Office: July 1, 2026 – June 30, 2030

Peggy Huang, Regular City Member
Term of Office: July 1, 2026 – June 30, 2030

Douglass Davert, Regular Special District Member
Term of Office: July 1, 2026 – June 30, 2030

Kathryn Freshley, Alternate Special District Member
Term of Office: July 1, 2026 – June 30, 2030

Derek J. McGregor, Regular Public Member
Term of Office: July 1, 2026 – June 30, 2030

The Oaths of Office for the above appointments will be administered at the August 12 Regular Commission Meeting. Attached for reference is the **OC LAFCO Terms of Office** as of August 12, 2026.

Respectfully submitted,

LUIS TAPIA

Attachment:
1. OC LAFCO Terms of Office (Updated: August 2026)

ATTACHMENT 1

LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY

Commissioners' Terms of Office

Updated: August 2026

Pursuant to Government Code Section 56334, the expiration date of the term of office of each member of the Commission is June 30th in the year in which the member's term expires.

Commissioners	Original Date Appointed to OC LAFCO	Current Term	Appointing Authority
Regular Members			
Wendy Bucknum, Chair City Member	2015	2024–2028	City Selection Committee
James Fisler, Vice Chair Special District Member	2011	2024–2028	Independent Special District Selection Committee
Donald P. Wagner, Immediate Past Chair County Member	2019	2026–2030	County Board of Supervisors
Douglass Davert, Special District Member	2018	2026–2030	Independent Special District Selection Committee
Peggy Huang, City Member	2025	2026–2030	City Selection Committee
Derek J. McGregor, Public Member	2009	2026–2030	Commission
VACANT, County Member[1]	2022	2023–2027	County Board of Supervisors
Alternate Members			
Kathryn Freshley, Special District Member	2019	2026–2030	Independent Special District Selection Committee
Carol Moore, City Member	2023	2024–2028	City Selection Committee
Lou Penrose, Public Member	2017	2025–2029	Commission
VACANT, County Member[1]	2023	2023–2027	County Board of Supervisors

[1] Appointment will be for an unexpired term ending June 30, 2027.

DRAFT MINUTES

OC LAFCO REGULAR MEETING

Wednesday, June 10, 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/QWpQioZo7g8?feature=share

1. CALL TO ORDER

Chair Bucknum called the meeting of the Local Agency Formation Commission of Orange County (OC LAFCO) to order at 8:15 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Penrose led the Pledge of Allegiance.

3. ROLL CALL

The following Commissioners were present:

City Members
Wendy Bucknum **(Chair)**
Peggy Huang
Carol Moore **(Alt.)**

County Member
Donald P. Wagner

Special District Members
Douglass Davert
James Fisler **(Vice Chair)**
Kathryn Freshley **(Alt.)**

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

The following staff members and general counsel were present:

- Executive Officer Luis Tapia
- Policy Analyst I Aimee Diaz
- Policy Analyst I Leo Lara
- Commission Clerk Cheryl Carter-Benjamin

- General Counsel Scott Smith

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

The Commission Clerk noted that no supplemental communication was received.

5. PUBLIC COMMENT

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

Chair Bucknum closed the hearing of public comments.

6. CONSENT CALENDAR

Chair Bucknum called for a motion on the consent calendar. There was no Commission discussion, and the Commission Clerk noted that no public requests to speak on the item were made. **Chair Bucknum** called for a motion on the item. **Commissioner Davert** moved to approve the consent calendar, and **Commissioner Wagner** seconded the motion.

<u>6a. – May 13 - Regular Commission Meeting Minutes</u>

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

MOTION PASSED: 6-0.

7. PUBLIC HEARING

No public hearing items are scheduled.

8. COMMISSION DISCUSSION AND ACTION

<u>8a. – Amendments to the Local Guidelines for Implementing the California Environmental Quality Act (CEQA)</u>

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

Chair Bucknum called for Commission discussion and public comments. Commissioners made general comments, and the Commission Clerk noted that there were no public requests to speak on the item. **Chair Bucknum** called for a motion on the item. **Commissioner McGregor** motioned to approve the staff recommended action, and **Commissioner Davert** seconded the motion.

MOTION:	**Adopt OC LAFCO Resolution No. CP 26-06 amending and approving the "Local Guidelines for Implementing the California Environmental Quality Act." (Derek J. McGregor)**
SECOND:	**Douglass Davert**
FOR:	**Derek J. McGregor, Douglass Davert, James Fisler, Peggy Huang, Donald P. Wagner, Wendy Bucknum**
AGAINST:	**None**
ABSTAIN:	**None**

MOTION PASSED: 6-0.

<u>8b. – Professional Consultant Agreement with Platinum Strategies Inc.</u>
Executive Officer Luis Tapia presented the staff report and recommended action for Commission consideration, noting that Josh Byerrum, Managing Partner at Platinum Strategies Inc., was present and available to answer any questions.

Chair Bucknum called for Commission discussion and public comments. There was no Commission discussion, and the Commission Clerk noted that there were no public requests to speak on the item. **Chair Bucknum** called for a motion on the item. **Commissioner Davert** motioned to approve the staff recommended action, and **Commissioner Wagner** seconded the motion.

MOTION:	**Approve the professional services agreement with Platinum Strategies Inc. for professional accounting services. (Douglass Davert)**
SECOND:	**Donald P. Wagner**
FOR:	**Douglass Davert, Donald P. Wagner, James Fisler, Peggy Huang, Derek J. McGregor, Wendy Bucknum**
AGAINST:	**None**
ABSTAIN:	**None**

MOTION PASSED: 6-0.

<u>8c. – Update on Recent Activity of the Alliance of Local Agency Formation Commission</u>
Executive Officer Luis Tapia presented the staff report and recommended actions for Commission consideration.

Chair Bucknum called for Commission discussion and public comments. Commissioners made general comments, and the Commission Clerk noted that there were no public requests to speak on the item. **Chair Bucknum** called for a motion on the items. **Commissioner McGregor** moved to approve the staff recommended actions, and **Vice Chair Fisler** seconded the motion.

MOTION:	**Support continued participation in the Alliance; Approve the fiscal commitment of $15,000 for FY 2026-27 and authorize the Executive Officer to execute the amended MOU; Authorize the Executive Officer to participate on behalf of the Commission to register the Alliance as a nonprofit organization. (Derek J. McGregor)**
SECOND:	**James Fisler**
FOR:	**Derek J. McGregor, James Fisler, Douglass Davert, Peggy Huang, Donald P. Wagner, Wendy Bucknum**
AGAINST:	**None**
ABSTAIN:	**None**

MOTION PASSED: 6-0.

<u>8d. – Legislative Report (June 2026)</u>
Policy Analyst Aimee Diaz presented the staff report and recommended action for Commission consideration.

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

<u>8e. – Selection Process and Appointment of OC LAFCO Regular Public Member</u>
Executive Officer Luis Tapia presented the staff report and recommended action for Commission consideration.

Chair Bucknum called for Commission discussion. Commissioners made general comments.

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

MOTION:	**Reappoint Derek J. McGregor to the Regular Public Member seat for the term to commence July 1, 2026. (Douglass Davert)**
SECOND:	**Peggy Huang**
FOR:	**Douglass Davert, Peggy Huang, James Fisler,**

Donald P. Wagner, Wendy Bucknum
AGAINST: **None**
ABSTAIN: **None**

MOTION PASSED: 5-0.

8f. – County Unincorporated Islands & Disadvantaged Unincorporated Communities (DUCs) Update
Policy Analyst Leo Lara presented the staff report and recommended action for Commission consideration.

Chair Bucknum called for Commission discussion and public comments. Commissioners made general comments and discussed the locations of the disadvantaged unincorporated communities in the remaining unincorporated islands. The Commission Clerk noted that there were no public requests to speak on the item. **Chair Bucknum** noted this is a receive and file report and requires no action by the Commission.

9. COMMISSIONER COMMENTS
Commissioners made comments regarding the provision of water service by cities, special districts, and private water companies throughout Orange County. The Commission requested that staff prepare a report identifying the water providers in the County and present the report at a future Commission meeting.

10. EXECUTIVE OFFICER'S REPORT

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

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

No informational items or announcements.

12. ADJOURNMENT OF THE REGULAR COMMISSION MEETING

Chair Bucknum adjourned the Regular Commission Meeting at 8:54 a.m. to July 8, 2026.

Wendy Bucknum, Chair
Local Agency Formation Commission of Orange County

ATTEST:

By: ________________________________
Cheryl Carter-Benjamin
Commission Clerk

ORANGE COUNTY LAFCO

2677 North Main Street | Suite 1050
Santa Ana, CA 92705
Phone: 714.640.5100 | **Fax:** 714.640.5139

7b | **Consent Calendar**

MEETING DATE: August 12, 2026

TO: Local Agency Formation Commission of Orange County

FROM: Executive Officer

SUBJECT: Local Agency Investment Fund (LAIF) Account Update

BACKGROUND

On February 8, 2006, the Commission established an investment account with the Local Agency Investment Fund (LAIF) for investment of OC LAFCO funds that are not required for the agency's immediate needs. LAIF is a voluntary program established by statute in 1977 as an investment alternative for California's local governments and special districts.

To participate in LAIF, local governmental agencies are required to file a resolution adopted by the agency's governing board with the State Treasurer's Office authorizing appropriate officials to act on behalf of the agency. The attached resolution updates the Commission's current resolution, on file with LAIF, and aligns with the Commission's current local policy for this matter. The proposed resolution updates Mr. Tapia's position with the agency from "Interim Executive Officer" to "Executive Officer."

RECOMMENDED ACTION

Staff recommends the Commission:

1. Adopt OC LAFCO Resolution No. CP 26-08 authorizing investment monies in the Local Agency Investment Fund.

Respectfully Submitted,

____
LUIS TAPIA

Attachment:
1. OC LAFCO Resolution No. CP26-08

RESOLUTION NO. CP26-08

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF)

August 12, 2026

WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Local Agency Formation Commission of Orange County ("OC LAFCO") hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the OC LAFCO;

NOW THEREFORE, BE IT RESOLVED, that OC LAFCO hereby authorizes the deposit and withdrawal of OC LAFCO monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:
Section 1. The following OC LAFCO officers holding the title(s) specified herein below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Luis Tapia – Executive Officer
Cheryl Carter-Benjamin – Commission Clerk/Office Manager

Section 2. This resolution shall remain in full force and effect until rescinded by the OC LAFCO by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED, by the Local Agency Formation Commission of Orange County, California, on August 12, 2026.

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

By: ____________________________________
WENDY BUCKNUM

ATTEST:

____
Cheryl Carter-Benjamin, Commission Clerk

ORANGE COUNTY
LAFCO

2677 North Main Street | Suite 1050
Santa Ana, CA 92705
Phone: 714.640.5100 | Fax: 714.640.5139

MEETING DATE: August 12, 2026

8a | Public Hearing

TO: Local Agency Formation Commission of Orange County

FROM: Executive Officer
Policy Analyst I

SUBJECT: Municipal Service Review and Sphere of Influence Reviews for the North Region (MSR 25-08 and SOI 25-09)

BACKGROUND

Twenty-six years ago, the State Legislature amended the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) to require Local Agency Formation Commissions (LAFCOs) to prepare Municipal Service Reviews (MSRs), pursuant to Government Code Section 56430. This legislative mandate directs LAFCOs to conduct comprehensive regional studies that evaluate future regional growth and assess how local agencies are planning for their municipal services and infrastructure systems. To fulfill this mandate, OC LAFCO prepares MSRs for Orange County's 34 cities and 34 independent and dependent special districts, which provide essential public services throughout the county. State law also requires OC LAFCO to review each agency's Sphere of Influence (SOI) as part of the MSR process. An SOI serves as LAFCO's long-range planning tool for establishing the probable future physical boundaries and service area of a city or special district.

Since 2000, OC LAFCO has completed and prepared three countywide cycles of MSRs and corresponding SOI reviews. To improve the efficiency and consistency of the review process, the Commission organized each cycle into established regional study areas that evaluate multiple agencies and cluster related municipal services. Each cycle has been conducted in collaboration with representatives from the County, cities, special districts, and community members, as appropriate, and has included a comprehensive evaluation of how Orange County agencies currently deliver and plan to deliver municipal services effectively and efficiently.

The fourth MSR cycle is currently underway in accordance with a schedule previously established by the Commission. MSRs for the West, Southwest, and Central regions have been prepared in line with the established timeline. OC LAFCO retained RSG, Inc. (RSG) to prepare the MSR for the North Region, which includes conducting interviews with each of the agencies in the region and collecting demographic, fiscal, and other relevant data to support MSR findings and determinations. The MSR addresses each area required in accordance with State law and is attached to this staff report. A summary of the MSR and SOI determinations, along with staff recommendations, is discussed in the following sections.

MSR SUMMARY

The North Region has an estimated population of approximately 496,500 residents receiving municipal services from cities and special districts, including those living in unincorporated areas within the region. Approximately 130,500 residents in the region are served by the two special districts in the North Region. Generally, the North Region is located north of the 91 freeway, and includes five cities (Brea, Fullerton, La Habra, Placentia, and Yorba Linda), two special districts (Placentia Library District and Yorba Linda Water District), and two unincorporated areas adjacent to the City of Yorba Linda.

The 2026 North MSR Region evaluates how agencies in the region deliver key municipal services and planning for their respective operations and infrastructures. The review includes an assessment of essential municipal services, including law enforcement, fire protection, emergency medical, ambulance transport, retail water, wastewater, stormwater, solid waste, utilities, parks, recreation and open space, library, animal control, and code enforcement. For the 2026 review, staff is recommending that the SOI for each agency be reconfirmed.

Overall, the agencies in the North Region are providing adequate services to their residents and customers. However, the MSR identifies that some agencies are facing challenges with road maintenance and wastewater infrastructure. Below is the schedule of the past MSRs conducted for the agencies within the North Region.

North MSR Region – Completed MSRs			
Cities	**1st MSR Cycle**	**2nd MSR Cycle**	**3rd MSR Cycle**
Brea	2005	2008	2013
Fullerton	2007	2008	2013
La Habra	2007	2008	2013
Placentia	2007	2008	2013
Yorba Linda	2006	2008	2013
Special Districts	**1st MSR Cycle**	**2nd MSR Cycle**	**3rd MSR Cycle**
Placentia Library District	2005	2008	2013
Yorba Linda Water District	2006	2008	2013

SOI SUMMARY

During the North Region SOI review, no issues were identified for the agency SOIs. However, the Yorba Linda Water District noted that an area within its boundary and SOI is currently served by the City of Placentia. The District will explore the option of submitting an application to OC LAFCO for the detachment of the area from its boundary. Additionally, the City of Yorba Linda noted an interest in annexing the Fairlynn Unincorporated Island, but no formal action has been initiated to date. A map depicting the Fairlynn Island is provided in the MSR report on page 20. Therefore, the recommendation is to reconfirm the current SOIs for each agency.

North MSR Region – Completed MSRs		
Cities	**SOI Originally Adopted**	**SOI Last Updated**
Brea	1973	2025
Fullerton	1989	2013
La Habra	1974	2018
Placentia	1973	2013
Yorba Linda	1973	2013
Special Districts	**SOI Originally Adopted**	**SOI Last Updated**
Placentia Library District	1975	2013
Yorba Linda Water District	1973	2013

AGENCY/PUBLIC COMMENT

A 30-day review and comment period (June 3, 2026 through July 6, 2026) was conducted for the Public Draft MSR for the North Region MSR. Each city and special district within the North Region was notified of the review period and availability of the draft MSR on the OC LAFCO website. Staff received comments from the Cities of Brea and La Habra, including updated information on land use, demographics, infrastructure, public safety, and municipal services, as well as other minor corrections.

ENVIRONMENTAL REVIEW

OC LAFCO is the lead agency under the California Environmental Quality Act (CEQA) for the North MSR and SOIs reviews. Staff reviewed the CEQA Guidelines and recommends the Commission find the North MSR and SOI reviews exempt from CEQA under CEQA Guidelines §15262 (Feasibility and Planning Studies).

RECOMMENDED ACTIONS

Staff recommends the Commission:

1. Receive and file the Municipal Service Review and Sphere of Influence Update for the North MSR Region (Attachment 1).

2. Approve OC LAFCO Resolution No. MSR 25-08 adopting the Municipal Service Review Statement of Determinations for the North MSR Region (Attachment 2).

3. Approve OC LAFCO Resolution No. SOI 25-09 adopting the Sphere of Influence Statement of Determinations and reconfirming the sphere of influence for the cities and special districts identified in the Resolution (Attachment 3).

4. Approve the Notices of Exemption for MSR 25-08 and SOI 25-09 (respectively, Attachment 2, Exhibit 1 and Attachment 3, Exhibit 2).

Respectfully Submitted,

LUIS TAPIA

AIMEE DIAZ

Attachments:

1. Final Draft Municipal Service Review and Sphere of Influence Update for the North Region
2. OC LAFCO Resolution No. MSR 25-08 – North MSR
3. OC LAFCO Resolution No. SOI 25-09 – North MSR

Local Agency Formation Commission of Orange County

2677 North Main Street, Suite 1050
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Municipal Service Review and Sphere of Influence Update

North Region

Final Draft

August 12, 2026

Prepared for the
Local Agency Formation Commission of Orange County
By RSG, Inc.

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LIST OF ABBREVIATIONS USED

ACS	American Community Survey
ADU	Accessory Dwelling Unit
ALS	Advanced Life Support
CAGR	Compound Annual Growth Rate
CCTV	Closed-Circuit Television
CFPD	Consolidated Fire Protection District
CIP	Capital Improvement Program
CKH	Cortese-Knox-Hertzberg Reorganization Act of 2000
CPUC	California Public Utilities Commission
DOF	Department of Finance
DUC	Disadvantaged Unincorporated Communities
EAS	Emergency Ambulance Service Inc.
FOG	Fats-Oils-Grease
FTE	Full-Time Equivalents
FY	Fiscal Year
GASB	Government Accounting Standards Board
GIS	Geographic Information Systems
GRC	General Rate Case
GSWC	Golden State Water Company
HCD	California Department of Housing and Community Development
JPA	Joint Powers Authority
LAFCO	Local Agency Formation Commission
MGD	Million Gallons per Day
MHI	Median Household Income
MPAH	Major Pavement Arterial Highways
MSR	Municipal Service Review
MWDOC	Municipal Water District of Orange County
OC	Orange County
OCFA	Orange County Fire Authority
OCPL	Orange County Public Libraries
OCWD	Orange County Water District
OCTA	Orange County Transportation Authority

OPEB	Other Post-Employment Benefits
PARC	Park Arts and Recreation Commission
PCI	Pavement Condition Index
PMP	Pavement Management Plan
PRMP	Parks and Recreation Master Plan
RHNA	Regional Housing Needs Allocation
RMRA	Road Maintenance and Rehabilitation Account
RSG	RSG, Inc
SBITA	Subscription-Based Information Technology Arrangements
SCA	Sweeping Corporation of America Inc.
SCE	Southern California Edison
SMP	Sewer Management Plan
SOI	Sphere of Influence
UAL	Unfunded Actuarial Liability
UWMP	Urban Water Management Plan

I. EXECUTIVE SUMMARY

INTRODUCTION

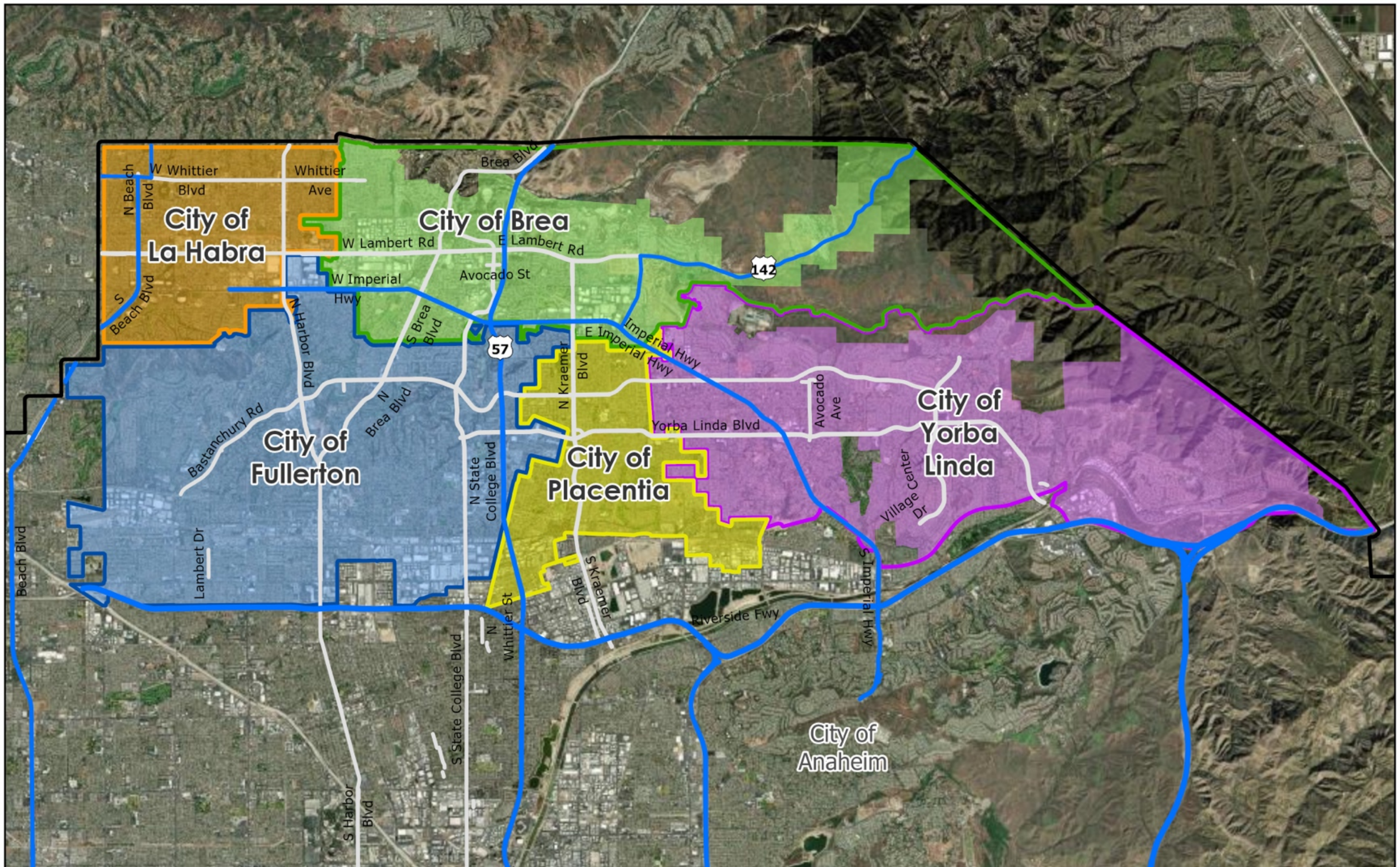
The Local Agency Formation Commission of Orange County ("OC LAFCO") initiated this Municipal Service Review ("MSR") and Sphere of Influence ("SOI") update in 2025 for five (5) cities and two (2) special districts in the OC LAFCO-designated "North Region" of the County. OC LAFCO retained consultant RSG, Inc. ("RSG") to prepare the MSR, which included conducting surveys and interviews with each of the agencies in the region, and collecting demographic, fiscal, and other data to support the MSR findings and determinations under State law. OC LAFCO also retained Berkson Associates ("Berkson") to perform an analysis of available financial data and prepare a set of Fiscal Indicators to be published on the OC LAFCO website.

NORTH REGION CITIES AND SPECIAL DISTRICTS REVIEWED

The OC LAFCO North Region consists of seven (7) agencies (the "North Region Agencies") located in the north and northeastern part of Orange County, which is generally north of State Route 91. The seven (7) agencies are listed in Table 1 and the cities of the North Region are depicted in a map on the following page.

Table 1: North Region Agencies

Cities	Special Districts
Brea	Placentia Library District
Fullerton	Yorba Linda Water District
La Habra	
Placentia	
Yorba Linda	



North Region MSR: Cities

Source: RSG Inc., ESRI, OC LAFCO

N

0 1.5 3 Miles

RSG

MSR DETERMINATIONS SUMMARY

As further detailed in the body of this report, RSG makes the following MSR determinations for the North Region Agencies based on our data collection, surveys, and interviews:

1. Population, Growth, and Housing

The population and number of housing units for agencies in the North Region are expected to grow slowly over the next five years. Agencies are planning for incremental population through their general plans, housing elements, and other planning documents. The cited limited growth is largely attributed to the existing buildout and the geography of the region.

2. Disadvantaged Unincorporated Communities

While there is a total of 8 OC LAFCO-designated disadvantaged unincorporated communities ("DUCs") in Orange County, none are located within or contiguous to the boundaries or the Sphere of Influences ("SOIs") of the agencies in the North Region.

3. Capacity of Facilities and Adequacy of Services

The agencies within the North Region are providing adequate law enforcement, fire, water, wastewater, public works, parks and recreation, library, animal control, road maintenance, and code enforcement services to their residents and customers. Agencies serving the region have the resources to maintain current levels of service and to meet expected demands in the future. One exception, however, is the significant capital costs for road maintenance which may pose a challenge in meeting the necessary improvements if careful planning is not maintained.

In addition, the agencies in the North Region—apart from the Placentia Library District[1]—also have aging water and wastewater infrastructure requiring improvements

[1] The Placentia Library District does not maintain street, water, or wastewater infrastructure and, therefore, is not subject to these infrastructure-related considerations.

and/or replacements in the coming years. This is particularly the case for the cities of Fullerton and La Habra, who maintain the oldest water and wastewater infrastructure among the regional agencies. However, based on RSG's review, all of the agencies maintain and regularly update their Pavement Management Plans, CIPs, and associated budgets to support necessary improvements to streets, water, and wastewater infrastructure.

While this determination focuses on the public agencies serving the North Region, water service within the region is also provided by Golden State Water Company, an investor-owned utility regulated by the California Public Utilities Commission. Golden State Water Company provides water service to a significant portion of the City of Placentia and portions of the City of Yorba Linda, while Yorba Linda Water District serves the remaining residential areas within Placentia.

4. Financial Ability to Provide Services

The financial capacity of the North Region agencies is adequate for maintaining current service levels, although there are certain fiscal challenges facing the region in the future. Specifically, agencies are experiencing increasing costs for public safety, and significant capital improvement costs for roads, water, and wastewater infrastructure. In addition, the cities of Fullerton and Placentia expressed concerns regarding their ability to recruit and retain staff due to competitive salary disadvantages compared to neighboring agencies. The City of La Habra also expressed concerns regarding the increasing costs to contract fire protection services with the Los Angeles County Consolidated Fire Protection District ("CFPD").

OC LAFCO's fiscal indicators and RSG's analysis indicate that the agencies in the North Region are reporting high or moderate revenue growth, with varied expenditure growth and reserve balances. Additionally, all agencies maintain healthy fund balances and reported net surpluses in most of the recent years reviewed.

According to agency surveys and interviews, the City of Fullerton mentioned that in May 2025, the City Council directed staff to pursue two "Dedicated" 0.5% add-on sales tax measures for the November 2026 ballot—one for Streets and Infrastructure and one for Public Safety. If both pass, each is projected to raise about $15 million annually (approximately $30 million total) to support infrastructure and public safety and reduce pressure on the General Fund deficit. The City of La Habra has adopted Measure V in November 2024, a one-cent sales tax, to help address a budget shortfall and support public safety services. The measure is expected to generate approximately $15.6 million per year in ongoing revenue. The City of Placentia is considering increasing the Transient Occupancy Tax (TOT) from 10% to potentially 14% to support revenue generation; however, no formal decision has been made yet on the new rate. The City of Yorba Linda is updating its fee study to reflect the FY25-26 budget, and they anticipated to complete the draft by April or May 2026. Further, all of the cities have adopted reserve policies, which they are able to meet on an ongoing basis. The Placentia Library District did not identify any new comparable special tax measures, revenue initiatives, or fee study updates during the survey and interview process. Placentia Library District's existing revenues consist of property taxes, passport services, and impact fees.

5. Opportunities for Shared Facilities

The agencies in the North Region did not express a need or desire for further shared facilities, nor did RSG identify additional opportunities for additional shared facilities during this review.

6. Accountability for Community Service Needs

Agencies in the North Region implement policies and procedures that ensure transparency and accountability to the public, including public notice of City Council and District Board meetings, actions, and regular elections. All agencies have websites and social media channels that provide information about their meetings, including ways to access the meetings virtually.

All cities in the North Region are general law cities, apart from the City of Placentia, which is a charter city. The cities of Placentia and Fullerton hold district elections whereas the cities of Brea, La Habra, and Yorba Linda hold at-large elections. Each city has a five-member City Council and appoints a mayor annually from among its members. Council members serve staggered, four-year terms, and all of the cities operate under the Council-Manager form of government. Most North Region cities do impose a two consecutive four-year term limits for council members, apart from the City of Yorba Linda who imposes a maximum of three four-year term limits, and the City of La Habra who has not adopted a term limit.

The Placentia Library District is governed by a five-member Boad of Trustees who are appointed by the County Board of Supervisors and serve four-year terms. The Yorba Linda Water District is governed by a five-member Board of Directors elected at-large and serve four-year terms.

7. **Any Other Matter Related to Effective of Efficient Service Delivery, as Required by Commission Policy**

No other matters were identified during the conducting of the North Region MSR.

SOI DETERMINATIONS SUMMARY AND RECOMMENDATIONS

RSG makes the following SOI determinations for the North Region agencies based on our data collection, surveys, and interviews:

1. **Present and Planned Land Uses**

Cities, special districts, and unincorporated areas within the North Region are largely built out with little remaining open space for development. The cities anticipate modest population growth and are planning for any increases in housing stock through their respective planning documents, including General Plans and Housing Elements.

Pursuant to Government Code Section 65302(c), general plans must include a housing element explaining how the jurisdiction will meet its allocation of the regional housing need. The cities are also required by State law to submit annual progress reports on their respective general plan and housing element by April 1 for the prior year. As of the date of this report, all of the cities have received certification of their 6th Round Housing Element from the California Department of Housing and Community Development ("HCD") and have submitted annual progress reports for 2024. Annual progress reports for 2025 were due April 1, 2026, and each city in North Region confirmed they submitted the report by/before this deadline.

2. **Present and Probable Need for Facilities and Services**

North Region agencies are currently providing adequate services and facilities to their residents and customers. Based on the information reviewed for this MSR, the agencies appear capable of continuing to provide these services at current levels in the near term.

While no immediate deficiencies in service delivery were identified, several agencies operate infrastructure that is aging and will require rehabilitation or replacement over time. Portions of the water and wastewater systems within the region are approaching the end of their useful life and will require ongoing capital investment to maintain service reliability. Similarly, roadway networks and related public infrastructure will require continued maintenance and periodic improvements.

The agencies have identified many of these infrastructure improvement needs through their respective Pavement Management Plans, Urban Water Management Plans, Master Plans and CIPs. Planned projects primarily involve rehabilitation, replacement, or modernization of existing facilities rather than expansion of service capacity. Agencies are generally planning and budgeting for these improvements to maintain service levels and address long-term infrastructure needs.

3. **Present Capacity and Adequacy of Public Facilities and Services**

The present capacity of the public facilities operated by the cities and special districts in the North Region is adequate to provide public services to their residents and customers. Additional information regarding infrastructure responsibilities and identified capital improvement needs is provided below.

The five cities in the North Region require significant capital improvements to their street infrastructure to meet projected demands. The Cities of Brea, Fullerton, and La Habra are also responsible for their respective water and wastewater systems and have identified significant capital improvements to these systems.

Unlike the other cities, Yorba Linda and Placentia do not provide all utility services directly. The City of Yorba Linda is responsible for its street infrastructure, while the Yorba Linda Water District provides water and wastewater services. As discussed above, the District has identified significant capital improvements to these systems to meet projected demands.

Similarly, the City of Placentia is responsible for its wastewater infrastructure, while potable water service is provided primarily by Golden State Water Company, with portions of the city also served by the Yorba Linda Water District. Significant capital improvements have been identified for the water infrastructure serving the city to meet projected demands. Additionally, the City has identified capital improvements to its wastewater system.

Despite these infrastructure needs, all agencies in the North Region have incorporated necessary improvements into their capital planning and budgeting and are proceeding with implementation in accordance with their adopted planning documents.

4. Social or Economic Communities of Interest

The North Region includes a limited number of unincorporated areas, predominately within the SOIs for the cities of Brea and Yorba Linda. These unincorporated areas receive municipal services primarily from Orange County, including but not limited to, fire protection, parks and recreation, planning, and community development.

5. Present and Probable Need for Public Facilities and Services by any DUCs within the Existing SOIs

There are no DUCs located within or contiguous to the SOIs for the agencies in the North Region.

SPHERE OF INFLUENCE UPDATES

During the course of this MSR, none of the agencies in the North Region expressed an interest in annexation, detachment, or other changes to their existing boundaries or spheres of influence. However, the City of Yorba Linda confirmed that while they have held prior discussions regarding annexation of the Fairlynn Island (please refer to the map on page 18 for more details), no formal action has been initiated to date. RSG recommends—in coordination with LAFCO—the City of Yorba Linda consider the merits of a future annexation of the Fairlynn Island area, subject to evaluation of service efficiency, infrastructure integration, and long-term planning considerations.

Separately, RSG identified an area within the Yorba Linda Water District's jurisdictional boundary meriting consideration for a future detachment and concurrent SOI amendment.

The area is situated south along Buena Vista Avenue with principal access via N Carew Drive in Placentia. The area comprises 11 parcels spanning approximately 2.5 acres in total. Based on information provided by OC LAFCO, this area was previously within the City of Yorba Linda's boundary and SOI. However, in the 1970s, the area was detached from the City of Yorba Linda and annexed into the City of Placentia. Although the action appears to have anticipated that a concurrent detachment from the Yorba Linda Water District would also occur, LAFCO confirmed that a formal detachment never occurred. Subsequently, current records indicate the area remains within the District's boundary and SOI, despite the fact that the District neither provides nor plans to provide services; instead, the City of Placentia provides services to this area.

To address this inconsistency, RSG recommends the Yorba Linda Water District pursue a formal detachment through the submittal of a change of organization application with LAFCO. This detachment action would align the District's boundary and SOI with actual service provision and improve clarity for long-term service planning.

Existing and Proposed SOI Designations

Three cities and one district in the North Region have an SOI that is coterminous with their jurisdictional boundaries. The other two cities and one district in the region, have an SOI that expands beyond their jurisdictional boundary. Based on our review of the agencies' boundaries and existing spheres of influence, coupled with the feedback received from agencies during the interview, RSG proposes LAFCO proceed to reaffirm the SOIs for all of the agencies in the North Region, as detailed in Table 2 below.

Table 2: North Region Agencies SOIs

Agency	Existing SOI	Proposed SOI Update
City of Brea	Non-coterminous	Reaffirm SOI
City of Fullerton	Coterminous	Reaffirm SOI
City of La Habra	Coterminous	Reaffirm SOI
City of Placentia	Coterminous	Reaffirm SOI
City of Yorba Linda	Non-coterminous	Reaffirm SOI
Placentia Library District	Coterminous	Reaffirm SOI
Yorba Linda Water District	Non-coterminous	Reaffirm SOI

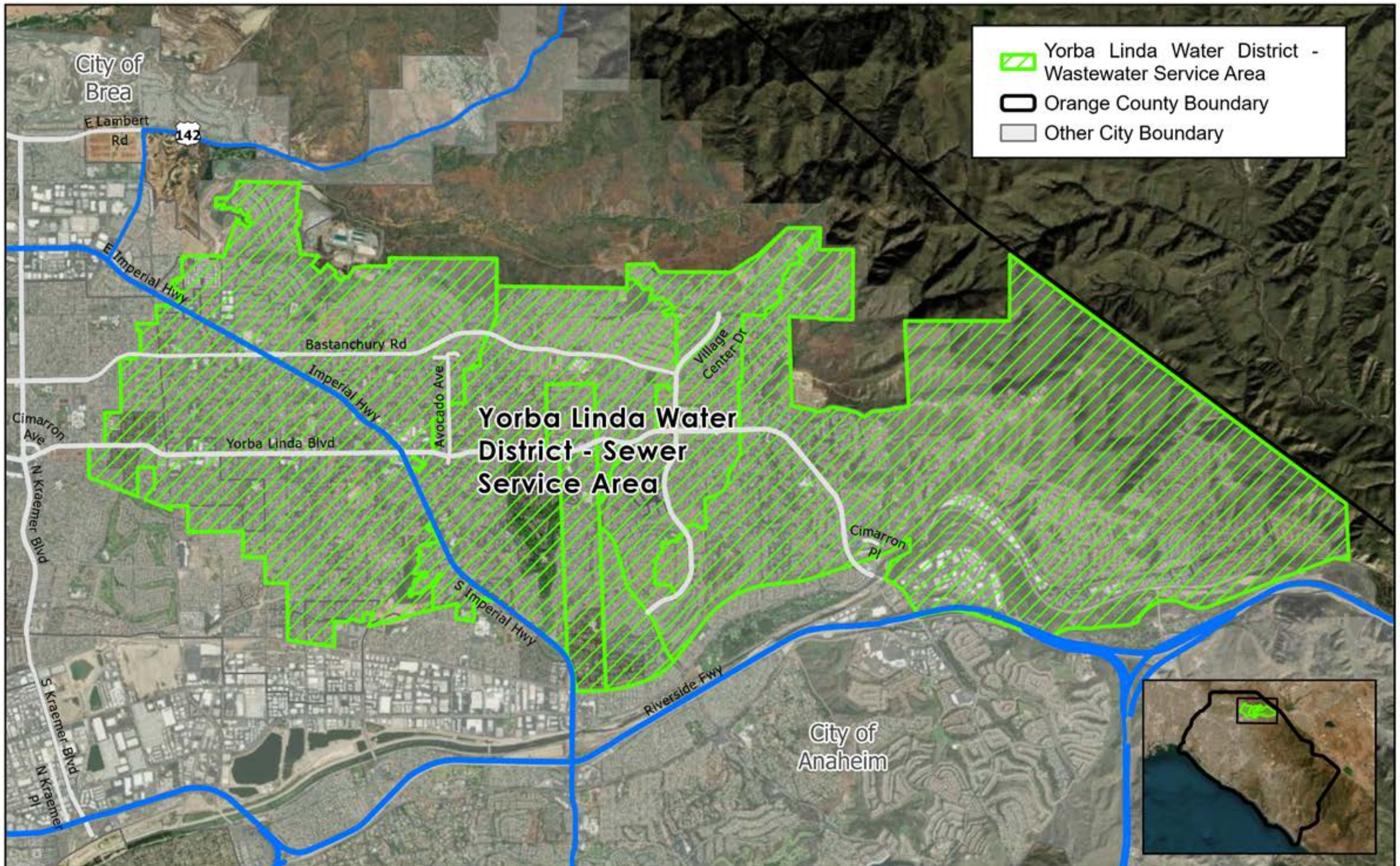
OTHER BOUNDARY DISCUSSIONS

The City of Yorba Linda and the Yorba Linda Water District entered into an agreement in 1977 wherein the District agreed to provide water services to the City and areas annexed into the City thereafter. This agreement was limited to water services, with wastewater services remaining confined to areas within the District's boundary at that time.

In April 2011, the City and District executed a subsequent agreement expanding the District's role to include wastewater service to all areas within the City of Yorba Linda, including future annexations. This effectively extended the Yorba Linda Water District's wastewater service area to encompass most of the City, with limited exceptions.

One such exception is the narrow Locke Ranch area, situated west of Village Center Drive and bifurcated by Yorba Linda Boulevard. Although historically within the City of Yorba Linda, this area was annexed into the Yorba Linda Water District in December 2011 for wastewater services only. Water service to the Locke Ranch area continues to be exclusively provided by the Golden State Water Company pursuant to an existing agreement with the property owner.

As a result, Yorba Linda Water District maintains two distinct services areas—water and wastewater—which do not fully align. These service areas are illustrated in the maps shown below.



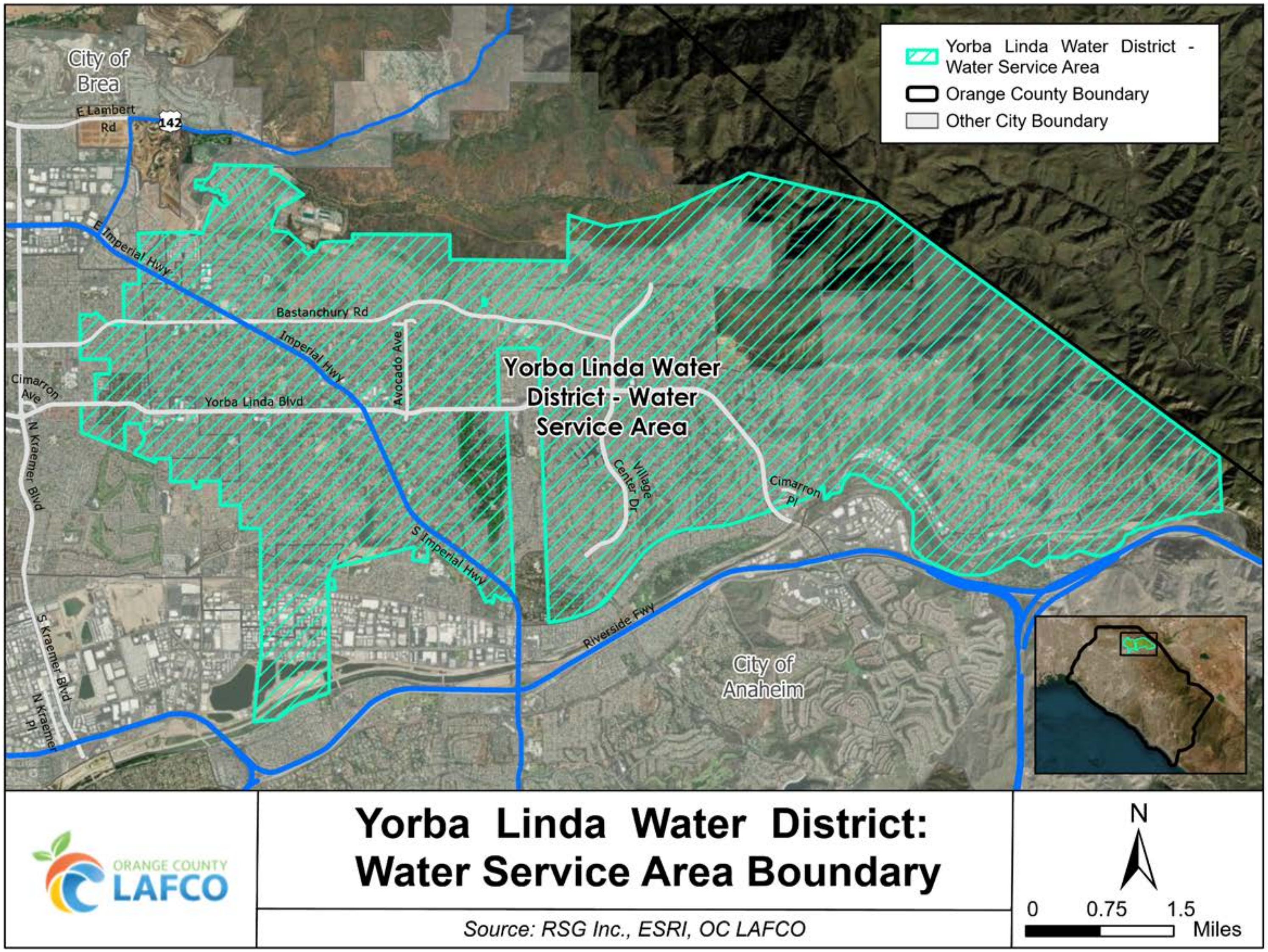
ORANGE COUNTY LAFCO

Yorba Linda Water District: Wastewater Service Area Boundary

Source: RSG Inc., ESRI, OC LAFCO

N

0 0.75 1.5 Miles



Yorba Linda Water District - Water Service Area
Orange County Boundary
Other City Boundary
City of Brea
E Lambert Rd
142
E Imperial Hwy
Bastanchury Rd
Imperial Hwy
Avocado Ave
Yorba Linda Blvd
Cimarron Ave
N Kraemer Blvd
Yorba Linda Water District - Water Service Area
Village Center Dr
Cimarron Pl
S Imperial Hwy
Riverside Fwy
S Kraemer Blvd
N Kraemer Pl
City of Anaheim
ORANGE COUNTY LAFCO
Yorba Linda Water District: Water Service Area Boundary
Source: RSG Inc., ESRI, OC LAFCO
N
0 0.75 1.5 Miles

II. BACKGROUND

LEGAL REQUIREMENTS AND PURPOSE

In 1963 the California Legislature created for each County a Local Agency Formation Commission ("LAFCO") to oversee the logical formation and determination of local agency boundaries that encourage orderly growth and development essential to the social, fiscal, and economic well-being of the State. LAFCOs' authority to conduct this legislative charge is codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"). For nearly 60 years, CKH has been amended to give more direction to LAFCOs and, in some cases, expand the authorities of the Commissions. One of the most important revisions to CKH by the Legislature occurred in 2000, which added a requirement that LAFCOs review and update the "spheres of influence" for all cities and special districts every five years and, in conjunction with this responsibility, prepare comprehensive studies that are known as "municipal service reviews."

AUTHORITY AND POWERS OF LAFCO

Codified within CKH are the procedures and processes for LAFCOs to conduct their purposes as established by the Legislature. LAFCOs' purposes are guided and achieved through their regulatory and planning powers and acknowledge that the local conditions of the 58 California counties shall be considered in part to the Commissions' authorities.

> **CKH ACT (G.C. SECTION 56301) – PURPOSES OF LAFCOs**
> *"Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, encouraging the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances."*

LAFCO RESPONSIBILITIES

LAFCOs' regulatory authorities include the reviewing, approving, amending, or denying of proposals to change the jurisdictional boundaries of cities and special districts. Specifically, these types of boundary changes commonly referred to as "changes of organization," include:

- City Incorporation
- City Disincorporation
- District Formation
- District Dissolution
- City and District Annexations and Detachments
- City and District Consolidations
- Merger of a City and District
- Establishment of a Subsidiary District
- Activation of new or different functions or classes of services, or divestiture of power to provide services for special districts.

PLANNING AUTHORITIES

LAFCOs' planning authorities are conducted through the establishment and updating of agencies' SOIs, which is a tool used to define a city or special district's future jurisdictional boundary and service areas. Through the reform of CKH in 2000, LAFCO's planning responsibility includes the preparation of comprehensive studies ("MSRs") that analyze service or services within the county, region, subregion, or other designated geographic area. The determinations that LAFCOs must review, analyze, and adopt for SOIs and MSRs are discussed below.

SPHERE OF INFLUENCE UPDATES

In 1972, LAFCOs throughout the State were tasked with determining and overseeing the SOIs for local government agencies. An SOI is a planning boundary that may be outside of an agency's jurisdictional boundary (such as the city limits or a special district's service area) that designates the agency's probable future boundary and service area. The purpose of an SOI is to ensure the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands, and by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCOs coordinate the orderly development of a community through reconciling differences between different agency plans. This is intended to ensure the most efficient urban service arrangements are created for the benefit of area residents and property owners. Factors considered in an SOI update include current and future land use, capacity needs, and any relevant areas of interest such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, a LAFCO shall consider and prepare a written statement of its SOI determinations on the following five (5) factors:

1. *The present and planned land use in the area, including agricultural and open-space lands.*
2. *The present and probable need for public facilities and services in the area.*
3. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*
4. *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*
5. *If a city or special district provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection the present and probable need for those facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.*

SOIs may be modified as determined by LAFCO using the procedures for making sphere amendments as outlined by CKH. Pursuant to Government Code Section 56430, a LAFCO must first conduct an MSR prior to updating or amending an SOI.

MUNICIPAL SERVICE REVIEWS

Section 56425(g) of CKH requires that LAFCOs evaluate an SOI every five years, or when necessary. The vehicle for doing this is known as a Municipal Service Review.

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics as follows:

1. *Growth and population projections for the affected area.*
2. *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s).*
3. *Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.*
4. *Financial ability of agencies to provide services.*
5. *Status of, and opportunities for, shared facilities.*
6. *Accountability for community service needs, including government structure and operational efficiencies.*
7. *Any other matter related to effective or efficient service delivery, as required by Commission Policy.*

The focus of an MSR is to ensure that public services are being conducted efficiently and the residents of any given area or community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR identifies that existing public services are not being provided efficiently, effectively, or in a manner that meets community needs, LAFCO may recommend actions to improve service delivery and local governance. These recommendations can include adjustments to agency spheres of influence, consolidation, or dissolution of districts, or other organizational or governance changes within LAFCO's authority. Through these tools, the MSR process serves as a proactive mechanism to enhance service efficiency, promote accountability, and ensure that residents receive the highest feasible level of service.

PRIOR MUNICIPAL SERVICE REVIEWS

Three cycles of MSRs were completed by OC LAFCO prior to this one. The first was produced in 2005, the second in 2008, and the third in 2013. Each MSR cycle has provided OC LAFCO with new and important information regarding the delivery of services to OC residents.

In furthering OC LAFCO's goals, the MSR process has produced key resources over successive cycles to enhance service coordination, promote accountability, and strengthen transparency. Initiatives such as the Fiscal Trends Analysis and the Shared

Services programs have provided local agencies with centralized access to OC LAFCO data and resources. Additionally, OC LAFCO partners with local experts including the California State University of Fullerton's Center for Demographic Research, to monitor demographic and socioeconomic trends – particularly those informing the identification and analysis of Disadvantaged Unincorporated Communities ("DUCs").

DISADVANTAGED UNINCORPORATED COMMUNITIES (DUCS)

As part of this MSR, RSG was asked to consider the location, characteristics, and adequacy of services and public facilities related to DUCs in any of the SOIs within the North Region. DUCs are defined as inhabited territory located within an unincorporated area of a county in which the annual median household income is less than 80 percent of the statewide median household income. State law considers an area with 12 or more registered voters to be an inhabited area. CKH requires identification and analysis of service issues within DUCs as part of MSR/SOI updates. State law (SB 244) also places restrictions on annexations to cities if the proposed annexation is adjacent to a DUC. More background on DUCs and SB 244 is provided in this MSR Section "Location and Characteristics of Any DUCS".

OC LAFCO previously designated a total of 8 DUCs in the County. None of the cities or agencies in the North Region have DUCs located within or adjacent to their boundaries. Using data from the 2015 American Community Survey ("ACS") published by the US Census Bureau, these areas were designated as DUCs because their Median Household Income ("MHI") was below 80% of the statewide MHI, which amounts to a limit no higher than $79,297.60. Further discussion on the status of these DUCs as it applies to this MSR can be found in Section VI of this report.

UNINCORPORATED AREAS

There are two unincorporated islands (territory completely or substantially surrounded by cities) that should eventually be transitioned to an adjacent city over time and when feasible. CKH, in various sections of the statute, requires LAFCO to address these areas during MSR/SOI updates and annexation proceedings. For over 20 years, OC LAFCO has worked collaboratively with the County and multiple cities on the transitioning of unincorporated areas to the jurisdiction of adjacent cities. Today, that effort continues and includes addressing the feasibility of annexation and infrastructure deficiencies and other challenges.

The North Region has two unincorporated areas located within the SOI of the City of Yorba Linda as detailed below and depicted in the map that follows:

1. Country Club Island: The Country Club Island (Island 1 in map below) is an unincorporated area within the City of Yorba Linda's SOI located south of Yorba Linda Boulevard and north of S. Imperial Highway toward the western portion of the City's boundary and SOI. The area encompasses 299 parcels and is approximately 218.4 acres in size. Land uses within the area are predominantly residential. The following providers service the island:

    - Water: Yorba Linda Water District and Golden State Water Company
    - Wastewater: Yorba Linda Water District
    - Solid Waste: Republic Services
    - Fire Protection: Orange County Fire Authority
    - Law Enforcement: Orange County Sheriff
    - Animal Control: County of Orange
    - Planning: County of Orange

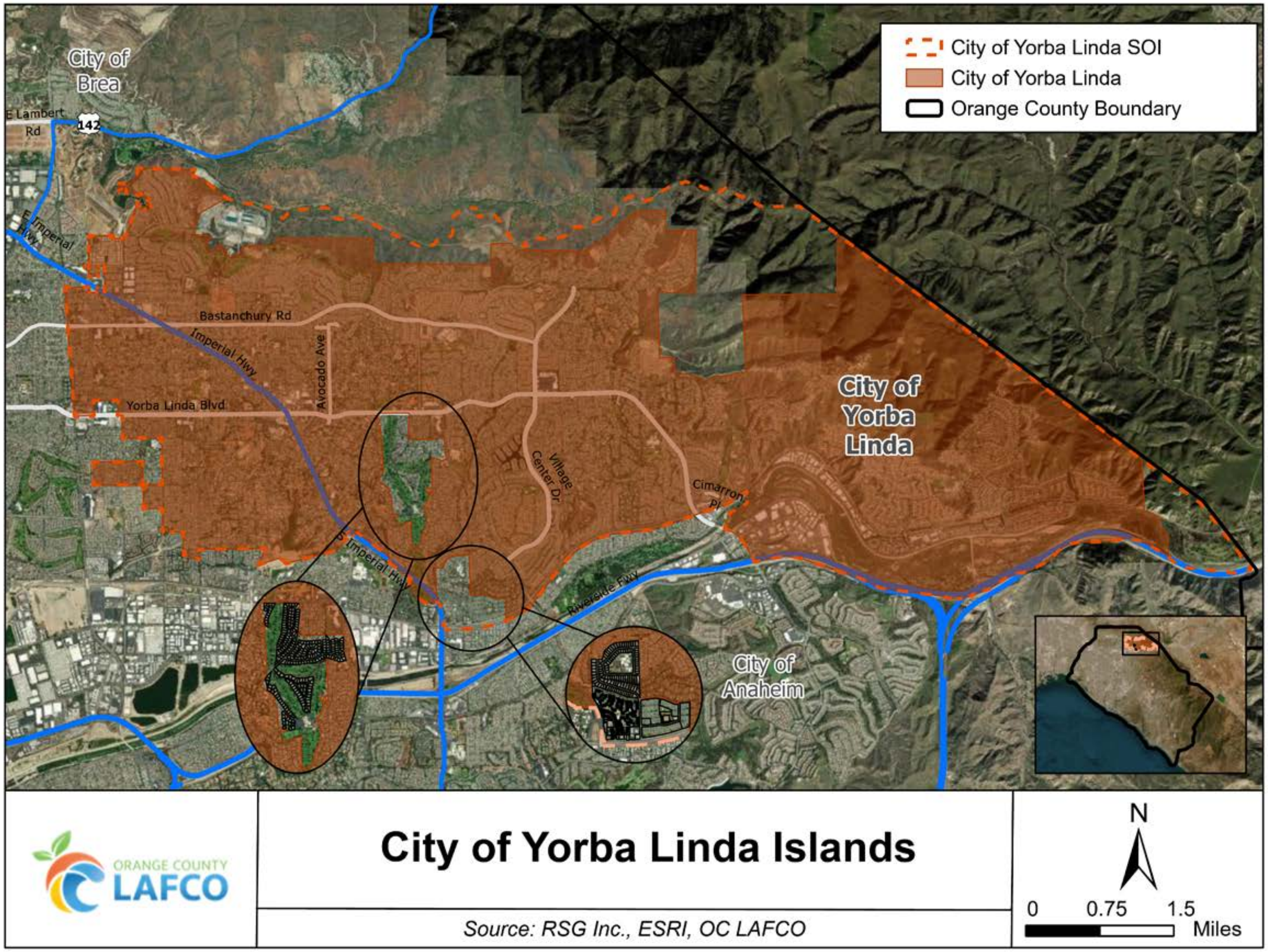
2. Fairlynn Island: The Fairlynn island (Island 2 in map below) is an unincorporated area within the City of Yorba Linda's SOI located north along S. imperial Highway, bordering the City of Anaheim and situated at the southern end of the City's boundary and SOI. The area encompasses 427 parcels and is approximately 146.6 acres in size. Land uses within the area are a combination of residential and mixed-use. The following providers service the island:

    - Water: Yorba Linda Water District and Golden State Water Company
    - Wastewater: Yorba Linda Water District
    - Solid Waste: Republic Services

- Fire Protection: Orange County Fire Authority
- Law Enforcement: Orange County Sheriff
- Animal Control: County of Orange
- Planning: County of Orange

During agency interviews, the City of Yorba Linda confirmed that residents within Country Club Island (Island 1 in map below) have indicated they wish to receive services provided by the City but do not want to be annexed. The City of Yorba Linda further confirmed they are not aware of any existing concerns with the services being provided to the area through the respective service providers. However, residents sometimes contact the City regarding services and are redirected to the County. Based on the interview, it appears the City has not indicated an interest in pursuing annexation at this time

With respect to Fairlynn Island (Island 2 in map below), the City of Yorba Linda expressed interest in the annexation of the area. The City noted that recent discussions on this topic have been made and are being considered, with specific reference to a future housing development proposal. However, while interest has been expressed, the City has not formally pursued annexation at this time.


City of Yorba Linda SOI
City of Yorba Linda
Orange County Boundary
City of Brea
E Lambert Rd
142
E Imperial Hwy
Bastanchury Rd
Imperial Hwy
Avocado Ave
Yorba Linda Blvd
Village Center Dr
Cimarron Pl
S Imperial Hwy
Riverside Fwy
City of Yorba Linda
City of Anaheim
ORANGE COUNTY LAFCO
City of Yorba Linda Islands
Source: RSG Inc., ESRI, OC LAFCO
N
0
0.75
1.5
Miles

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

MISSION:
OCLAFCO serves Orange County cities, special districts, and the county to ensure effective and efficient delivery of municipal services.

OC LAFCO is responsible for overseeing the boundaries, establishing, and updating SOIs, and preparing MSRs for the County's 34 cities and 34 independent and dependent special districts. Since its creation, the Commission has formed nine cities, approved multiple changes of organization and reorganization involving cities and special districts, and encouraged orderly development through the establishment of agency SOIs and preparation of numerous studies. OC LAFCO has also provided proactive leadership on efficient government through its Unincorporated Islands Program and an innovative presence through its Shared Services and Fiscal Indicators Web-based programs. In addition to State law, the Commission's authority is guided through adopted policies and procedures that assist in the implementation of the provisions of CKH and consideration of the local conditions and circumstances of Orange County.

COMMISSION COMPOSITION

OC LAFCO is comprised of eleven (11) members, with seven serving as regular members and four serving as alternate members. The members include: three (3) County Supervisors, three (3) City Council members, three (3) independent Special District members, and two (2) at-large representatives of the general public. All members serve four-year terms and there are no term limits. In accordance with the statute, while serving on the Commission, all Commission members shall exercise their independent judgement on behalf of the interests of residents, property owners, and the public as a whole. Table 3 depicts the current members of the Commission and their respective appointing authority and term.

Table 3: OC LAFCO Commission Roster

Commissioners	Appointing Authority	Current Term
Regular Members		
Wendy Bucknum, *Chair* City Member	City Selection Committee	2024-2028
James Fisler, *Vice Chair* Special District Member	Independent Special District Selection Committee	2024-2028
Donald P. Wagner, *Immediate Past Chair* County Member	Board of Supervisors	2026–2030
Douglas Davert, Special District Member	Independent Special District Selection Committee	2026–2030
Derek J. McGregor, Public Member	Commission	2026–2030
Peggy Huang, City Member	City Selection Committee	2026–2030
Alternate Members		
Kathryn Freshley, Alternate Special District Member	Independent Special District Selection Committee	2026–2030
Lou Penrose, Alternate Public Member	Commission	2025–2029
Carol Moore, Alternate City Member	City Selection Committee	2024–2028
Luis Tapia, **Executive Officer** **Scott C. Smith**, **General Counsel**		

MEETING AND CONTACT INFORMATION

The Commission's regular meetings are held on the second Wednesday of the month at 8:15 a.m. Currently, the meetings are conducted at County Administrative North (CAN) First Floor Multipurpose Room 101, 400 W. Civic Center Drive, Santa Ana, CA 92701. The OC LAFCO administrative offices are centrally located at 2677 North Main Street, Suite 1050, Santa Ana, CA 92701. Commission staff may be reached by telephone at (714) 640-5100. The agency's agendas, reports, and other resources are available online at www.oclafco.org.

METHODOLOGY AND DATA SOURCES

RSG worked in coordination with OC LAFCO staff throughout the duration of this MSR. To fully understand key factors and current issues involving the cities, RSG conducted an initial working session with OC LAFCO staff to determine the project scope and process and formalize overall MSR objectives, schedules, agency services to review, fiscal criteria, and roles and responsibilities of OC LAFCO, RSG, and other consultants. Key tasks and activities in the completion of this MSR included a thorough review of available relevant agency data and documents; interviews with agencies; development of agency profiles; MSR and SOI determination analysis; preparation of administrative and public review drafts of the MSR; incorporation of agency, OC LAFCO, and public comments; and consideration by OC LAFCO of adoption of the final MSR.

It is important to acknowledge that the data presented in this report represents the best information available during the data collection phase, which was largely completed between September 2025 and May 2026. This report represents a snapshot in time, and there may be material changes since then that are not reflected in this report.

This MSR generally uses the Federal Decennial Census ("Census") or California's State Department of Finance ("DOF") Population and Housing Estimates for cities and the County. The DOF's Demographic Research Unit publishes population estimates annually and are the official population and housing unit tallies used in most State programs and for jurisdictional appropriation limits. The estimates are restricted to cities and counties and do not encompass all potential taxing entities or districts in the State. The data from DOF only reports on total population, total housing units, housing type, and unit occupancy status.

Some of the demographic data reported in this MSR comes from ESRI's Business Analyst online software. The platform uses Geographic Information Systems ("GIS") to produce a variety of comparison reports for areas both smaller and larger than most official data sources, such as the Census or DOF. DOF does not provide data for unincorporated areas within SOIs. To produce the demographic reports for these areas, RSG extracted demographic data from ESRI's Business Analyst software using GIS shapefiles provided by OC LAFCO. Subjects in this MSR pertaining to growth rates, poverty rates, number of workers in the jurisdiction, and number of businesses all were produced in part by inputting boundary shapefiles into the GIS functions of Business Analyst. Where applicable, this MSR notes agency disagreements with certain reported demographic numbers or rates.

Population and housing unit data for the special districts was derived from ESRI, but not for the cities. Demographic data from ESRI is from 2025.

There are some instances where the data sources RSG used for this report are not aligned, either with each other or with information provided by the North Region Agencies, particularly with regards to population and housing projections. In these instances, RSG made individual adjustments to mitigate the difference among the external sources, or presented figures provided by the agency in-lieu of data from ESRI or DOF.

Summary fiscal health data was researched and provided to RSG by another consultant, Berkson Associates, as part of a separate and independent engagement with OC LAFCO to populate a set of "Fiscal Indicators" that will appear on OC LAFCO's website. The Fiscal Indicators provide the latest six years of revenue, expenditures, net position, and reserves data reported in the agencies' financial audits and budgets. Berkson also provided a summary of the trends for each line item. OC LAFCO's partnership with Berkson to develop the Fiscal Indicators website aided RSG in the review of the North Region agencies' finances. As a result, this MSR did not undertake any further detailed review of each agency's finances, but RSG consulted with Berkson to present and briefly summarize their findings.

III. AGENCY PROFILES

As part of this MSR, OC LAFCO and RSG examined a range of municipal services provided by each agency in the North Region. This section provides summaries of the governing structure, population and service area, types of services, and the service providers of each agency. The profile tables of each North Region city cover the key services provided in the city, while the special district profiles provide details only on the services they are legally authorized to provide. A demographic summary and a map of each agency are shown following the profile table.

Summary financial trends of each agency from FY 2018-19 to FY 2023-24 are also depicted in this section. All financial tables were produced using the Fiscal Indicators data described in the prior section. Trends shown are exclusive of transfers in and out. Transfers of Net Revenue to capital funds and other uses are not shown; transfers to designated operating reserves may not be required if agency reserve targets are being met.

City of Brea Incorporated February 23, 1917 General Law City	
Agency Information	
Address	1 Civic Center Circle, Brea, CA 92821
Primary Contact	Kristin Griffith, City Manager
Contact Information	714-990-7710
Website	www.cityofbrea.gov
Governance	5 Council Members, Elected At-Large; Mayor Appointed by Council
Total City Staff	335 full-time and 71 part-time
Service Area Information	
Incorporated Area (Sq. Mi.)	12.24
Population	47,900
Population of Unincorporated SOI	27
Service Summary	
Service or Department	*Provider*
Law Enforcement	Brea
Fire Protection/Emergency Medical	Brea
Building/Planning	Brea
Code Enforcement	Brea
Animal Control	Brea (contractual agreement with County of Orange Animal Control)
Parks and Recreation	Brea
Library	Brea (contractual agreement with County of Orange)
Museum	Brea and Non-profit Brea Historical Society
Landscape Maintenance	Brea
Lighting	Southern California Edison Company
Streets/Road Maintenance	Brea
Electricity/Gas	Southern California Edison Company, SoCal Gas
Solid Waste	Brea (contractual agreement with Republic Services)
Stormwater Protection	Brea
Water	Brea and Yorba Linda Water District
Wastewater	Brea and Yorba Linda Water District
Wholesale Water (Surface Water)	Municipal Water District of Orange County (MWDOC)
Groundwater	California Domestic Water Company (Cal Domestic)
Sanitation	Orange County Sanitation District
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographic Summary

Population & Density	Agency		County
2020 Population	47,308		3,186,196
2025 Population	**47,441**		3,166,250
2030 Population[1]	48,074		3,173,544
2025-2030 Projected Annual Growth Rate (%)	0.27%	>	0.05%
Daytime Population	70,974		3,186,196
Unincorporated SOI Population	47,471		-
Households	17,635		1,099,078
Household Size	2.69	<	2.88
Area (Square Miles)	12.24		798.83
Density (Persons per Square Mile)	3,877	<	3,964
Housing			
Housing Units	18,519		1,158,955
Owner Occupied (%)	59.3%	>	55.9%
Renter Occupied (%)	40.7%	<	44.1%
Vacant (%)	4.8%	=	5.2%
Median Home Value	$ 933,572	<	$ 1,012,468
Employment & Poverty			
Businesses	3,789		164,032
Employees	47,463		1,553,450
Median Household Income	$ 126,779	>	$ 115,723
Public Transportation Commuters (%)	0.5%	<	1.2%
Commute Longer than 60 Minutes (%)	12.0%	>	8.3%
Poverty Rate	7.0%	<	9.6%

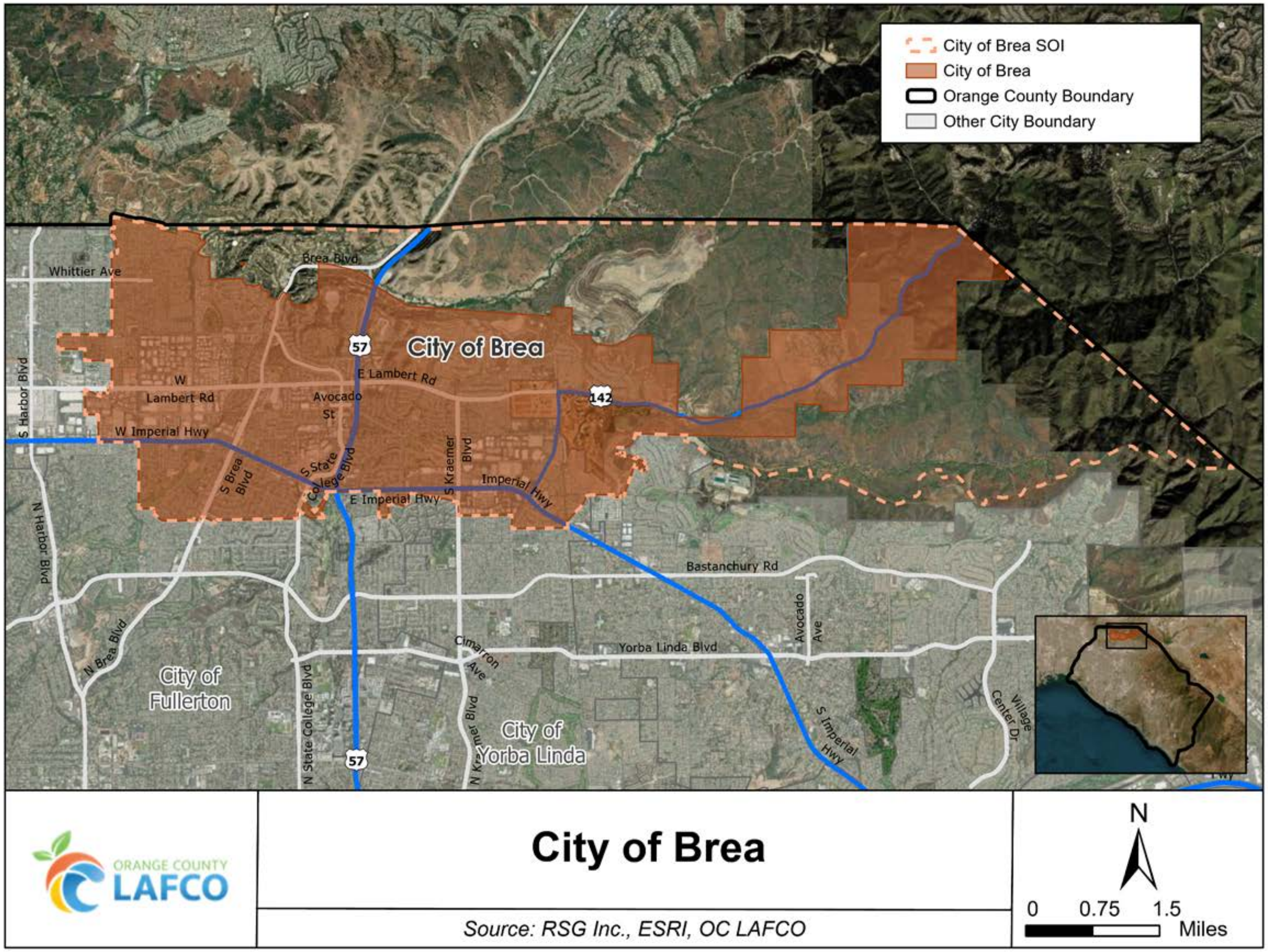
[1] 2030 Population estimate is a projection only.
Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Financial Summary

Brea

Financial Summary[1]	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue	$ 65,445,918	$ 64,915,055	$ 69,340,865	$ 63,047,821	$ 80,629,715	$ 77,381,683
Expenditures	57,009,277	64,734,885	60,850,225	66,272,766	70,676,546	75,567,728
Net	$ 8,436,641	$ 180,170	$ 8,490,640	$ (3,224,945)	$ 9,953,169	$ 1,813,955
Net Operating Income	$ 21,023,689	$ 19,891,722	$ 29,410,655	$ 25,265,822	$ 29,344,926	$ 28,051,499

[1] Reserves shown are based on Unassigned General Fund Balance and Committed to Contingency Reserves.
Source: OC LAFCO Fiscal Indicators, Berkson & Associates


City of Brea SOI
City of Brea
Orange County Boundary
Other City Boundary
City of Brea
Brea Blvd
Whittier Ave
W Lambert Rd
E Lambert Rd
Avocado St
W Imperial Hwy
E Imperial Hwy
Imperial Hwy
S Brea Blvd
S State College Blvd
S Kraemer Blvd
S Harbor Blvd
N Harbor Blvd
N Brea Blvd
Bastanchury Rd
Yorba Linda Blvd
Avocado Ave
Cimarron Ave
N State College Blvd
N Kraemer Blvd
S Imperial Hwy
Village Center Dr
57
142
City of Fullerton
City of Yorba Linda
ORANGE COUNTY LAFCO
City of Brea
Source: RSG Inc., ESRI, OC LAFCO
N
0 0.75 1.5 Miles

City of Fullerton Incorporated February 15, 1904 General Law City	
Agency Information	
Address	303 W. Commonwealth Ave., Fullerton, CA 92832
Primary Contact	Eddie Manfro, Interim City Manager
Contact Information	714-738-6310
Website	www.cityoffullerton.com
Governance	5 Council Members, Elected By-District; Mayor Appointed by City Council
Total City Staff	555 full-time and 138 part-time
Service Area Information	
Incorporated Area (Sq. Mi.)	22.44
Population	141,469
Population of Unincorporated SOI	Not applicable
Service Summary	
Service or Department	*Provider*
Law Enforcement	Fullerton
Fire Protection/Emergency Medical	Fullerton
Building/Planning	Fullerton
Code Enforcement	Fullerton
Animal Control	Fullerton (contractual agreement with Orange County Animal Control)
Parks and Recreation	Fullerton
Library	Fullerton
Museum	Fullerton
Landscape Maintenance	Fullerton
Lighting	Fullerton
Streets/Road Maintenance	Fullerton
Electricity/Gas	Southern California Edison Company, OC Power Authority, and SoCalGas
Solid Waste	Fullerton (contractual agreement with Republic Services)
Stormwater Protection	Fullerton
Water	Fullerton
Wastewater	Fullerton
Groundwater	Orange County Water District
Sanitation	Orange County Sanitation District
Wholesale Water	Metropolitan Water District of Southern California
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographic Summary

Population & Density	Agency		County
2020 Population	143,617		3,186,196
2025 Population	**141,075**		3,166,250
2030 Population[1]	141,061		3,173,544
2025-2030 Projected Annual Growth Rate (%)	0.00%	<	0.05%
Daytime Population	130,718		3,186,196
Population of Unincorporated SOI	-		
Households	48,785		1,099,078
Household Size	2.89	>	2.88
Area (Square Miles)	22.44		798.83
Density (Persons per Square Mile)	6,287	>	3,964
Housing			
Housing Units	50,772		1,158,955
Owner Occupied (%)	47.9%	<	55.9%
Renter Occupied (%)	47.7%	>	44.1%
Vacant (%)	3.9%	=	5.2%
Median Home Value	$ 934,456	<	$ 1,012,468
Employment & Poverty			
Businesses	6,205		164,032
Employees	54,669		1,553,450
Median Household Income	$ 105,337	<	$ 115,723
Public Transportation Commuters (%)	2.2%	>	1.2%
Commute Longer than 60 Minutes (%)	13.0%	>	8.3%
Poverty Rate	11.4%	>	9.6%

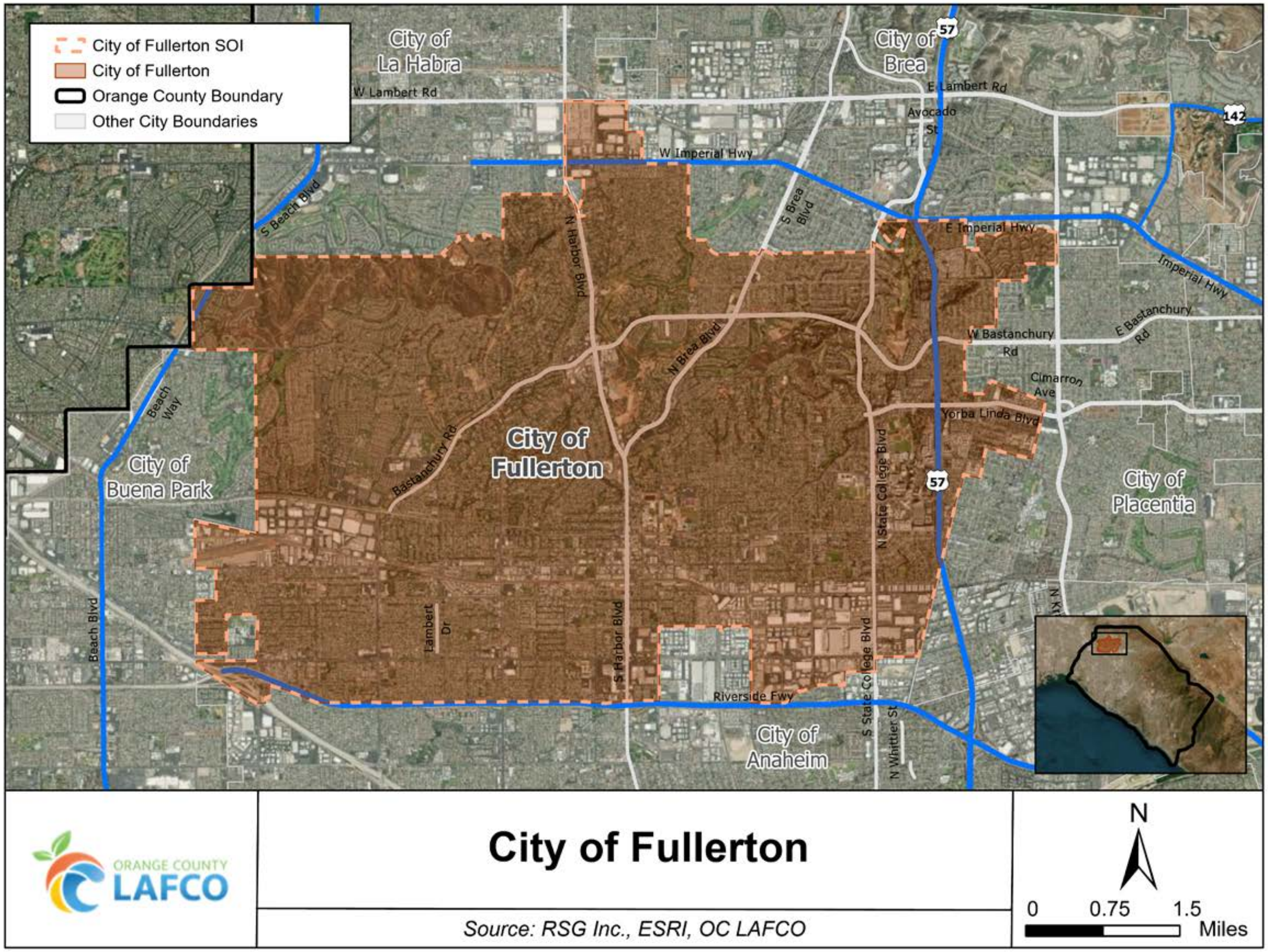
[1] 2030 Population estimate is a projection only.
Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Financial Summary

Fullerton

Financial Summary[1]	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue	$ 100,526,519	$ 97,005,904	$ 101,242,281	$ 112,101,517	$ 120,567,713	$ 123,608,312
Expenditures	94,513,448	99,928,975	97,970,495	104,207,701	114,287,670	123,978,000
Net	$ 6,013,071	$ (2,923,071)	$ 3,271,786	$ 7,893,816	$ 6,280,043	$ (369,688)
Net Operating Income	$ 21,088,209	$ 14,175,773	$ 16,140,010	$ 22,603,587	$ 30,119,606	$ 33,083,994

[1] Reserves shown are based on Unassigned General Fund Balance and Committed to Contingency Reserves.
Source: OC LAFCO Fiscal Indicators, Berkson & Associates


City of Fullerton SOI
City of Fullerton
Orange County Boundary
Other City Boundaries
City of La Habra
City of Brea
City of Fullerton
City of Buena Park
City of Placentia
City of Anaheim
W Lambert Rd
E Lambert Rd
W Imperial Hwy
E Imperial Hwy
Imperial Hwy
W Bastanchury Rd
E Bastanchury Rd
Cimarron Ave
Yorba Linda Blvd
Avocado St
S Beach Blvd
Beach Way
Beach Blvd
N Harbor Blvd
S Harbor Blvd
S Brea Blvd
N Brea Blvd
Bastanchury Rd
Lambert Dr
N State College Blvd
S State College Blvd
N Whittier St
Riverside Fwy
57
142
ORANGE COUNTY LAFCO
City of Fullerton
Source: RSG Inc., ESRI, OC LAFCO
N
0
0.75
1.5
Miles

City of La Habra Incorporated January 20, 1925 General Law City	
Agency Information	
Address	110 East La Habra Blvd. La Habra, CA 90631
Primary Contact	Jim Sadro, City Manager
Contact Information	562-383-4010
Website	www.lahabraca.gov
Governance	5 Council Members, Elected At-Large, Mayor Appointed by City Council
Total City Staff	278 full-time and 144 part-time
Service Area Information	
Incorporated Area (Sq. Mi.)	7.56
Population	61,524
Population of Unincorporated SOI	Not applicable
Service Summary	
Service or Department	*Provider*
Law Enforcement	La Habra
Fire Protection/Emergency Medical	La Habra (contractual agreement with Los Angeles County Fire Authority and Falck Mobile Health Corp.)
Building/Planning	La Habra
Code Enforcement	La Habra
Animal Control	La Habra[2] (contractual agreement for sheltering services with Inland Valley Humane Society[3])
Parks and Recreation	La Habra
Library	La Habra (contractual agreement with Orange County)
Museum	La Habra
Landscape Maintenance	La Habra
Lighting	La Habra
Streets/Road Maintenance	La Habra
Electricity/Gas	Southern California Edison Company and SoCalGas
Solid Waste	La Habra (contractual agreement with CR&R Environmental Services)
Stormwater Protection	La Habra
Water	La Habra
Wastewater	La Habra
Groundwater	Orange County Water District
Sanitation	Orange County Sanitation District

[2] Animal Control services are provided by the La Habra Police Department. Sheltering services are provided through a contractual agreement with Inland Valley Humane Society.
[3] Inland Valley Humane Society provides animal control services primarily in Los Angeles and San Bernardino counties. The City of La Habra is the organization's only service area in Orange County.

Wholesale Water	La Habra Groundwater, California Domestic Water Company, and Municipal Water District of Orange County
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographic Summary

Population & Density	Agency		County
2020 Population	63,097		3,186,196
2025 Population	**61,524**		3,166,250
2030 Population[1]	59,265		3,173,544
2025-2030 Projected Annual Growth Rate (%)	-0.73%	<	0.05%
Daytime Population	49,219		3,186,196
Population of Unincorporated SOI	(1,839)		
Households	19,702		1,099,078
Household Size	3.12	>	2.88
Area (Square Miles)	7.57		798.83
Density (Persons per Square Mile)	8,130	>	3,964
Housing			
Housing Units	20,237		1,158,955
Owner Occupied (%)	56.5%	>	55.9%
Renter Occupied (%)	43.4%	<	44.1%
Vacant (%)	2.6%	=	5.2%
Median Home Value	$ 883,983	<	$ 1,012,468
Employment & Poverty			
Businesses	2,089		164,032
Employees	18,043		1,553,450
Median Household Income	$ 100,692	<	$ 115,723
Public Transportation Commuters (%)	1.5%	>	1.2%
Commute Longer than 60 Minutes (%)	12.3%	>	8.3%
Poverty Rate	9.4%	<	9.6%

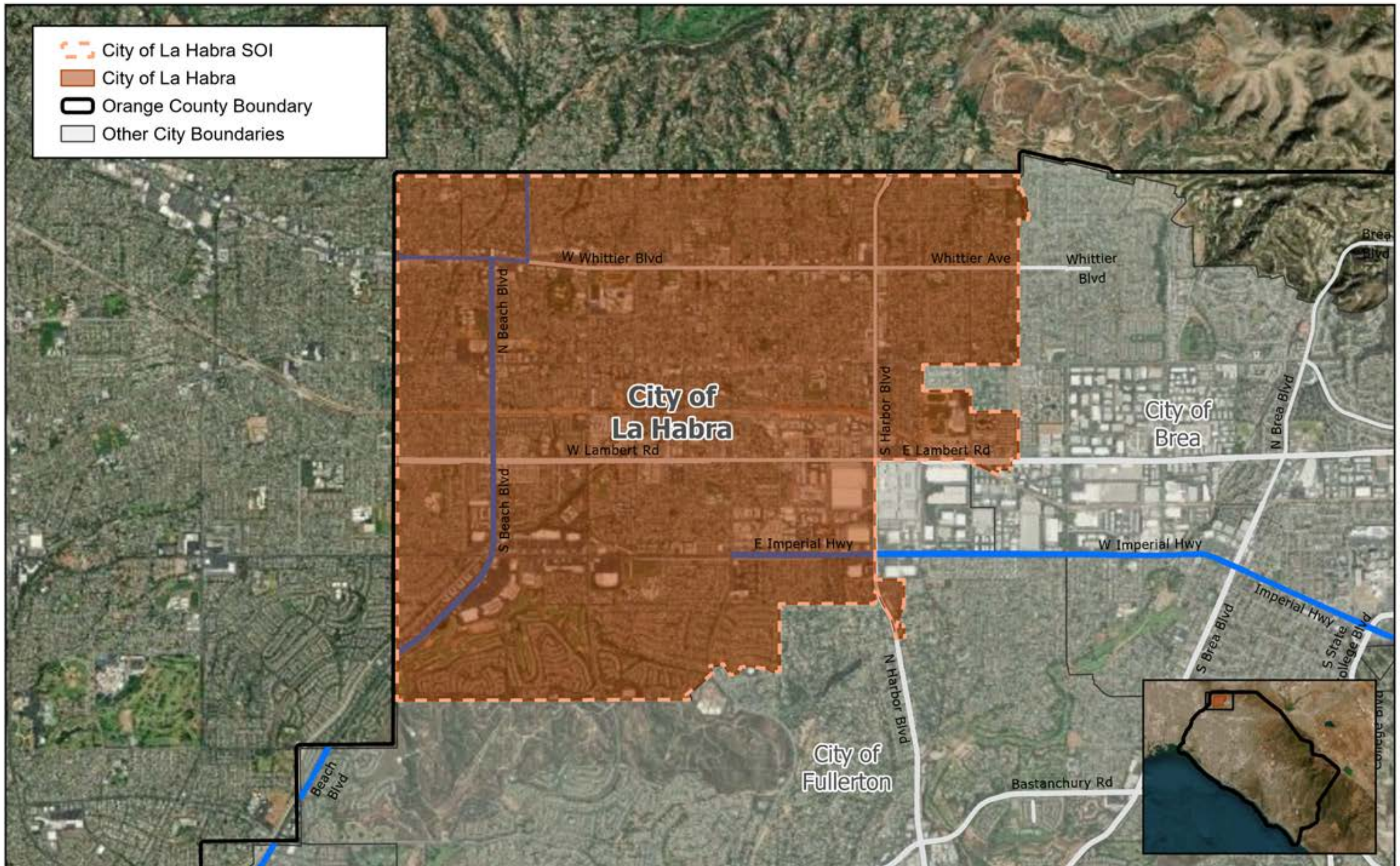
[1] 2030 Population estimate is a projection only.
Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Financial Summary

La Habra

Financial Summary[1]	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue	$ 48,583,838	$ 48,030,895	$ 51,808,141	$ 55,718,868	$ 60,264,098	$ 62,986,537
Expenditures	44,413,031	44,679,932	45,610,034	116,701,731	42,883,279	50,800,859
Net	$ 4,170,807	$ 3,350,963	$ 6,198,107	$ (60,982,863)	$ 17,380,819	$ 12,185,678
Net Operating Income	$ 7,717,970	$ 8,602,672	$ 8,325,715	$ 10,233,206	$ 11,359,983	$ 13,588,010

[1] Reserves shown are based on Unassigned General Fund Balance and Committed to Contingency Reserves.
Source: OC LAFCO Fiscal Indicators, Berkson & Associates



City of La Habra

Source: RSG Inc., ESRI, OC LAFCO

N

0 0.5 1 Miles

City of Placentia **Incorporated December 2, 1926** **Charter City**	
Agency Information	
Address	401 E Chapman Ave., Placentia, CA 92870
Primary Contact	Jennifer Lampman, City Administrator
Contact Information	714-993-8231
Website	www.placentia.org
Governance	5 Council Members, Elected By-District; Administrator Appointed by Council
Total City Staff	197 full-time and 130 part-time (Including seasonal employees in the summer)
Service Area Information	
Incorporated Area (Sq. Mi.)	6.61
Population	53,982
Population of Unincorporated SOI	Not applicable
Service Summary	
Service or Department	*Provider*
Law Enforcement	Placentia
Fire Protection/Emergency Medical	Placentia
Building/Planning	Placentia
Code Enforcement	Placentia
Animal Control	Placentia (contractual agreement with Orange County Animal Control)
Parks and Recreation	Placentia
Library	Placentia Library District
Museum	Non-profit Placentia Founders Society
Landscape Maintenance	Placentia (contractual agreement with Sweeping Corporation of America (SCA) Inc)
Lighting	Southern California Edison Company
Streets/Road Maintenance	Placentia (contractual agreement with Sweeping Corporation of America (SCA) Inc)
Electricity/Gas	Southern California Edison Company, and SoCalGas
Solid Waste	Placentia (contractual agreement with Republic Services)
Stormwater Protection	Placentia
Water	Yorba Linda Water District and Golden State Water Company
Wastewater	Placentia and Yorba Linda Water District
Wholesale Water	Metropolitan Water District of Southern California
Groundwater	Orange County Water District
Sanitation	Orange County Sanitation District
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographic Summary

Population & Density	Agency		County
2020 Population	51,824		*3,186,196*
2025 Population	**51,513**		*3,166,250*
2030 Population[1]	51,339		*3,173,544*
2025-2030 Projected Annual Growth Rate (%)	-0.07%	<	*0.05%*
Daytime Population	45,339		*3,186,196*
Population of Unincorporated SOI	-		
Households	17,210		*1,099,078*
Household Size	2.99	>	*2.88*
Area (Square Miles)	6.61		*798.83*
Density (Persons per Square Mile)	7,794	>	*3,964*
Housing			
Housing Units	17,696		*1,158,955*
Owner Occupied (%)	62.1%	>	*55.9%*
Renter Occupied (%)	37.9%	<	*44.1%*
Vacant (%)	2.8%	=	*5.2%*
Median Home Value	$ 937,694	<	*$ 1,012,468*
Employment & Poverty			
Businesses	1,997		*164,032*
Employees	18,860		*1,553,450*
Median Household Income	$ 113,320	<	*$ 115,723*
Public Transportation Commuters (%)	1.6%	>	*1.2%*
Commute Longer than 60 Minutes (%)	9.5%	>	*8.3%*
Poverty Rate	8.9%	<	*9.6%*

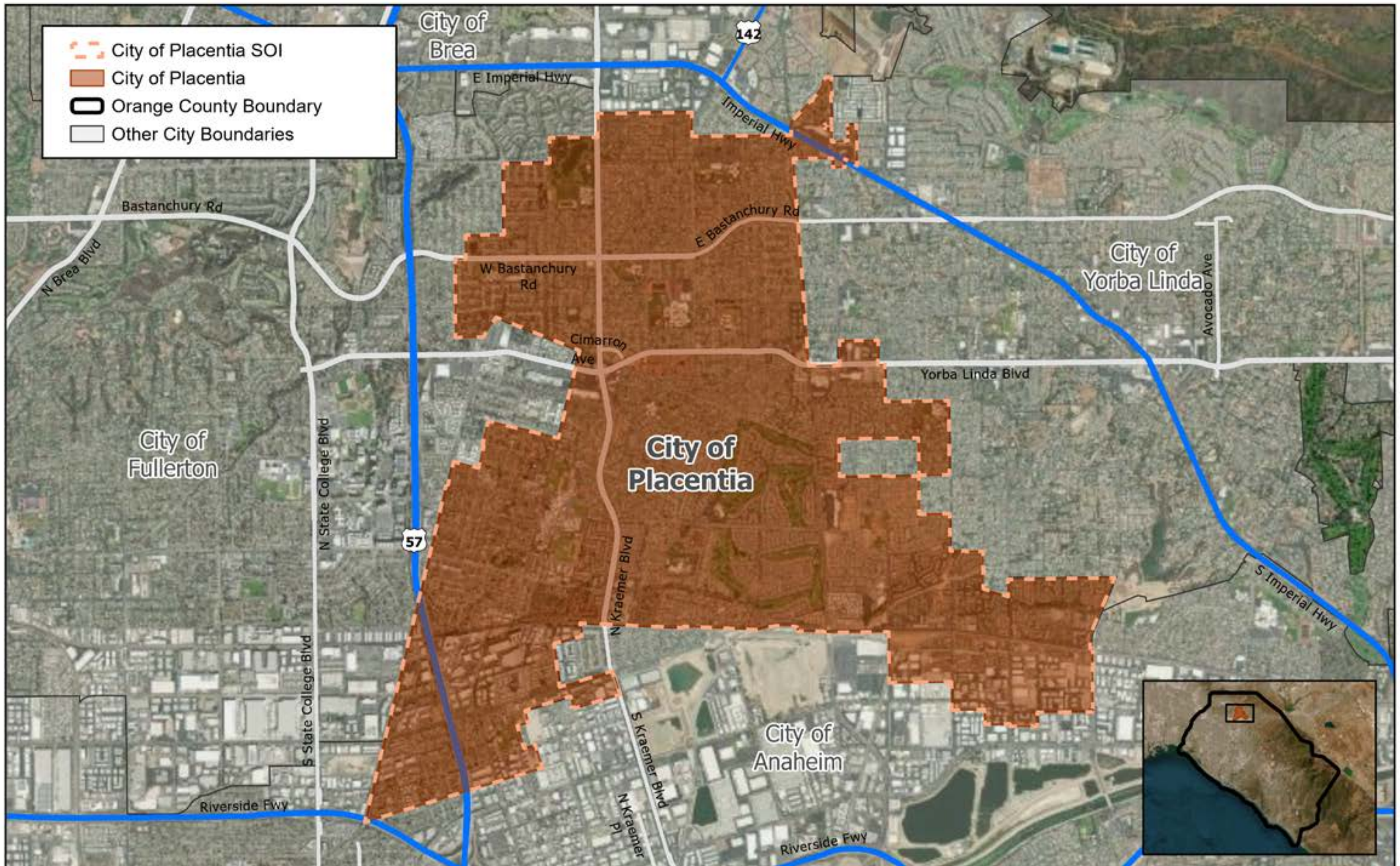
[1] 2030 Population estimate is a projection only.
Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Financial Summary

Placentia

Financial Summary[1]	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue	$ 35,443,479	$ 40,855,177	$ 43,397,710	$ 47,713,443	$ 51,919,973	$ 54,352,690
Expenditures[2]	33,300,522	37,203,534	33,557,006	37,055,495	43,233,237	47,019,011
Net	$ 2,142,957	$ 3,651,643	$ 9,840,704	$ 10,657,948	$ 8,686,736	$ 7,333,679
Net Operating Income	$ 543,287	$ 3,866,292	$ 9,893,885	$ 7,204,966	$ 19,918,635	$ 14,795,659

[1] Reserves shown are based on Unassigned General Fund Balance and Committed to Contingency Reserves.
[2] Expenditures exclude capital outlays
Source: OC LAFCO Fiscal Indicators, Berkson & Associates



City of Placentia

Source: RSG Inc., ESRI, OC LAFCO

N

0 0.5 1 Miles

City of Yorba Linda Incorporated November 2, 1967 General Law City	
Agency Information	
Address	4845 Casa Loma Ave., Yorba Linda, CA 92886
Primary Contact	Peter Grant, City Manager
Contact Information	714-961-7110
Website	www.yorbalindaca.gov
Governance	5 City Council Members, Elected At-Large; Mayor Appointed by Council
Total City Staff	116 full-time and 168 part-time
Service Area Information	
Incorporated Area (Sq. Mi.)	19.95
Population	66,267
Population of Unincorporated SOI	2,818
Service Summary	
Service or Department	*Provider*
Law Enforcement	Yorba Linda (contractual agreement with Orange County Sheriff's Department)
Fire Protection/Emergency Medical	Yorba Linda (contractual agreement with Orange County Fire Authority)
Building/Planning	Yorba Linda
Code Enforcement	Yorba Linda
Animal Control	Yorba Linda (contractual agreement with Orange County Animal Care)
Parks and Recreation	Yorba Linda
Library	Yorba Linda
Museum	Yorba Linda & Yorba Linda Historical Society
Landscape Maintenance	Yorba Linda
Lighting	Yorba Linda
Streets/Road Maintenance	Yorba Linda
Electricity/Gas	SCE, SoCalGas
Solid Waste	Yorba Linda (contractual agreement with Republic Service)
Stormwater Protection	Yorba Linda
Water	Yorba Linda Water District
Wastewater	Yorba Linda Water District
Wholesale Water	Municipal Water District of Orange County
Groundwater	Orange County Water District
Sanitation	Orange County Sanitation District
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographic Summary

Population & Density	Agency		County
2020 Population	67,844		*3,186,196*
2025 Population	**66,329**		*3,166,250*
2030 Population[1]	65,691		*3,173,544*
2025-2030 Projected Annual Growth Rate (%)	-0.19%	<	*0.05%*
Daytime Population	54,427		*3,186,196*
Population of Unincorporated SOI	2,818		
Households	22,948		*1,099,078*
Household Size	2.89	>	*2.88*
Area (Square Miles)	19.95		*798.83*
Density (Persons per Square Mile)	3,325	<	*3,964*
Housing			
Housing Units	23,567		*1,158,955*
Owner Occupied (%)	82.3%	>	*55.9%*
Renter Occupied (%)	17.7%	<	*44.1%*
Vacant (%)	2.6%	=	*5.2%*
Median Home Value	$ 1,292,073	>	*$ 1,012,468*
Employment & Poverty			
Businesses	2,480		*164,032*
Employees	17,166		*1,553,450*
Median Household Income	$ 158,775	>	*$ 115,723*
Public Transportation Commuters (%)	0.4%	<	*1.2%*
Commute Longer than 60 Minutes (%)	12.6%	>	*8.3%*
Poverty Rate	6.5%	<	*9.6%*

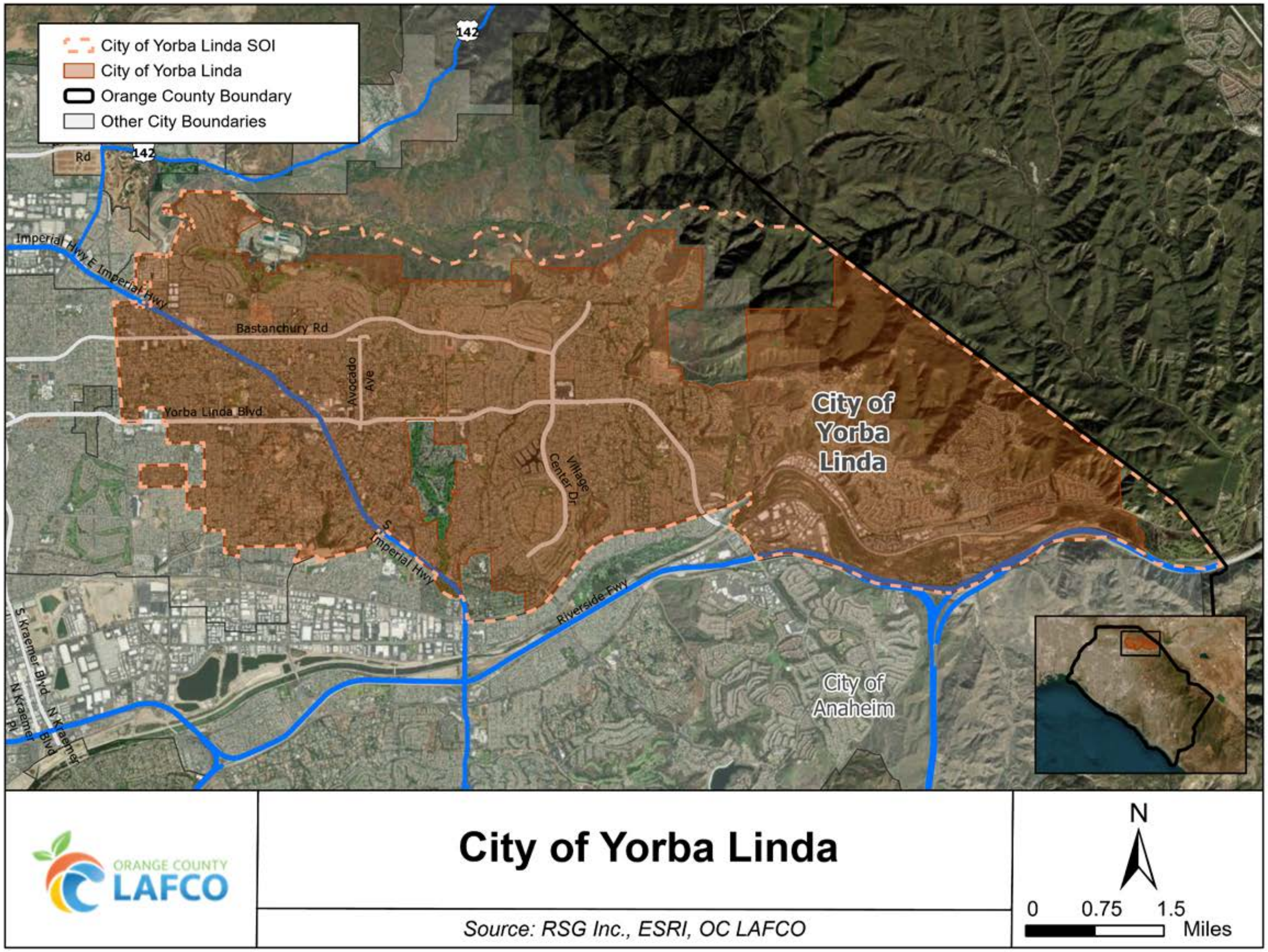
[1] 2030 Population estimate is a projection only.
Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Financial Summary

Yorba Linda

Financial Summary[1]	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue[2]	$ 38,335,027	$ 38,812,618	$ 38,908,420	$ 41,630,089	$ 46,781,958	$ 48,846,117
Expenditures	33,566,515	37,375,162	37,214,496	36,732,750	42,925,668	43,482,608
Net	$ 4,768,512	$ 1,437,456	$ 1,693,924	$ 4,897,339	$ 3,856,290	$ 5,363,509
Net Operating Income	$ 23,474,863	$ 22,279,197	$ 23,558,844	$ 29,785,867	$ 26,548,359	$ 25,395,988

[1] Reserves shown include fund balances committed to operating reserves and are based on Unassigned General Fund
[2] Revenues indicator excluded debt service exclude capital outlays.
Source: OC LAFCO Fiscal Indicators, Berkson & Associates



City of Yorba Linda

Source: RSG Inc., ESRI, OC LAFCO

Placentia Library District Established September 2, 1919 Independent Special District	
District Information	
Address	411 E. Chapman Ave., Placentia, CA 92870
Primary Contact	Jeanette Contreras, Library Director
Contact Information	714-528-1906
Website	http://www.placentialibrarydistrict.ca.gov
Governance	5-Member Board of Trustees, Elected By-District
Total Agency Staff	19 full-time and 5 part-time; 10 on call
Service Area Information	
Jurisdictional Boundary (Sq. Mi.)	6.77
Communities Served	City of Placentia, City of Anaheim[4]
Population in Boundary	52,422
Facilities Information	
Library (count)	1
Hours of Operation	Monday – Thursday: 9am-8pm Friday – Saturday: 9am-5pm Sunday: 1pm-5pm
Services	Passports, Curbside Pickups, Computers & Printing, Meeting Room Rental, Tutoring, and Hangar Makerspace (crafts)
Shared Facilities w/ City of Placentia	Placentia Civic Center

[4] Placentia Library District serves a total of 6 parcels that are within the City of Anaheim.

Demographic Summary

Population & Density	Agency		County
2020 Population	52,738		3,186,196
2025 Population	**52,422**		3,166,250
2030 Population[1]	52,230		3,173,544
2025-2030 Projected Annual Growth Rate (%)	-0.07%	<	0.05%
Daytime Population	45,835		3,186,196
Unincorporated SOI Population	52,422		-
Households	17,505		1,099,078
Household Size	2.99	>	2.88
Area (Square Miles)	6.77		798.83
Density (Persons per Square Mile)	7,739	>	3,964
Housing			
Housing Units	17,994		1,158,955
Owner Occupied (%)	62.4%	>	55.9%
Renter Occupied (%)	37.6%	<	44.1%
Vacant (%)	2.7%	=	5.2%
Median Home Value	$ 937,838	<	$ 1,012,468
Employment & Poverty			
Businesses	2,007		164,032
Employees	18,935		1,553,450
Median Household Income	$ 113,474	<	$ 115,723
Public Transportation Commuters (%)	1.5%	>	1.2%
Commute Longer than 60 Minutes (%)	9.6%	>	8.3%
Poverty Rate	8.9%	<	9.6%

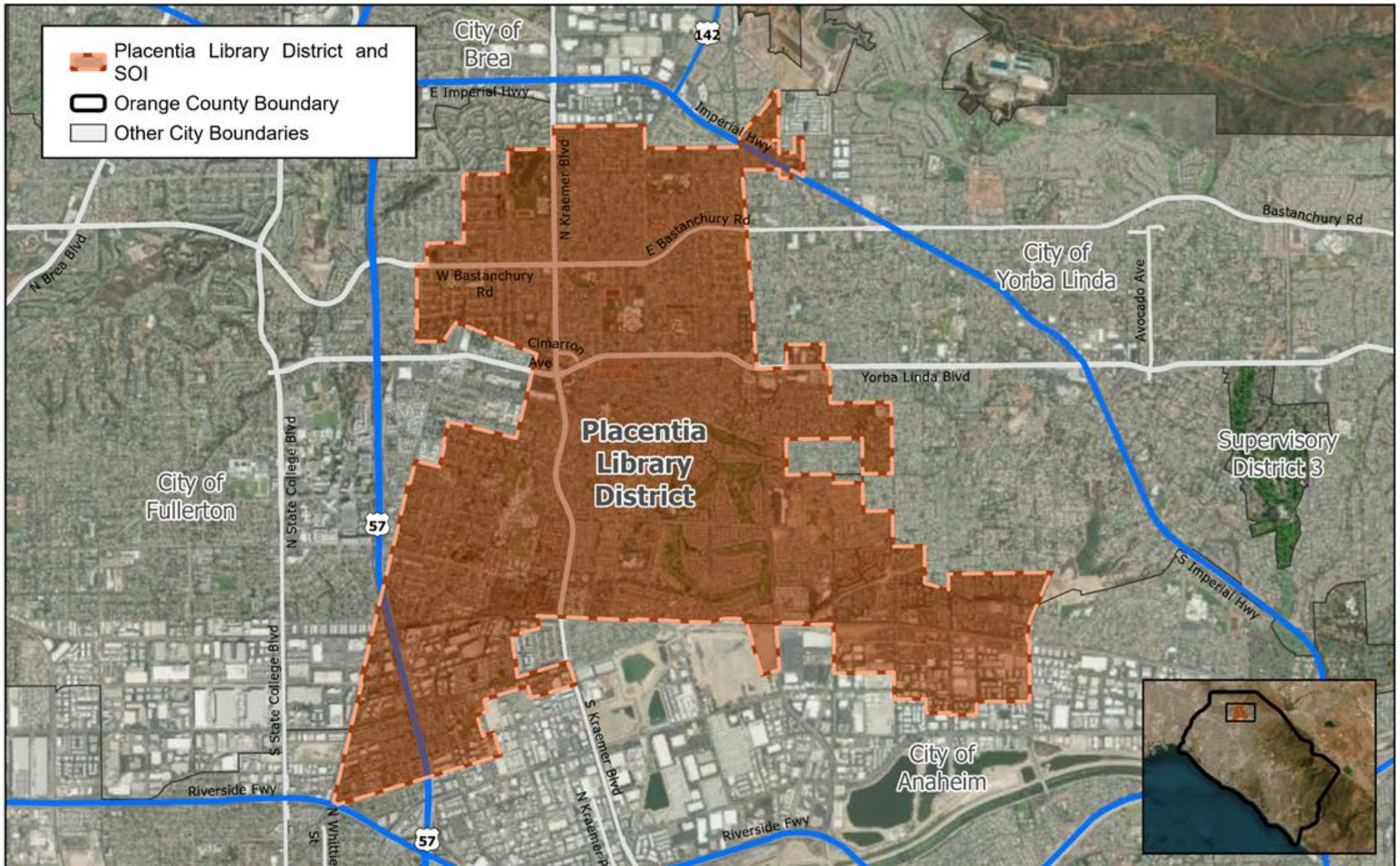
[1] 2030 Population estimate is a projection only.
Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Financial Summary

Placentia Library District

Financial Summary[1]	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue	$ 3,125,442	$ 3,487,714	$ 3,571,980	$ 3,661,184	$ 4,311,327	$ 4,202,342
Expenditures[2]	3,029,677	2,733,837	2,613,401	2,997,855	3,764,617	3,592,007
Net	$ 95,765	$ 753,877	$ 958,579	$ 663,329	$ 546,710	$ 610,335
Net Operating Income	$ 2,569,379	$ 1,819,677	$ 2,492,536	$ 2,802,128	$ 2,599,470	$ 2,982,325

[1] Reserves shown are based on Unassigned General Fund Balance and Committed to Contingency Reserves.
[2] Expenditures exclude capital outlays due to the impacts on %'s.
Source: OC LAFCO Fiscal Indicators, Berkson & Associates



Placentia Library District

Source: RSG Inc., ESRI, OC LAFCO

N
0 0.5 1 Miles

Yorba Linda Water District Established January 2, 1959[5] Independent Special District	
District Information	
Address	1717 E. Miraloma Ave., Placentia, CA 92870
Primary Contact	Mark Toy, General Manager
Contact Information	714-701-3020
Website	www.ylwd.com
Governance	5-Member Board of Directors, Elected At-Large; General Manager Appointed by Board
Total Agency Staff	81 full-time, and 2 part-time
Service Area Information	
Jurisdictional Boundary Area (Sq. Mi.)	22.62
Communities Served	City of Yorba Linda, portions of the City of Placentia and City of Brea, and unincorporated Orange County
Population in Boundary	78,048
Water Infrastructure Totals	
Wells	10
Water Connections	25,385
Miles of Water Infrastructure	352
Estimated Age of Water Infrastructure	25 years old
Wastewater Infrastructure Totals	
Wastewater Connections	24,700
Miles of Wastewater Infrastructure	270
Manholes	6,297
Estimated Age of Wastewater Infrastructure	40 years old

[5] Yorba Linda Water District formation dates to December 6, 1909, with the establishment of the Yorba Linda Water Company which later transitioned into the Yorba Linda Water District in 1959.

Demographic Summary

Population & Density	Agency		County
2020 Population	79,917		3,186,196
2025 Population	**78,048**		3,166,250
2030 Population[1]	77,282		3,173,544
2025-2030 Projected Annual Growth Rate (%)	-0.20%	<	0.05%
Daytime Population	68,569		3,186,196
Unincorporated SOI Population	78,074		-
Households	27,053		1,099,078
Household Size	2.89	>	2.88
Area (Square Miles)	22.62		798.83
Density (Persons per Square Mile)	3,451	<	3,964
Housing			
Housing Units	27,815		1,158,955
Owner Occupied (%)	81.2%	>	55.9%
Renter Occupied (%)	18.8%	<	44.1%
Vacant (%)	2.7%	=	5.2%
Median Home Value	$ 1,248,883	>	$ 1,012,468
Employment & Poverty			
Businesses	3,376		164,032
Employees	25,313		1,553,450
Median Household Income	$ 154,744	>	$ 115,723
Public Transportation Commuters (%)	0.4%	<	1.2%
Commute Longer than 60 Minutes (%)	11.7%	>	8.3%
Poverty Rate	6.6%	<	9.6%

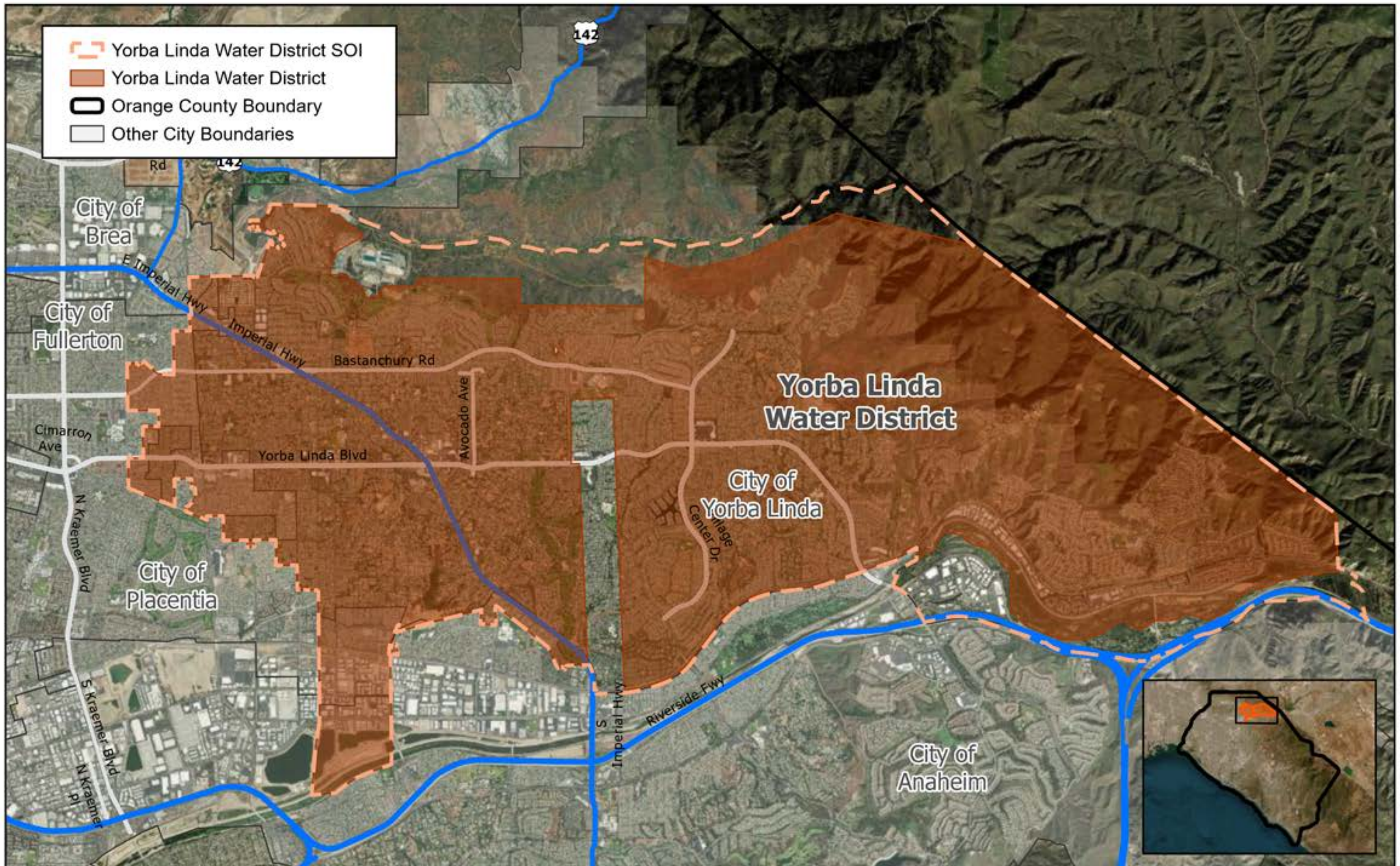
[1] 2030 Population estimate is a projection only.
Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Financial Summary

Yorba Linda Water District

Financial Summary[1]	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue	$ 37,070,948	$ 39,580,033	$ 42,819,325	$ 45,522,454	$ 46,183,506	$ 55,013,930
Expenditures	37,682,295	41,766,101	45,057,377	47,123,477	45,618,583	52,650,707
Net	$ (611,347)	$ (2,186,068)	$ (2,238,052)	$ (1,601,023)	$ 564,923	$ 2,363,223
Net Operating Income	$ 11,075,303	$ 13,840,027	$ 15,335,639	$ 15,275,541	$ 22,168,454	$ 33,591,567

[1] Reserves shown are based on Unassigned General Fund Balance and Committed to Contingency Reserves.
Source: OC LAFCO Fiscal Indicators, Berkson & Associates



ORANGE COUNTY LAFCO

Yorba Linda Water District

Source: RSG Inc., ESRI, OC LAFCO

N

0 0.75 1.5 Miles

IV. GROWTH AND POPULATION PROJECTIONS

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

1. *Growth and population projections for the affected area.*

The North Region covers an incorporated population of approximately 369,455 covering the five cities under review, and a total population including unincorporated areas of approximately 496,513. The two special districts covered in this MSR in the North Region provide services to approximately 130,470 people.

ESRI projects that the incorporated cities in the North Region are expected to experience a slight increase in population by 2030, with cities growing by 0.2 percent annually. The special districts in the North Region are expected to experience a slight decline in population, by 0.1 percent annually, over the next five years. ESRI projects that housing unit growth, like population growth, will be positive across the North Region.

Development of new housing units has slowly picked up in recent years. Estimates from ESRI show that the North Region cities developed approximately 9,235 new units, an increase of 0.5 percent, between 2020 and 2025. ESRI projects that the cities will increase their housing supply by 0.3 percent annually over the next five years.

Table 4 shows both population and housing trends for the North Region.

Table 4: Regional Population and Housing Trends

Population	Cities	Special Districts	County
2020 Population	372,117	132,655	3,186,196
2025 Population	**369,455**	**130,470**	3,166,250
2030 Population[1]	372,802	129,512	3,173,544
2020-2025 Annual Growth Rate (%)	-0.1%	-0.3%	-0.1%
2025-2030 Projected Annual Growth Rate (%)	0.2%	-0.1%	0.0%
Housing			
2010 Units	121,556	42,992	1,048,240
2020 Units	129,306	45,435	1,129,138
2025 Units	**130,791**	**45,809**	1,158,955
2030 Units[1]	132,937	46,386	1,184,171
2025 Household Size	2.8	2.8	2.7
2010-2025 Unit Annual Growth Rate (%)	0.5%	0.4%	0.7%
2025-2030 Projected Unit Annual Growth Rate (%)	0.3%	0.3%	0.4%

[1] 2030 estimates are only projections.
Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

RSG has not included individual population projections for each of the agencies. The COVID-19 pandemic created unique migration patterns in the United States, with many urban areas rapidly gaining population in 2020, then losing said gains by 2023. RSG's projections show that the cities of the North Region will grow in the future, but data provided by DOF and ESRI are not aligned on how much. Additionally, both DOF and ESRI diverge from some agencies' self-reported housing development pipelines which can include units under construction, but also projects approved that may or may not be built in the near future. For these reasons RSG has opted to display a summary of the region's historical and projected growth, capturing what is occurring regionally rather than by a side-by-side comparison of each of the agencies.[6]

According to OC LAFCO's SOI maps, two of the five cities reviewed as a part of this MSR have unincorporated areas within their SOI which together total approximately 13.9 square miles. These unincorporated areas of the County do not include any DUCs and are located within the SOI of the cities of Brea and Yorba Linda.

According to ESRI, the unincorporated area within the SOI of Brea experienced a slight population increase between 2020 and 2025 whereas the unincorporated area within the

[6] See each agency profile for historical and projected population numbers.

SOI of the City of Yorba Linda experienced a decline. Similarly, future growth in the unincorporated SOI areas of these cities is expected to remain stagnant or slightly decline, with Brea experiencing no growth and Yorba Linda experiencing a slight decline. ESRI projects that the SOI of Brea and Yorba Linda will not have any housing growth over the next five years. Table 5 shows detailed demographic information for each of the cities that have inhabited, unincorporated area within their SOIs.

Table 5: Demographic Information for Unincorporated Area Within SOI

North Region	*Unincorporated Only*	
Population	**Brea SOI**	**Yorba Linda SOI**
2010 Population	27	2,908
2025 Population	**30**	**2,818**
2030 Population[1]	30	2,755
2010-2030 Population Annual Growth Rate (%)	2.22%	-1.05%
Housing		
2025 Housing Units	7	1,057
Owner (%)	0%	0%
Renter (%)	0%	0%
Vacant (%)	100%	100%
2030 Housing Units[1]	7	1,057
2025-2030 Housing Unit Annual Growth Rate (%)	0.00%	0.00%
Economy		
2025 Businesses	-17	52
2025 Employees	-210	110

[1] 2030 estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

V. PRESENT AND PLANNED LAND USES

> *Per Government Code Section 56425, a LAFCO shall consider and prepare a written statement of its SOI determinations on five (5) factors, including:*
> 2. *The present and planned land use in the area, including agricultural and open space lands.*

The cities within the North Region are substantially built out, with limited remaining land available for new development outside of areas designated for open space. Across the region, land use patterns are dominated by residential development, which represents the vast majority of parcels in each city, particularly in communities such as Fullerton, La Habra, Placentia, and Yorba Linda where residential uses exceed approximately 80% of total parcels. Brea reflects a slightly more balanced distribution, though residential use still comprises the largest share.

Commercial and industrial uses are present in all cities but represent a relatively small proportion of total land use, generally accounting for only a small percentage of parcels. Mixed-use and office/professional designations are also limited, indicating that most cities maintain traditional land use patterns with clearly defined residential and non-residential areas rather than extensive mixed-use development.

Open space and public uses constitute a modest share of land across the region, supporting recreational, institutional, and environmental functions. Agricultural uses are minimal to nonexistent in the North Region, reflecting the highly urbanized nature of these communities.

Given the largely built-out conditions, future growth within the North Region is expected to occur primarily through infill development, redevelopment, and intensification of existing uses. Opportunities for expansion through annexation or conversion of undeveloped land are limited, and any changes in land use are likely to occur incrementally through rezoning or redevelopment of underutilized parcels. Details of each city's land use are provided in Table 6 below and further described in the following section.[7]

[7] Percentages displayed in Table 6 are rounded to the first decimal which may make the percentages appear above 100 percent.

Table 6: North Region Cities Land Use

City of Brea		
Land Use Type	***Parcel Count***	***%***
Commercial	35	0.29%
Industrial	297	2.46%
Mixed-Use	373	3.09%
Office / Professional	0	0.00%
Agriculture	0	0.00%
Public	74	0.61%
Residential	8,052	66.71%
Specific Plan	3,164	26.21%
Parks/Recreation	43	0.36%
Open Space	30	0.25%
Cemetery	2	0.02%
Total	**12,070**	**100.0%**
City of Fullerton		
Land Use Type	***Parcel Count***	***%***
Commercial	721	2.41%
Industrial	491	1.64%
Mixed-Use	152	0.51%
Office / Professional	196	0.66%
Agriculture	2,875	9.62%
Public	323	1.08%
Residential	24,232	81.07%
Specific Plan	901	3.01%
Total	**29,891**	**100.0%**
City of La Habra		
Land Use Type	***Parcel Count***	***%***
Commercial	469	3.67%
Industrial	214	1.68%
Mixed-Use	7	0.05%
Office / Professional	22	0.17%
Agriculture	72	0.56%
Public	135	1.06%
Residential	11,853	92.80%
Specific Plan	0	0.00%
Total	**12,772**	**100.0%**
City of Placentia		
Land Use Type	***Parcel Count***	***%***
Commercial	134	1.04%
Industrial	223	1.73%
Mixed-Use	0	0.00%
Office / Professional	42	0.32%
Agriculture	27	0.21%
Public	30	0.23%

Residential	9,756	75.48%
Specific Plan	2,714	21.00%
Total	**12,926**	**100.0%**
City of Yorba Linda		
Land Use Type	***Parcel Count***	***%***
Commercial	270	1.32%
Industrial	102	0.50%
Mixed-Use	0	0.00%
Office / Professional	0	0.00%
Agriculture	59	0.29%
Public	518	2.53%
Residential	19,505	95.36%
Specific Plan	0	0.00%
Total	**20,454**	**100.0%**

Pursuant to Government Code Section 65302(c), general plans must include a housing element explaining how the City and/or County will meet its part of the regional housing need. The County is part of the Southern California Association of Governments planning agency, which established jurisdictional housing goals for the 6th Round planning cycle (2021 through 2029); these goals are known as the Regional Housing Needs Allocation ("RHNA") and are shown in Table 7. Each city is required to prepare and seek HCD approval of their local housing element.

Table 7: RHNA Requirements for North Region Cities

City	RHNA Requirement (2021-2029)
Brea	2,365
Fullerton	13,209
La Habra	804
Placentia	4,398
Yorba Linda	2,415

Government Code Sections 65400 and 65700 require all jurisdictions to submit annual progress reports on their respective general plan and housing element by April 1 for the prior year. The cities in the North Region have submitted their annual progress reports for 2024.[8] Annual progress reports for 2025 are due on April 1, 2026; the cities in the North Region separately confirmed they have submitted their report by this deadline.[9]

[8] HCD did not have information on 2025 submissions publicly available during the time of this report.
[9] The City of Brea staff informed RSG of their Annual Progress Report submittal in March 2026.

Following are individual agency notes on development and land use:

- The City of Brea's current development pipeline as detailed in its Project Updates as of March 2026, includes several residential and mixed-use projects at various stages of planning and construction. These include the following: Brea Mall Mixed-Use project, which proposes 380 dwelling units; South Brea Townhomes, a 179-unit project currently in plan check and mid-review, with ready-to-issue permits for two of the four buildings and grading anticipated to begin in 2026; Mercury Senior Apartments, an 85-unit project that has been entitled and approved and is currently awaiting the applicant's funding milestones prior to additional permit submittals; and the Kanyon Apartments, also referred to as the "Brea Mall" project, a 377-unit development with construction underway, including shoring installation and issued grading permits.

  In addition, the long-term Brea 265 project proposes approximately 1,100 dwelling units to be developed over an estimated 25-year period in three phases, with initial building permit submittals anticipated by the end of 2026.

  In parallel with these development efforts, the City of Brea is advancing a focused General Plan update and a Core Area Specific Plan. A draft of these planning documents was prepared in early February 2026, with a final community open house conducted on March 12, 2026, to support public review and input. As of the release of this draft, the City approved the General Plan at their June 2, 2026 meeting.

- The City of Fullerton reported that it is currently not on track to meet its RHNA of 13,209 units by 2029, with approximately 2,000 units identified to date. Near-term development activity appears to be moderate, with the completion of The Hub mixed use project at 2601 East Chapman Avenue and approximately 400 units anticipated to begin construction this year. This includes a mixed-use project that proposed the construction of 329 apartments known as the "Atlas Fullerton". In addition, other planned projects involve the construction of various single-family residences, townhomes, and retail store fronts as part of the "Pines at Sunrise Village".[10] Other projects in the pipeline involve residential, commercial, and mixed-used projects.

During the agency interview, the City of Fullerton noted that broader development activity may be influenced by ongoing financial constraints affecting developers in the current real estate market, which could impact the pace of new housing production.

According to the City's Housing Element for the 2021–2029 planning period, which was adopted by the City Council on January 7, 2025, Fullerton has made progress on several recent housing developments. Completed or ongoing projects include a 290-unit mixed-use development at 600 W Commonwealth Avenue, which includes 10 moderate-income units; a 142-unit project on Harbor Boulevard; Habitat for Humanity developments consisting of eight completed units and four units under construction; the Compass Rose project with 46 units, including 12 three-bedroom units; and a 65-unit, 100 percent affordable development at 1600 W Commonwealth Avenue. In addition, the City has several approved or pending projects that collectively account for approximately 2,558 units across a range of affordability levels, including 67 very low-income units, 133 low-income units, 131 moderate-income units, and 2,227 above-moderate-income units. Notable projects include Casa Bella, Pathways of Hope, and Coyote Hills West.

To support additional housing development, Fullerton indicated it has received grant funding via the REAP 2.0 program, and intends to utilize these resources to facilitate the addition of new housing units. With respect to long-range planning, the City reported that its Housing Element has been reviewed and approved by HCD, providing a policy framework to guide future housing development and help address identified housing needs.

[10] The City of Fullerton project information is from the "Project Listing" section on the city's website.

- The City of La Habra's current development pipeline as detailed in its "Active Development Applications" (between November 2023 and May 2026), includes the demolition of the golf course located off La Habra Hills Drive with the proposed construction of 534 dwelling units; development of 31 townhomes located at 151 and 221 W Whittier Boulevard; proposed mixed-use project involving the construction of 19,320 square feet of commercial retail; 63 multi-unit dwellings located at 2301-2331 W. Whittier Blvd; and 97 townhomes at 461 S. Harbor Blvd.

  According to the City of La Habra's General Plan, La Habra incorporates policies to support affordable and equitable housing, including consideration of inclusionary housing requirements and support for special needs populations. In addition, the City's planning framework includes sustainability and resilience considerations, such as compliance with green building standards, promotion of walkability, and addressing environmental and hazard risks.

  La Habra's General Plan was last comprehensively updated in 2014. More recently, the City Council adopted the 2021–2029 Housing Element on September 19, 2022, and HCD determined on April 21, 2023, that the Housing Element is in substantial compliance with State law.

- The City of Placentia's current development pipeline as detailed in its "Pending Development Project List" as of February 2025, includes the proposed construction of 140 condominiums/townhomes situated off 440 N. Jefferson Street; development of 68 affordable housing units located off Baker Street which was approved in March 2024; proposed mixed-use project involving the construction of 248 units consisting of commercial and residential uses. Other development projects are minor in scope.

  The City of Placentia's General Plan adopted in October 2019, supports redevelopment of underutilized and deteriorating properties, encourages adaptive reuse, and promotes high-quality, compatible development through design guidelines and buffering of higher density uses from established neighborhoods. Infrastructure and service planning is also a key consideration, with Placentia evaluating the potential impacts of new development on public services, including police, fire and emergency response, parks, and wastewater systems, and considering appropriate timing and phasing of capital improvements.

Placentia's planning framework also incorporates sustainability and resource protection policies, including low-impact development standards, water quality protections, and enhancements to walkability and multimodal transportation options. While the General Plan identifies a theoretical buildout capacity of approximately 24,602 dwelling units, actual development potential may be influenced by the limited availability of vacant land and existing development patterns.

With respect to housing, the City of Placentia noted relatively lower RHNA obligations compared to neighboring jurisdictions and indicated an interest in collaborating with developers to support additional housing production, including affordable units. The City also noted challenges related to project feasibility, including instances where affordable housing projects have faced funding constraints, which may require reconsideration of development partnerships.

- The City of Yorba Linda's development pipeline, as detailed in its "Planning Division Major Projects Lists" as of October 2025, includes various proposed projects including the construction of a Senior Housing Development, comprised of 240 dwelling units situated on the southeast corner of Mariposa and Lakeview; and development of 62 dwelling units located off Yorba Linda Blvd, which City staff are confirming is consistent with the General Plan. Other development projects are minor in scope and primarily involve construction of single-family residences or the conversion of existing structures.

Yorba Linda promotes revitalization of commercial corridors and the downtown area through efforts such as the 2011 Town Center Specific Plan, which emphasizes mixed-use, entertainment, and civic-oriented development. Additional planning efforts, including the Shell Property and Murdock Property area plans, provide guidance for open space preservation and residential development, including proposed projects such as Cielo Vista and Esperanza Hills within the sphere of influence.

Consistent with its General Plan policies, the City of Yorba Linda seeks to ensure compatibility between new and existing development, to preserve natural landscapes and scenic corridors, and to coordinate infrastructure improvements with future growth. The City also supports the annexation of county islands to promote more efficient service delivery and cohesive planning.

With respect to housing, the City of Yorba Linda reported that its Housing Element has been certified and expressed confidence in meeting its RHNA obligations. Yorba Linda noted ongoing residential activity, including two multifamily projects currently in the entitlement process, continued development of accessory dwelling units, and a senior affordable housing project anticipated for City Council consideration. Additional projects include smaller-scale developments, such as the Messiah Lutheran project and a City Ventures project, as well as the ETCO Homes project, which have experienced delays due to financial constraints and may proceed under a new developer.

None of the agencies in the North Region contain notable agriculture, grazing, or farmlands.

VI. LOCATION AND CHARACTERISTICS OF ANY DUCS

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

2. *The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s).*

Per Government Code Section 56425, a LAFCO shall consider and prepare a written statement of its SOI determinations on five (5) factors, including:

4. *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*

The CKH Act defines a Disadvantaged Unincorporated Community ("DUC") as "inhabited territory, as defined by Gov. Code Section 56046, or as determined by commission policy, which constitutes all or a portion of a "disadvantaged community" as defined by Section 79505.5 of the Water Code." Inhabited territory is defined as an area within which 12 or more registered voters reside. "Disadvantaged Community" in Water Code Section 79505.5 is defined as "a community with an annual median household income that is less than 80 percent of the statewide annual median household income."

Senate Bill 244 (Wolk; effective January 1, 2012) imposed several new MSR requirements regarding DUCs. The Legislature found DUCs lack access to basic infrastructure, including but not limited to, streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service. The purpose of the new requirements was to include DUCs in the scope of MSR and SOI updates prepared by each LAFCO to avoid a situation where an agency might exclude a DUC from a future annexation or provision of key services, such as water and sewer. The CKH Act – as defined under Government Code Section 56430 (2)(3) and 56425 (e)(5) - requires an MSR to include determinations regarding the present and probable need for public facilities or services related to water, sewer, and fire in any DUC that is within an existing sphere of influence.

OC LAFCO designated North MSR Region does not contain any Disadvantaged Unincorporated Communities ("DUCs").[11]

[11] Based on OC LAFCO's recent analysis of the updated data.

VII. CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

3. *Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.*

Per Government Code Section 56425, a LAFCO shall consider and prepare a written statement of its SOI determinations on the five (5) factors, including:

2. *The present and probable need for public facilities and services in the area;*
3. *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and*
5. *The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.*

Overall, agencies in the North Region are providing adequate services to their residents and customers. Some constraints, as it relates to deferred maintenance and backlogs, exist for most of the agencies, most notably for road maintenance services. Additionally, many of the agencies require substantial infrastructure improvements to their water and wastewater systems that come with significant capital costs. This section of the report discusses the major public services provided by the agencies in the North Region and their capacity to deliver those services with the existing staff and public facilities.

LAW ENFORCEMENT

The Orange County Sheriff's Department provides law enforcement services to one city in the Region, the City of Yorba Linda. The remaining four cities in the North Region – Brea, La Habra, Fullerton, and Placentia – operate their own police departments. These departments provide a full range of general law enforcement services including traffic enforcement, patrols, investigations, records, and community outreach/education. Each city also maintains a SWAT team who respond to critical incidents such as hostage situations, barricaded suspects, high-risk warrants, and threats to public safety. The one exception is the City of Yorba Linda whose SWAT team is provided by the County.

Due to the variability and limited comparability of calls-for-service data across agencies, RSG did not collect or analyze agency calls-for-service data as part of this MSR. This approach is consistent with the prior MSRs for the West, Southwest, and Central Regions that RSG has completed for OC LAFCO. Obtaining consistent and reliable data for each agency can be challenging due to different reporting practices, data availability, and classification methods. Instead, RSG relied on information that was readily available and comparable across agencies, including agency websites, publicly available program descriptions, and interviews from city representatives.

Following are specific individual agency findings:

- The City of Fullerton Police Department established three call response areas (Zone 1, Zone 2, and Zone 3), with each zone being assigned a patrol lieutenant designated as the Area Commander for each respective zone. This Area Commander model provides a single point of contact for residents that fall within each Zone an opportunity to voice their concerns, which may include crime, traffic, and quality of life issues (i.e., homelessness, graffiti, apartment complex condition, etc.).

- The City of La Habra provides various online resources to inform the public on items such as emergency preparedness, including AlertOC, which reports important emergency events to the public. La Habra also provides an online police report system where residents can report various crimes from the convenience of their own homes.

- The City of Brea Police Department facilitates a Community Watch program wherein volunteers from both residential and business communities come together to patrol areas they represent, distribute crime prevention materials, and participate in regular meetings where issues are addressed.

- The City of Placentia offers a mobile app "iPlacentia" wherein residents can submit service requests to the City for various issues including graffiti, outages, potholes, etc. This app does not allow residents to report crimes. The city offers a mobile app called "Nixle" for residents to receive important news or updates on emergency events.

- The City of Yorba Linda contracts with the Orange County Sheriff's Department ("OCSD") for law enforcement services, which include dedicated patrol coverage, special investigations, traffic and collision enforcement, parking enforcement, and crime prevention services. Through this partnership, the City also receives community safety education resources via OCSD's Stay Safe OC program, which provides information on home and vehicle security, personal safety, and identity theft prevention. OCSD additionally provides a public crime mapping tool that allows residents to review recently-reported incidents within the City.[12]

Based on interviews with city representatives, no concerns were reported regarding the quality or adequacy of law enforcement services in the North Region. Therefore, with the information RSG was able to ascertain from available sources coupled with the agency testimonials from interviews, it is determined that the agencies in the North Region currently have the capacity to continue to provide law enforcement services to existing residents at the present level of service.

FIRE PROTECTION, EMERGENCY MEDICAL, AND AMBULANCE TRANSPORT

The Orange County Fire Authority ("OCFA") provides fire protection and emergency medical services to one city in the North Region, the City of Yorba Linda. The remaining cities provide fire protection and emergency medical services through their respective fire departments, with the exception of the City of La Habra, which relies on the Los Angeles County Consolidated Fire Protection District ("CFPD"), and Falck Mobile Health Corp ("Falck") for emergency medical services and ambulance transport.

The City of Yorba Linda, through its contract with OCFA, also receives ambulance transport service through a private provider, Emergency Ambulance Services, Inc. ("EAS"), which has a long-standing contractual relationship with OCFA. The City of Placentia directly contracts with EAS for ambulance transport, whereas the City of Fullerton contracts with another private provider, Falck. However, Fullerton is in the process of

[12] Additional information can be found at OCSD's website https://www.ocsheriff.gov/commands-divisions-0.

bringing ambulance transport services in-house through their Fire Department, replacing their existing contract with Falck. According to a city staff report from April 2025, the City of Fullerton anticipates this being implemented as early as Spring of 2026. The City of Brea also recently transitioned to bring ambulance transport services in-house via their fire department as of January 2025. Please refer to Table 8 below for additional details.

Table 8: Fire Protection and Emergency Medical Service

City of Brea	
Service Area	City of Brea
Fire Station Count	4
Number of Dedicated Staff	80
Total Incidents (2024)	4,896
Average Emergency Medical Response Time	6 minutes and 07 seconds
City of Fullerton	
Service Area	City of Fullerton
Fire Station Count	6
Number of Dedicated Staff	7 Chief Officers, 72 firefighters, 4 fire prevention staff, 3 professional staff, 1 emergency manager, 1 EMS Coordinator, and 40 cert volunteers
Total Incidents (2025)	16,891[13]
Average Emergency Medical Response Time	7 minutes
City of La Habra	
Service Area	City of La Habra
Fire Station Count	3
Number of Dedicated Staff	4,700[14]
Total Incidents (2024)	5,924[15]
Average Emergency Medical Response Time	4 minutes and 40 seconds
City of Placentia	
Service Area	City of Placentia
Fire Station Count	2
Number of Dedicated Staff	30
Total Incidents (2024)	1,513
Average Emergency Medical Response Time	4 min and 54 seconds

[13] The City of Fullerton Fire Department confirmed the incident totals align with annual trends and reflect their widespread socioeconomic and elderly population within their service area.
[14] The City of La Habra does not maintain its own Fire Department. Therefore, the figures here represent the number of fire personnel dedicated to LA County Fire Department based on their 2017-2021 Strategic Plan.
[15] Figures are specific to fire response within the City of La Habra; emergency medical responses totaled 4,608.

City of Yorba Linda	
Service Area	City of Yorba Linda
Fire Station Count	3
Number of Dedicated Staff	16
Total Incidents (2024)	4,962
Average Emergency Medical Response Time	8 minutes and 38 seconds

Following are additional specific individual agency findings[16]:

- The City of Brea provides fire protection and emergency medical service through its Fire Department and four fire stations. As of January 2025, Brea developed an in-house ambulance program thereby replacing their contract model with the private company, EAS. Brea's Fire Department provides 24-hour emergency response to a variety of critical events such as fires, explosions, hazardous materials incidents, medical emergencies, traffic/collision accidents, and other public assistance requests. Based on the City of Brea's website and information provided by the Fire Department, Brea's fire station[17] and call volumes[18] as of 2024 are as follows:

  - Station 1 is located at 555 N Berry St and had a total call volume of 1,908 incidents.
  - Station 2 is located at 200 N Brea Blvd. and had a total call volume of 4,960 incidents.
  - Station 3 is located at 2600 E Santa Fe Rd. and had a total call volume of 3,240 incidents.
  - Station 4 is located at 198 Olinda Pl. and had a total call volume of 245 incidents.

  The City of Brea further confirmed the Fire Department's 2024 average dispatch arrival time for emergency medical incidents of 6 minutes and 07 seconds.[19]

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[16] RSG relied on a combination of information readily available online, as provided by each agency, and by fire service Annual Reports, mostly from 2020. More recent Annual Reports are referenced where available.
[17] All of Brea Fire Department Stations operate 24/7.
[18] Figures represent the total number of responses coming from each of the Fire Stations and do not reflect total unit responses as some calls may be canceled.
[19] Information is based on figures provided by the City of Brea Fire Department.

The City of Brea did not express any concerns or issues with its fire protection, emergency medical or ambulance transport services. RSG separately did not identify any notable concerns during the timing of this report.

- The City of Fullerton provides fire protection and emergency medical service through its Fire Department and six fire stations. Fullerton's Fire Department provides 24-hour emergency response to a variety of critical events such as fires, explosions, hazardous materials incidents, medical emergencies, traffic/collision accidents, and other public assistance requests. Based on the City of Fullerton's website and their Fire Department's Annual Report for 2020, Fullerton's fire station and unit response[20] information is as follows:

  - Station 1 is located at 312 E. Commonwealth Ave and had a total of 4,289 incidents.
  - Station 2 is located at 1732 W. Valencia Drive and had a total of 3,497 incidents.
  - Station 3 is located at 700 S. Acacia Ave and had a total of 1,918 incidents.
  - Station 4 is located at 3251 N. Harbor Blvd. and had a total 2,298 incidents.
  - Station 5 is located at 2555 E. Yorba Linda Blvd. and had a total of 2,323 incidents.
  - Station 6 is located at 198 Olinda Pl. and had a total of 1,759 incidents.

  The City of Fullerton's Fire Department Annual Report for 2020 further confirmed the City of Fullerton provided an average dispatch arrival time for emergency medical incidents of 5 minutes and 43 seconds with 91.0% of response time falling under 8 minutes. Fullerton's structure fire response times averaged 5 minutes and 34 seconds.

  The City of Fullerton expressed concerns regarding certain aspects of fire and EMS service delivery. City staff noted that they secured a grant to fund the hiring of an additional crew and relocated personnel from Station 1 to Station 2 to improve

[20] Unit response represents any time a unit responds within or outside of their jurisdiction; this can result in multiple units responding to the same incident.

deployment coverage. However, the ladder truck assigned to serve the area is currently stored at Station 6, which is about 3 miles away from the Station 2, which may affect response times for structure fires and specialized incidents.[21] However, city staff confirmed that the ladder truck will be relocated to Station 1 thereby reducing the distance about 0.5 miles from Station 2.

Despite the cited concerns above, RSG did not identify any notable concerns tied to the efficiency or adequacy of providing fire protection, EMS, and ambulance transport services for residents within the City of Fullerton.

- The City of La Habra has contracted the Los Angeles County Consolidated Fire Protection District ("CFPD") for fire protection and emergency medical services since 2005. The agreement was most recently amended in July 2024 with a prescribed contract cost of approximately $14.4 million for FY 24-25.

  The City has three existing fire stations: Station 191, 192, and 194; the City closed its 4th station, Station 193 in 2023. Additional details are as follows:

  - Station 191 is located at 820 W. La Habra Blvd.
  - Station 192 is located at 520 S. Harbor Blvd.
  - Station 193 was located at 1000 West Risner Way but has been permanently closed since 2023. As part of an amendment to the service contract in September 2023, the Fire District and the City agreed to close Station 193 and revise staffing levels at other stations to maintain an acceptable level of emergency coverage while addressing contract cost considerations.[22] The City of La Habra confirmed this station now serves as an Ambulance Operations Center and other public safety uses..
  - Station 194 is located 13540 Beach Blvd.

[21] RSG was not provided the location for where the Ladder 2 Truck is stationed to confirm the distance from Station 2.
[22] Based on information the Contract Amendment by LA County Fire Department September 12, 2023.

La Habra reported they attempted negotiations with CFPD[23] regarding anticipated increases in contract costs for fire protection services. La Habra staff further indicated that the full fiscal impact of the prospective increase in contract costs had not been fully anticipated in prior budget planning. However, in 2024, La Habra amended its fire service contract with CFPD extending another 10-years and noted a significant increase to the contract. In November 2025, voters approved Measure V, which provides additional revenue to support municipal services; however, La Habra expressed concerns regarding its long-term ability to absorb higher fire service contract costs.

As part of previous cost-management efforts, the City of La Habra closed one fire station and converted the facility to an ambulance operation center to maintain emergency medical service coverage, while adjusting the remaining fire service operations.

Based on information provided by the City of La Habra, in 2025, total fire responses totaled 5,924 with an average response time of 4 minutes and 40 seconds. Meanwhile, ambulance response in 2024 and 2025 totaled 4,605 and 4,608, respectively, reflecting little change in demand. Similarly, ambulance transport increased modestly from 3,586 to 3,736 between 2024 and 2025.

Despite the cited concerns above, RSG did not identify any notable concerns tied to the efficiency or adequacy of providing fire protection, EMS, and ambulance transport services for residents within the City of La Habra.

- The City of Placentia provides fire protection and emergency medical service through its Fire Department and two fire stations. Placentia's Fire Department provides 24-hour emergency response for a variety of critical events such as fires, explosions, hazardous materials incidents, medical emergencies, traffic/collision accidents, and

[23] Services are delivered through the Los Angeles County Fire Department.

other public assistance requests. Between July 1, 2023, and June 30, 2025, the City reports having responded to 2,927 total incidents (calls for service).[24]

The City has two fire stations:

- Station 1 is located at 110 South Bradford Ave.
- Station 2 is located at 1530 North Valencia Ave.

The 2023-25 Biennial Report for Placentia Fire & Life Safety confirms the City responded to a total of 360 structural fire calls, 520 traffic collisions, 1,310 alarm/service calls, among others.[25] The Public Safety Communications Center Annual Report for 2024 documents a total of 1,513 calls for service that were fire department specific. This report further details that the Placentia Fire Department has one Engine, one Truck, two paramedic units, and one Battalion Chief. The City further confirmed that through their contract with EAS, they are provided two advanced life support ("ALS") units staffed with four paramedics that operate within city limits at all times.

The City of Placentia did not express any concerns or issues with adequacy of fire protection and emergency medical services. RSG separately did not identify any notable concerns during the timing of this report.

- The City of Yorba Linda receives fire protection and emergency medical service through its contract with the Orange County Fire Authority ("OCFA"). OCFA provides 24-hour emergency response to a variety of critical events such as fires, explosions, hazardous materials incidents, medical emergencies, traffic/collision accidents, and other public assistance requests. Based on information provided by Yorba Linda, OCFA's fire station information is as follows:
    - Station 10 is located at 18422 Lemon Drive and had a total of 3,074 incidents.
    - Station 32 is located at 20990 Yorba Linda Blvd., and had a total of 2,268 incidents.

[24] The City of Placentia was unable to provide total incidents per station.
[25] Placentia responded to other call types per the Biennial report.

- Station 53 is located at 25415 La Palma Avenue and had a total of 603 incidents.

The City of Yorba Linda did not express any concerns with their existing contract for service with OCFA or cite any issues with the adequacy of fire protection and emergency medical services. RSG separately did not identify any notable concerns during the timing of this report.

Based on the assessment and findings above, RSG determines the agencies in the North Region currently have the capacity and adequacy of facilities to continue to provide fire protection, EMS, and ambulance transport services to existing residents at the present level of service.

WATER SERVICES

Water services in the North Region are provided by one water district (Yorba Linda Water District), and four of the five cities (Brea, Fullerton, La Habra, Placentia) provide retail water services to their residents. The City of Yorba Linda receives water services from Yorba Linda Water District. Yorba Linda Water District also provides services to portions of the cities of Brea, Placentia, and Anaheim, and to unincorporated areas in the County. Water infrastructure, including water mains and pumps, ranges in age from about 37 to 70 years old between each agency, with the City of La Habra having the oldest documented infrastructure at an average of 70 years, and the City of Yorba Linda with the youngest infrastructure at an average of 37 years.[26] The remaining agencies fall within the range of 40–50 years.

It is important to note that most water infrastructure has a useful lifespan that ranges between 50 to 100 years, depending on the materials, installation conditions, and maintenance practices. Portions of the agencies' systems installed prior to 1975 may be approaching or exceeding their expected service life and may require increased maintenance and phased replacement. Notably, the cities of Placentia and Fullerton have

[26] Information provided in the City of Placentia's General Plan suggests presence of water infrastructure dating back to 1910. However, during the time of the report, the City was unable to confirm average age of existing water infrastructure.

exceeded their useful lifespan and improvements may be merited. Table 9 presents an infrastructure inventory of the water providers in the North Region.

Table 9: Retail Water Service and Infrastructure

City of Brea	
Service Area	City of Brea
Average Age of Infrastructure[27]	45 Years
Number of Wells	1
Number of Water Connections	13,821
Miles of Infrastructure	228
Water Provider	City of Brea and Yorba Linda Water District
Water Supply Source(s)	Imported Groundwater (California Domestic Water Company) and imported water (the Municipal Water District of Orange County)
City of Fullerton	
Service Area	City of Fullerton
Average Age of Infrastructure	50 Years
Number of Wells	8
Number of Water Connections	32,144
Miles of Infrastructure	424
Water Provider	City of Fullerton
Water Supply Source(s)	Groundwater (Orange County Water District) and imported water (the Municipal Water District of Orange County)
City of La Habra	
Service Area	City of La Habra
Average Age of Infrastructure	70 Years
Number of Wells	3
Number of Water Connections	14,522
Miles of Infrastructure	165
Water Provider	City of La Habra
Water Supply Source(s)	Local groundwater from La Habra Groundwater Basin, imported groundwater (California Domestic Water Company) and imported water (the Municipal Water District of Orange County)
City of Placentia	
Service Area	City of Placentia
Average Age of Infrastructure	Not available[28]
Number of Wells	16
Number of Water Connections	2,578
Miles of Infrastructure	32
Water Provider	Golden State Water Company and Yorba Linda Water District

[27] Average water infrastructure age was based on information provided by agency staff and was not independently verified as part of this analysis.
[28] The City of Placentia informed RSG that external water providers operate majority of their water system – Golden State Water Company and/or Yorba Linda Water District. Therefore, Placentia was unable to confirm average age of water infrastructure at time of this report.

Water Supply Source(s)	Groundwater and imported water (Golden State Water Company)[29] and Yorba Linda Water District
Yorba Linda Water District[30]	
Service Area	City of Yorba Linda, and parts of the Cities of Placentia, Anaheim, Brea, and portions of unincorporated Orange County
Average Age of Infrastructure	37-40 Years
Number of Wells	10
Number of Water Connections	25,385
Miles of Infrastructure	352
Water Provider	Yorba Linda Water District
Water Supply Source(s)	Groundwater via Orange County Groundwater Basin (managed by Orange County Water District) and imported water (the Municipal Water District of Orange County)

The Municipal Water District of Orange County ("MWDOC") provides wholesale water services to all cities in the North Region except for the City of Fullerton. MWDOC was formed in 1951 to import wholesale water from the Metropolitan Water District of Southern California, discussed above. MWDOC has a countywide service area that includes fourteen cities, thirteen special districts, and one private water agency, and it is governed by a seven-member board. In addition to wholesale water services, MWDOC also provides other water resources and programs within the North Region that include planning efforts in water supply development, water use efficiency, and water education and emergency preparedness.

Agencies in the North Region receive groundwater from various sources. For instance, several of the cities in North Region receive groundwater from private water companies; the cities of Brea and La Habra receive groundwater from the California Domestic Water Company, and the City of Placentia receives groundwater from the Golden State Water Company. The Golden State Water Company provides a blend of groundwater pumped from the Orange County Groundwater Basin and imported water from the Colorado River Aqueduct and State Water Project (imported and distributed by Metropolitan Water District

[29] Golden State Water Company receives groundwater from the Orange County Groundwater Basin and imports water from the Colorado River Aqueduct and State Water Project via Metropolitan Water District of Southern California.
[30] The Yorba Linda Water District is the service provider for the City of Yorba Linda.

of Southern California). Meanwhile, the California Domestic Water Company receives its water from the Main San Gabriel Basin via several groundwater wells.

The Orange County Water District ("OCWD") manages additional sources of groundwater in the North Region and provides Yorba Linda Water District with a portion of its water supply. As noted in Table 9 above, Yorba Linda Water District provides water to the City of Yorba Linda and certain portions of the City of Placentia and Brea. Established in 1933, OCWD serves as the regional agency responsible for protecting Orange County's Santa Ana River water rights and managing the groundwater basin underlying north and central portions of the county. The District is governed by a 10-member board comprised of representatives from 13 cities, five special districts (including Yorba Linda Water District), and one private water agency. OCWD's policy direction focuses on promoting long-term groundwater reliability, water quality protection, and cost-effective, environmentally responsible basin management.

Following are specific individual agency findings[31]:

- The City of Brea operates a largely built-out potable water system serving approximately 45,600 residents through about 228 miles of distribution mains, seven reservoirs with 69.5 million gallons of storage, and five booster pump stations, with multiple interconnections providing system redundancy, according to the City's Urban Water Management Plan 2021 ("UWMP").

  Brea's water supply is primarily imported groundwater from the Main San Gabriel Basin via the California Domestic Water Company, supplemented by Metropolitan Water District of Southern California supplies through MWDOC and a limited amount of local La Habra Basin groundwater used for irrigation only.

  Recent water demands have remained stable at roughly 9,100–10,000 acre-feet per year, with residential uses comprising just over half of total consumption, and long-term projections indicate modest growth of 2.1% between 2025 and 2045 with the

[31] RSG relied on information from each agencies' Water Master Plans and/or Urban Water Management Plans to inform this analysis.

projected potable water use for 2045 at 9,745 acre-feet. The City's reliability analysis concludes that available supplies are sufficient to meet projected demands under normal, single-dry, and multi-dry-year conditions through the planning horizon.

Analysis from the City of Brea's 2021 Water Master Plan indicates that water supply, storage, and pressure are generally sufficient to meet peak demand. However, some areas of the system that rely on the Berry Street Booster Pump Station may experience capacity limitations. Pipeline condition analysis found that approximately 162,000 linear feet of cast iron mains installed prior to 1970 have exceeded their expected service life and should be prioritized for replacement. To address system needs, the Water Master Plan identifies approximately $18.8 million in capital projects to correct existing deficiencies, $2.7 million in projects to improve system reliability, and $103.8 million in projects associated with build-out and future development, indicating that continued capital investment will be necessary to maintain long-term reliability and capacity.

The City of Brea reported no current concerns regarding water supply reliability or service delivery, noting stable supply conditions, strong conservation measures, and sufficient flexibility to meet demand. RSG separately did not identify any notable concerns during the timing of this report.

- The City of Fullerton operates a large, potable water system serving approximately 144,000 customers over about 22.3 square miles through roughly 424 miles of pipeline, 15 reservoirs with 67.5 million gallons of storage, 14 booster pump stations, eight active groundwater wells, and seven imported water connections, based on the City's 2025 Water Master Plan Update.

  Fullerton's water supply is derived primarily from groundwater from the Orange County Groundwater Basin, managed by OCWD (approximately 73 percent of total supply) and supplemented by imported water from the Metropolitan Water District of Southern California (approximately 27 percent). Recent average annual water production has been about 25,552 acre-feet per year[32], with long-term demand projections based on the City's 2020 Urban Water Management Plan ("UWMP") indicating stable to modest growth through 2045, reflecting conservation trends and planned development.

System modeling and reliability analyses indicate that existing and planned facilities are generally sufficient to meet projected average and maximum day demands, and fire flow requirements, subject to implementation of recommended improvements. The Master Plan identifies no single quantified deferred maintenance backlog but documents widespread age-, condition-, and risk-based deficiencies across pipelines, pump stations, reservoirs, and wells. It recommends a comprehensive capital improvement program totaling approximately $151 million over 20 years covering short-term, near-term, and long-term CIP. The Master Plan separately estimates costs for a dedicated pipeline repair and replacement program of about $20.4 million annually to address high- and very high-risk assets and maintain long-term system reliability and capacity.[33]

In addition, the City's 2020 UMWP projects potable water demand to increase modestly to approximately 27,850 acre-feet by 2045 and concludes that available groundwater and imported water supplies are sufficient to meet demands under normal, single-dry, and multiple-dry-year conditions, reflecting a diversified and drought-resilient supply portfolio.

The City of Fullerton noted that portions of its water infrastructure have been in service for several decades and are beginning to require more frequent maintenance and repair. As a result, there is an increasing need for ongoing investment to address system aging and support long-term reliability. The City indicated that while capital improvements are being planned and implemented, available funding may require prioritization and phased delivery of projects over time. Continued attention to

[32] This figure is specific to the City of Fullerton's 10-year average water demands between 2011/12 and 2021/22.
[33] The City of Fullerton's Water Master Plan (2021) identified approximately $982 million in pipeline repairs/improvements needed over the next 60-years.

infrastructure reinvestment will be important to help maintain service reliability, support regulatory compliance, and sustain current levels of service.

- The City of La Habra operates a potable water system serving approximately 63,100 residents within a 7.3-square-mile service area through about 165 miles of water mains, three reservoirs with 16.8 million gallons of storage, three groundwater wells, five booster pump stations, and 49 pressure-regulating stations across 19 pressure zones, according to the City's 2020 Urban Water Management Plan.

  The City's water supply portfolio consists of a combination of imported groundwater from the Main San Gabriel Basin provided by the California Domestic Water Company, local groundwater from the La Habra Basin, and a limited amount of imported surface water from Metropolitan Water District of Southern California provided by MWDOC. In FY 2019-20, supplies were derived primarily from imported groundwater (68 percent) and local groundwater (31 percent), with imported surface water accounting for approximately 1 percent.

  Based on La Habra's 2020 UWMP, water demands have remained relatively stable at an average of approximately 8,900 acre-feet per year with demands in FY 2019-20 resulted in approximately 8,591 acre-feet. Future demands are projected to increase only marginally to approximately 8,865 acre-feet by 2045, reflecting a largely built-out service area and modest population growth. The City's reliability assessment concludes that available local and imported supplies are sufficient to meet projected demands under normal, single-dry, and multiple-dry-year conditions through the planning horizon.

  The City of La Habra's The 2017 Water Master Plan identifies no single quantified deferred maintenance backlog but recommends a phased capital improvement program focused on correcting fire flow deficiencies, improving system reliability, and consolidating the Foothill pressure zones. The Plan estimates approximately $10.9 million in recommended reliability improvements; $7.8 million of which reflect the City's share of Foothill zone consolidation project. These improvements are incorporated into the City's seven-year Capital Improvement Program (2018-2024). which identifies a total of $21.1 million in planned water system capital investments to enhance long-term system reliability and resiliency.

During the agency interview, the City of La Habra did not express any concerns about their water services or facilities. RSG separately did not identify any notable concerns during the timing of this report.

- The City of Placentia does not own, maintain, or operate a municipal potable water system. Instead, Placentia receives potable water services through an existing agreement with the Golden State Water Company. Placentia also receives water services for certain areas within the City from the Yorba Linda Water District.

  To RSG's knowledge, the Golden State Water Company ("GSWC") is responsible for the preparation of the Urban Water Management Plan which would cover services in Placentia.[34] According to the Proposed 2019, 2020, 2021, and 2025-27 Infrastructure Investment and Water Rates provided by Placentia, GSWC is a California Public Utilities Commission ("CPUC")-regulated investor-owned utility serving approximately 16,200 customer in the Placentia service area. GSWC provides services to portions of the unincorporated communities of Cowan Heights and Lemon Heights, and portions of the cities of Orange, Santa Ana, and Yorba Linda.

  GSWC's infrastructure planning and capital improvements are governed through the CPUC General Rate Case ("GRC") process, which establishes system investment and rate recovery on a three-year cycle. In its recent filings, GSWC identified over $22 million in proposed infrastructure investments for the Placentia service area for 2025–2027, including reservoir replacements, groundwater well improvements, booster station upgrades, pipeline replacement, treatment equipment, and systemwide technology improvements.

[34] RSG was unable to obtain a copy of the UWMP from the Golden State Water Company.

In addition, limited areas within the City receive water service from Yorba Linda Water District, which prepares its own Urban Water Management Plan and Water Master Plan. The City provided the Municipal Water District of Orange County ("MWDOC") UWMP; however, MWDOC functions as a regional wholesale planning entity and is not the direct retail supplier to Placentia customers. Accordingly, infrastructure age, system capacity metrics, and average demand data specific to the Placentia service area were not available for review as part of this MSR and are instead addressed through the respective retail provider planning documents.

The City of Placentia did not express any concerns or issues with adequacy of water services or facilities. RSG separately did not identify any notable concerns during the timing of this report.

- The Yorba Linda Water District provides potable water service to approximately 25,000 connections across a 14,000-acre service area encompassing the City of Yorba Linda and portions of Placentia, Brea, Anaheim, and unincorporated Orange County, according to the District's 2020 Urban Water Management Plan Executive Summary[35], The District's system includes 10 groundwater wells, 12 booster pump stations, 14 reservoirs, approximately 352 miles of water mains, and multiple pressure zones and interconnections.

  The District's water supply portfolio consists of a combination of local groundwater from the Orange County Groundwater Basin and imported water from Metropolitan Water District of Southern California via the Municipal Water District of Orange County. In FY 2019-20, supplies were approximately 53 percent groundwater and 47 percent imported water. This anomaly time period reflects the fact that YLWD groundwater wells were turned off in 2020 and 2021 due to PFAS contamination thus requiring the use of 100% imported water during construction of a new water treatment plant. Upon completion of the treatment plant in FY 2021-22, YLWD returned to using 85%

[35] Yorba Linda Water District provided RSG with copies of the Executive Summaries for the District's Water Master Plan and Urban Water Management Plan; full versions of these documents were not available for review at the time of analysis

groundwater and 15% imported water. YLWD continues to maximize groundwater production at 85% of demand as permitted by the Orange County Water District. Existing annual water demand is approximately 19,867 acre-feet, with future demand projected to increase by about 8 percent by 2045 due to limited infill development and accessory dwelling units.

Hydraulic modeling indicates the District's water system generally provides adequate service to meet current and project demands, including fire flow needs in most areas. However, the analysis from the 2022 Water Master Plan Executive Summary (Plan) identified some localized areas where improvements are needed to strengthen system redundancy, improve fire flow performance, address water age concerns, and support long-term reliability. To address these conditions and improve long-term reliability, the Plan identifies 71 capital projects over a 10-year period, totaling approximately $144.5 million, and focused on condition-based asset replacement, fire flow improvements, groundwater production optimization, and system redundancy.

The District's UWMP concludes that available groundwater and imported water supplies are sufficient to meet projected demands under normal, single-dry, and multiple-dry-year conditions through 2045, reflecting a diversified and drought-resilient supply portfolio.

During the agency interview, the Yorba Linda Water District did not express any concerns about their water service capacity or facilities. RSG separately did not identify any notable concerns during the timing of this report.

Based on the assessments and findings above, RSG determines the agencies in the North Region currently have the capacity to continue to provide water services to existing residents at the present level of service. Urban Water Management Plans ("UWMPs") prepared for the cities of Brea, Fullerton, and La Habra, and the Yorba Linda Water District suggest that each agency maintains sufficient water supplies to meet projected demands under normal conditions, and that their systems are generally capable of meeting average day, maximum day, and fire flow requirements (some subject to identified recommended improvements).

However, these findings also indicate that much of the region's water infrastructure was constructed between 40 to 70 years ago and is approaching – or has exceeded – the end of its useful lifespan. Each agency has identified substantial capital improvements needed to address the aging infrastructure. Long-term capital plans among the agencies range from tens of millions to well over $100 million, as detailed above, and reflect the need for ongoing investment in condition-based replacement, system reliability, and regulatory compliance.

Therefore, continued service capacity appears contingent upon sustained funding and disciplined implementation of adopted capital improvement plans. While RSG finds existing systems currently adequate to meet service needs, failure to maintain investment levels or defer planned replacement may compromise long-term reliability. These risks are specifically pronounced for the cities of Fullerton and Brea, and the Yorba Linda Water District, who have documented significant capital improvements with high costs.

WASTEWATER

Wastewater services (collection and conveyance) in the North Region are provided by four of the five cities (Brea, Fullerton, La Habra, and Placentia) and the Yorba Linda Water District. The City of Yorba Linda receives wastewater collection and conveyance services from the Yorba Linda Water District. Table 10 below provides an inventory of the wastewater infrastructure provided by agencies in the North Region.

Table 10: Wastewater Service and Infrastructure

City of Brea	
Wastewater Service Provider	City of Brea
Average Age of Infrastructure[36]	45 Years
Number of Lift Station	3
Number of Manholes	12

[36] Average wastewater infrastructure age was based on information provided by agency staff and was not independently verified as part of this analysis.

Miles of Infrastructure	134
City of Fullerton	
Wastewater Service Provider	City of Fullerton
Average Age of Infrastructure	50 Years
Number of Lift Stations	N/A
Number of Manholes	12
Miles of Infrastructure	330
City of La Habra	
Wastewater Service Provider	City of La Habra
Average Age of Infrastructure	70 Years
Number of Lift Stations	Not applicable
Number of Manholes	2,680
Miles of Infrastructure	125
City of Placentia	
Wastewater Service Provider	City of Placentia, Yorba Linda Water District
Average Age of Infrastructure	50+ Years
Number of Lift Stations	N/A
Number of Manholes	2,300
Miles of Infrastructure	84
City of Yorba Linda	
Wastewater Service Provider	Yorba Linda Water District
Average Age of Infrastructure	66 +/- Years
Number of Lift Stations	1
Number of Manholes	5,635
Miles of Infrastructure	237
Yorba Linda Water District	
Wastewater Service Provider	Yorba Linda Water District
Average Age of Infrastructure	40
Number of Lift Stations	1
Number of Manholes	6,297
Miles of Infrastructure	267

All cities and the Yorba Linda Water District are part of the Orange County Sanitation District ("OCSD"), which is responsible for regional wastewater collection, treatment, and disposal services within central and northwest Orange County. OCSD owns and operates regional wastewater infrastructure within or serving portions of all cities in North Region. The District is governed by a 25-member board representative of 20 cities, four special districts, and the County of Orange. Table 11 provides an inventory of the infrastructure that is part of the OC Sanitation District.

Table 11: OC Sanitation District Infrastructure

Orange County Sanitation District	
Service Area	Entire North Region

Miles of Regional Pipelines	386
Miles of Local Pipelines	1.2
Number of Pump Stations	15
Number of Treatment Plants	2

Following are specific individual agency findings:

- The City of Brea owns and operates the local wastewater collection system consisting of approximately 134 miles of gravity sewer pipe, three lift stations, and two inverted siphons, and conveys wastewater to the Orange County Sanitation District for regional treatment and disposal, according to the City's 2021 Sewer Master Plan.

  The system serves an estimated average dry weather flow of approximately 4.9 million gallons per day under existing conditions. Hydraulic modeling conducted for the 2021 Sewer Master Plan indicates that only about 749 linear feet of pipeline (approximately 0.1 percent of the system) is currently capacity deficient, reflecting prior capital improvements and reduced per-capita wastewater generation associated with water conservation. Under near-term and full buildout scenarios, additional localized deficiencies are projected, particularly in areas tributary to the Carbon Canyon and Sphere of Influence sewer sheds. Condition assessment based on CCTV inspection of approximately 81 percent of the system identified that about 4.3 percent of inspected pipelines exhibit severe structural defects (Grade 5) requiring prioritized rehabilitation or replacement.

  The 2021 Sewer Master Plan identifies a capital improvement program focused on capacity upgrades, lift station rehabilitation, siphon improvements, and condition-based pipeline replacement to address both existing and future deficiencies and maintain long-term system reliability. These infrastructure investments complement the City's 2016 Sewer System Management Plan, which establishes preventive maintenance, fats-oils-and-grease ("FOG") control, and overflow response procedures to ensure regulatory compliance and minimize sanitary sewer overflows.

The City of Brea did not express any concerns or issues with adequacy of wastewater services or facilities. RSG separately did not identify any notable concerns during the timing of this report.

- The City of Fullerton owns and operates a gravity-only wastewater collection system serving approximately 32,000 sewer connections across the City's 22-square-mile service area, according to the 2024 City of Fullerton's Sewer Master Plan. The system consists of approximately 330 miles of gravity sewer mains, 35 inverted siphons, and multiple diversion manholes, and conveys all wastewater to the Orange County Sanitation District for regional treatment and disposal; the City does not operate any lift stations, force mains, or treatment facilities.

  Existing average dry weather flow is estimated at approximately 9.2 million gallons per day ("mgd"), with projected increases to about 12.0 mgd by 2030 and 12.4 mgd by 2045 due to planned development and RHNA growth. Hydraulic modeling indicates that the system generally operates within capacity under dry weather conditions; however, two localized pipeline segments were identified as deficient under peak wet-weather conditions based on stress-testing and historical design storm assumptions.

  Condition assessment of selected pipeline segments found localized structural deficiencies requiring rehabilitation or replacement, particularly among older vitrified clay pipe segments, which comprise most of the system and of which approximately 65 percent are more than 50 years old.[37]

  To address both capacity and condition concerns, the Sewer Master Plan identifies a capital improvement program focused on targeted trunk sewer replacements, condition-based rehabilitation, and long-term flow monitoring, including approximately $7.6 million in capacity improvement projects, $9.0 million in condition improvement projects, and additional monitoring investments to improve wet-weather performance assessment and long-term system reliability.

[37] The 2024 Sewer Master Plan for the City of Fullerton confirms 11 of 17 CIP projects have been completed between 2009 and 2023.

The City of Fullerton noted that sewer enterprise revenues are flat while operating costs are increasing, reducing available funding for wastewater repairs, replacements, and capital improvements. The City also reported that several collection system deficiencies and condition issues identified in the 2024 Sewer Master Plan Update remain unresolved or in progress, and that some repairs will be addressed when sufficient funding is available. However, Fullerton indicated no known development delays due to sewer limitations and referred to the Sewer Master Plan regarding overall system needs and capacity. The city did not express any concerns or issues with the adequacy of wastewater services or facilities. RSG separately did not identify any notable concerns during the timing of this report.

- The City of La Habra owns and operates the local wastewater collection system serving the City's service area and conveys all wastewater to the Orange County Sanitation District for regional treatment and disposal, according to the 2019 City of La Habra Sewer Management Plan ("SMP").

  The system consists of 125 miles of gravity sewer mains and associated appurtenances and is maintained by the City's Public Works Department, Water/Sewer Division. The SMP indicates that La Habra does not operate wastewater treatment facilities and relies on OCSD for downstream treatment capacity.

  System performance and capacity are managed through a program of routine cleaning, inspection, and flow monitoring rather than through systemwide hydraulic modeling. The SMP further indicates that La Habra has established a CIP to address projected hydraulic deficiencies which is included in the 2005 SMP Update.[38] The City of La Habra conducts periodic CCTV inspections and maintains a geographic information system ("GIS") inventory to track system condition and prioritize rehabilitation. The SMP identifies the need for continued preventive maintenance, targeted rehabilitation of deteriorated sewer segments, and control of FOG to reduce blockages and sanitary sewer overflows.

[38] RSG was not able to obtain a copy of the 2005 SMP document at the time of this MSR.

The City of La Habra maintains emergency response procedures, vacuum truck resources, and trained staff to respond to overflows and system failures and emphasizes long-term rehabilitation planning and replacement of aging sewer infrastructure as part of its ongoing capital and maintenance programs.

To address both capacity and condition concerns, the SMP Update identifies a capital improvement program focused on targeted capacity-driven trunk sewer replacements, and condition-based pipeline rehabilitation. Projects are prioritized based on field-verified capacity deficiencies, CCTV-informed structural condition ratings, and identified system “hot spots,” and are phased to align with available funding and implementation capacity, with total planned sewer replacement investments estimated at approximately $21.1 million.

The City of La Habra did not express any concerns or issues with adequacy of wastewater services or facilities. RSG separately did not identify any notable concerns during the timing of this report.

- The City of Placentia owns and operates majority of the local wastewater collection system serving the City’s service area and conveys all wastewater to the Orange County Sanitation District for regional treatment and disposal, according to the City of Placentia’s 2018 Sewer Master Plan. The Yorba Linda Water District separately provides wastewater collection to roughly 15 percent of the City of Placentia via 10 miles of gravity sewer mains. However, Yorba Linda Water District’s system connects to the City of Placentia collection system at various points prior to outfalls to the Orange County Sanitation District.[39]

  The City of Placentia’s collection system consists of approximately 84 miles of gravity sewer mains, eleven inverted siphons, and does not include City-owned treatment facilities, lift stations, or force mains.

[39] Based on the Placentia’s 2018 Sewer Master Plan Orange County Sanitation District owns and operates approximately 2.9 miles of gravity sewer within a 0.11 square mile area completely within the City of Placentia boundary. However, wastewater flows here have no connection to the City’s collection system.

Hydraulic modeling conducted for the Sewer Master Plan indicates that the majority of the system operates within acceptable capacity thresholds under dry-weather conditions; however, localized capacity deficiencies were identified under peak wet-weather scenarios in select trunk sewer segments.[40] Condition assessment identified aging vitrified clay pipe and areas susceptible to infiltration and inflow as priorities for rehabilitation.

The Sewer Master Plan identifies a capital improvement program focused on targeted trunk sewer upsizing, condition-based pipeline rehabilitation, and continued flow monitoring to address both existing and projected deficiencies and to maintain long-term system reliability and regulatory compliance.

The City of Placentia did not express any concerns or issues with adequacy of wastewater services or facilities. RSG separately did not identify any notable concerns during the timing of this report.

- Yorba Linda Water District owns and operates a wastewater collection system serving approximately 24,700 service connections and conveys all wastewater to the Orange County Sanitation District for regional treatment and disposal, based on the Yorba Linda Water District's 2022 Wastewater Master Plan Executive Summary.

  The system consists of approximately 270 miles of sewer pipeline and 6,240 manholes, divided between a West Area (194 miles) and an East Area (76 miles), and includes one lift station in the East Area; pipe materials are primarily vitrified clay with smaller amounts of PVC, ductile iron, cast iron, and ABS.

  Existing average dry weather flow within the District totals approximately 5.99 million gallons per day ("mgd"), with buildout flow estimated at 6.31 mgd. Hydraulic modeling indicates the system has localized capacity constraints, with additional areas expected

[40] The City of Placentia's 2018 Sewer Master Plan does not provide a single, clearly labeled systemwide average dry-weather flow figure. Instead, the report provides a table identifying flow projections used for modeling scenarios.

to approach capacity as development occurs. Several pipeline segments are also nearing capacity and should be monitored.

To address these issues, the 2022 Wastewater Master Plan Executive Summary identifies three priority capital improvement projects (Kellogg Drive, Yorba Linda Town Center, and Buena Vista areas) to correct capacity constraints and provide for planned development, with individual project costs ranging from approximately $1.6 million to $2.9 million (2022 dollars). The 2022 Wastewater Master Plan Executive Summary also documents ongoing CCTV inspection and condition assessment efforts, as well as integration with the District's Asset Management Plan to support long-term rehabilitation and system reliability.

The Yorba Linda Water District did not express any concerns or issues with adequacy of wastewater services or facilities. RSG separately did not identify any notable concerns during the timing of this report.

Based on the assessments and findings above, RSG determines that the agencies in the North Region currently have the capacity to continue providing wastewater collection services to existing residents at present levels of service. Sewer Master Plans and Sewer System Management Plans prepared for the Cities of Brea, Fullerton, La Habra, and Placentia and the Yorba Linda Water District indicate that their collection systems generally operate within acceptable capacity thresholds under dry-weather conditions and that available conveyance to the Orange County Sanitation District is sufficient to meet current and projected demands.

However, these findings also indicate that much of the region's wastewater infrastructure consists of aging gravity pipelines, many of which were constructed more than 40 to 70 years ago and are approaching - or have exceeded - their useful lifespan. All agencies have identified localized hydraulic deficiencies under peak wet-weather conditions, structurally deficient pipeline segments requiring rehabilitation or replacement, and ongoing risks associated with infiltration and inflow. Each agency has established capital improvement programs focused on targeted trunk sewer upgrades, condition-based pipeline rehabilitation, lift station and siphon improvements (where applicable), and continued flow monitoring to address both existing and projected deficiencies and to maintain regulatory compliance.

While existing systems are currently adequate, deferral of planned rehabilitation or reduction in sewer maintenance revenues may compromise long-term system reliability and increase the risk of capacity constraints and sanitary sewer overflows. These risks are particularly pronounced for agencies with large inventories of older vitrified clay pipe and documented required infrastructure upgrades, including the cities of Fullerton and Brea, and the Yorba Linda Water District.

STORMWATER AND SOLID WASTE

All cities in the North Region provide storm water drainage services in-house through their respective Public Works Departments as detailed on their respective websites. All cities in the North Region have a National Pollutant Discharge Elimination System ("NPDES") Program to prevent pollution from being discharged into the environment. Stormwater collected for each city in the North Region is disposed of in the nearest body of water available to each agency. For instance, and as explained on their websites, the City of Fullerton and La Habra's stormwater drainage systems connect to the Coyote Creek Watershed which is a tributary of the San Gabriel River. The San Gabriel River empties into the Pacific Ocean in Seal Beach.

Solid waste collection, disposal, and recycling services within the North Region are generally provided through franchise agreements with private haulers supported by regional landfill and recycling facilities. This arrangement allows the cities to meet state waste diversion requirements while relying on existing regional infrastructure rather than operating independent disposal facilities. All cities in the North Region, except for La Habra, contract with Republic Services formerly known as "MG Disposal". La Habra currently contracts with CR&R Incorporated.

None of the cities identified service deficiencies or concerns related to stormwater or solid waste service delivery or related facilities. RSG separately did not identify any notable concerns during the timing of this report. Therefore, RSG determines that the cities' stormwater and solid waste services in the North Region are adequate to meet existing and future community needs at the present level of service.

UTILITIES (ELECTRIC, LIGHTING, AND OTHER UTILITIES)

Lighting services are provided to each city by the Southern California Edison ("SCE"). Based on information available on the cities' website, most cities in North Region own their street lighting infrastructure but rely on SCE for the maintenance and operation, apart from the City of Brea who oversees the maintenance of their street lighting. The agencies did not report any issues with lighting services. Electricity and gas services are generally provided to North Region agencies by SCE and Southern California Gas ("SoCal Gas"). The agencies did not report any issues with these utility providers.

None of the cities identified service deficiencies or concerns related to utility (street lighting, gas and electric) service delivery or related facilities. RSG separately did not identify any notable concerns during the timing of this report. Therefore, RSG determines that the cities' utility services in the North Region are adequate to meet existing and future community needs at the present level of service.

STREET MAINTENANCE

Street and road maintenance services are provided by each city's Public Works Department. In the City of Placentia and La Habra, street and road maintenance and repair activities are performed by City Public Works crews, while street sweeping services are provided under contract by the Sweeping Corporation of America (SCA) and Nationwide Environmental Services, respectively.

The cities fund street and road maintenance in a variety of ways. They use funding from their General Funds and Enterprise Funds, along with money from impact fees and grants. Cities in California receive a share of the statewide gas tax, which can be used for research, planning, construction, improvement, maintenance, and operation of public streets. For many cities, the gas tax is one of the single largest funding sources in their CIP.

Orange County also has a countywide sales tax that can be used for transportation improvements. Measure M2 (otherwise known as "OC Go") is a voter-approved countywide half-cent transportation sales tax that can be used to expand Metrolink (the southern California regional rail system), improve street conditions, relieve congestion, and reduce pollution, along with other transportation-related goals. The Measure was originally approved by the voters in 1991 for thirty years and was extended in 2011 through 2041. Measure M2 is often a major source of funding for cities' capital improvement programs. Table 12 shows the maintained miles of urbanized roads for each of the cities, along with their respective budgeted gas tax expenditures.

Table 12: Maintained Road Miles, Vehicle Miles Traveled, & Gas Taxes per City

North Region

	Urbanized Roads		*City Budgeted*
City	**Maintained Miles**	**Daily Vehicle Miles Traveled**	**FY 25-26 Gas Tax Expenditures[1]**
Brea	116	461	$1,356,146
Fullerton	296	1,776	$4,284,367
La Habra	108	422	$3,340,937
Placentia	102	395	$3,032,118
Yorba Linda	207	645	$5,466,552

[1] Gas Tax expenditures include those included under the Road Maintenance and Rehabilitation Account (SB 1, 2017) funds

Source: Caltrans 2023 Public Road Data Report, City Budgets FY 25-26

Table 13 provides an overview of the roadway infrastructure within the North Region cities using available data on centerline miles and pavement conditions pulled from each cities' most recent Pavement Management Plans. Pavement conditions are summarized using Pavement Condition Index ("PCI") scores, a commonly used measure of roadway condition scale of 0 to 100, where higher scores reflect better pavement conditions. The table below, includes PCI data for local streets, as reported by each city, and arterial and collector roadway PCI information from the Master Plan of Arterial Highways ("MPAH") inspections. These indicators provide a high-level snapshot of roadway conditions and help inform the evaluation of infrastructure maintenance needs.

Table 13: Roadway Infrastructure in North Region

City of Brea	
Centerline Miles	127.3
Arterial and Collector (MPAH) PCI	78.7
Local Streets PCI	82.9
City of Fullerton	
Centerline Miles	297.3
Arterial and Collector (MPAH) PCI	75.6
Local Streets PCI	65.6
City of La Habra	
Centerline Miles	115.6
Arterial and Collector (MPAH) PCI	78.3
Local Streets PCI	77.2
City of Placentia	
Centerline Miles	133.9
Arterial and Collector (MPAH) PCI	84.5
Local Streets PCI	77.0
City of Yorba Linda	
Centerline Miles	214.4
Arterial and Collector (MPAH) PCI	73.0
Local Streets PCI	79.0

Following are individual findings about each agency's ability to provide street maintenance services[41]:

- According to the City of Brea's 2025-2032 Pavement Management Plan ("PMP"), Brea maintains approximately 127.3 centerline miles of streets with both major pavement arterial/collector ("MPAH") and local street systems rated in the "good" range based on weighted Pavement Condition Index ("PCI") values. The MPAH network has a weighted PCI of approximately 78.7, and the local street network has a weighted PCI of

[41] RSG relied on the findings documented in each agencies' respective pavement management plan or similar plans where available.

approximately 82.9, indicating generally serviceable pavement conditions across the system.

Despite the current favorable condition ratings, the PMP identifies a significant and growing deferred maintenance backlog. Under projected funding levels, deferred pavement maintenance is expected to increase from approximately $22.4 million to about $51.8 million by FY 2031–32. Maintaining existing conditions will require approximately $2.8 million annually for arterial/collector streets and approximately $3.7 million annually for local streets over the seven-year planning horizon.

Funding increases beyond current levels would be required to improve overall network condition and materially reduce the deferred maintenance backlog. Without sustained or enhanced investment, the City risks gradual deterioration of pavement conditions and continued growth in unfunded rehabilitation needs, potentially placing pressure on future capital improvement budgets.

The City of Brea did not express any concerns or issues with adequacy of road maintenance services. RSG separately did not identify any notable concerns during the timing of this report. However, RSG notes that Brea will need to continue following the recommendations outlined in the City's PMP to ensure long-term sustainability of existing road conditions and its ability to fund necessary improvements as planned.

- The City of Fullerton maintains approximately 297.3 centerline miles of streets with an estimated replacement value of about $706.5 million, according to Fullerton's 2024-2031 PMP. The PMP further indicates that while portions of the roadway network remain in "good" condition, overall system performance reflects growing maintenance and funding challenges. The arterial and collector ("MPAH") network has a weighted average PCI of approximately 75.6, which falls within the "good" range, while the local street network has a weighted average PCI of approximately 65.6, placing it in the "fair" range.[42] Nearly half of the local street system qualifies for rehabilitation or

[42] Fullerton's PMP suggests the City's *overall* network (MPAH and local streets) weighted PCI is 69.3, which has improved since the 2022 PMP report was conducted.

reconstruction, signaling widespread structural deterioration rather than surface-level distress.

The PMP identifies a substantial and increasing backlog of deferred maintenance. Under current funding levels, deferred pavement maintenance is projected to grow to approximately $141 million by FY 2030–31. To maintain current pavement conditions, the PMP estimates annual funding needs of approximately $2.8 million for arterials and $6.8 million for local streets. The City's pavement network replacement value exceeds $700 million, underscoring the scale of the asset at risk if adequate reinvestment does not occur.

The City of Fullerton did not express any concerns or issues with adequacy of road maintenance services or facilities. RSG separately did not identify any notable concerns during the timing of this report. However, RSG notes that Fullerton will need to continue following the recommendations outlined in the City's PMP to ensure long-term sustainability of existing road conditions and its ability to fund necessary improvements as planned.

- The City of La Habra maintains approximately 115.6 centerline miles of streets with both major pavement arterial/collector ("MPAH") and local street systems rated in the "good" range based on weighted Pavement Condition Index ("PCI") values. The MPAH network has a weighted PCI of approximately 78.3, and the local street network has a weighted PCI of approximately 77.2, indicating generally serviceable pavement conditions across the system.

  The PMP confirms the City's current annual funding (FY 2025-26) through FY 2031-32 will continue to generate a positive reduction in the amount of deferred maintenance on the network, going from $8.4 million in current fiscal year to $7.2 million by FY 2032. The PMP further confirms La Habra has approximately $3.5 million of current funding annually to support maintaining existing PCI levels.

The City of La Habra did not express any concerns or issues with adequacy of road maintenance services or facilities. RSG separately did not identify any notable concerns during the timing of this report. Although La Habra did not identify any concerns regarding the adequacy of roadway maintenance services and RSG did not observe any notable deficiencies during the preparation of this report.

- The City of Placentia maintains approximately 133.9 centerline miles of streets with an estimated replacement value of about $282.1 million, according to the City's 2024-2031 PMP. The PMP also suggests the City's pavement network is generally in good condition, with a citywide weighted PCI of approximately 79.7, reflecting the City's consistent use of preventive maintenance strategies over the past decade. Arterial and collector streets ("MPAH") exhibit a weighted PCI of about 84.5, while local residential streets have a weighted PCI of about 77.0. Despite these favorable ratings, a notable portion of both networks will be needed over the next seven years for slurry seal or rehabilitation treatments. This suggests that portions of the system may be beginning to experience structural deterioration rather than purely surface distress.

  Under the City's current and forecasted funding program, the PMP projects that deferred maintenance on both the arterial and local networks can be reduced to $0 by approximately FY 2026–27, provided that the planned maintenance and rehabilitation program is fully implemented. The PMP outlines a significant multi-year CIP for streets, with recommended average annual funding levels of approximately $2.1 million per year for arterials and $2.8 million per year for local streets to maintain current system performance. These funding levels are necessary to sustain PCI values in the "good" range and prevent future growth in backlog. Although the PMP concludes that the proposed budget is sufficient to stabilize pavement conditions, it also implies that reductions in funding would likely result in renewed backlog growth and higher long-term costs, creating a potential affordability challenge if revenues decline or competing capital needs emerge.

The City of Placentia did not express any concerns or issues with adequacy of road maintenance services or facilities. RSG separately did not identify any notable concerns during the timing of this report.

- The City of Yorba Linda maintains approximately 214.4 centerline miles of streets with an estimated replacement value of $449.1 million, according to its 2024 Pavement Management Plan ("PMP"). The overall weighted PCI for the network is 78, placing the system in the "Good" category. Arterial streets ("MPAH") have an average PCI of 73.0 (Good), and local streets have an average PCI of 79.0 (Good). While the system is performing well relative to regional and statewide averages, approximately 44.5 percent of the network is in Fair, Poor, or Very Poor condition[43], indicating that a substantial portion of the system is entering a stage where deterioration accelerates and rehabilitation costs increase.

  The PMP identifies deferred maintenance as a significant long-term challenge. Under the City's current funding level (approximately $5.0 million per year), the network PCI is projected to decline from 78.0 to 76.0 over the next eight years, while deferred maintenance is projected to grow from approximately $39.4 million to $56.0 million by FY 2031–32. Even under higher funding scenarios44 designed to maintain or slightly improve PCI, deferred maintenance remains substantial, ranging from between $39.4 million to $52.0 million, indicating that full elimination of backlog would require funding well above current levels.

  Funding for the pavement program relies primarily on the City's CIP allocations and state and regional transportation revenues, including Measure M2 and SB-1 ("RMRA") funds. The PMP notes that Yorba Linda currently qualifies for a 10 percent reduction in local match requirements under OCTA's Measure M2 program due to its high network

[43] RSG combined the cited percentages in PMP for the networks classified as Fair, Poor, and/or Very Poor.
[44] Yorba Linda's PMP provides various budget scenarios with varying funding levels and maintenance strategies to identify "what if" scenarios.

PCI, but continued eligibility depends on sustained investment and compliance with pavement management reporting requirements.

The City of Yorba Linda did not express any concerns or issues with adequacy of road maintenance services or facilities. RSG separately did not identify any notable concerns during the timing of this report outside of the identified deferred maintenance backlogs and significant capital investment required to raise PCI ratings.

Based on the assessment and findings above, RSG determines the agencies in the North Region have the capacity to continue to provide street maintenance services to existing residents at present levels of service. Pavement Management Plans ("PMPs") prepared by the cities in the North Region suggest their roadway networks are generally in "good" condition and that each agency has established planning frameworks for prioritizing and funding maintenance and rehabilitation.

However, the PMPs also identify substantial deferred maintenance and growing rehabilitation for most of the cities in North Region that will require sustained and, in some cases, increased investment to prevent long-term system decline. Continued reliance on preventative maintenance, disciplined implementation of capital improvement plans, and preservation of dedicated revenue sources will be crucial to sustaining current service levels. Any potential reduction in revenues dedicated to street maintenance or deferral of programmed improvements may materially impair the agencies' ability to fund necessary roadway improvements.

These fiscal and operational risks are most pronounced for the cities of Fullerton and Yorba Linda who are expected to have significant increases in deferred maintenance backlogs under the identified forecasts in their respective PMPs. Additionally, for these two agencies, long-term capital needs appear to exceed their existing budget levels dedicated to roadway maintenance. Therefore, these agencies may face a higher risk of declining pavement conditions and increased future capital obligations.

PARKS, RECREATION, AND OPEN SPACE

Parks and Recreation services in the North Region are primarily provided and maintained by individual city parks and recreation departments. These services include the operation and maintenance of neighborhood and community parks, recreational facilities, trails, and open space areas intended to support community wellness, outdoor recreation, and environmental preservation. In addition to city-operated facilities, limited regional recreational resources and open space areas within or adjacent to the North Region are managed by the County of Orange through OC Parks. Table 14 provides an inventory of public parks and regional parks maintained by agencies serving the North Region. Table 15 provides an inventory list of the miles of trails, and acreage of parklands and open space for each city in the North Region.

Table 14: Public Parks and Regional Parks in the North Region

North Region	
Agency	**Public Parks**
Brea	19
Fullerton	53
La Habra	24
Placentia	16
Yorba Linda	30
County or Federal	**Regional Parks**
Brea	Carbon Canyon Regional Park, Ted Craig Regional Park, Tri-City Park
Fullerton	Craig Regional Park, Fullerton Arboretum, Ralph B.Clark Regional Park, Tri-City Regional Park
La Habra	N/A
Placentia	Tri-City Park
Yorba Linda	Yorba Regional Park, Carbon Canyon Regional Park, Featherly Regional Park, Chino Hills State Park

Source: City websites & General Plans

Table 15: Parkland, Open Space, and Trail Resources

City of Brea	
Total Parkland Acreage	3,772
Total Open Space Acreage	412
Total Miles of Trails	6
City of Fullerton	
Total Parkland Acreage	Not applicable
Total Open Space Acreage	996
Total Miles of Trails	28
City of La Habra	
Total Parkland Acreage	139
Total Open Space Acreage	303
Total Miles of Trails	Not applicable
City of Placentia	
Total Parkland Acreage	61
Total Open Space Acreage	224
Total Miles of Trails	Not applicable
City of Yorba Linda	
Total Parkland Acreage	92
Total Open Space Acreage	147
Total Miles of Trails	100

Following are individual findings about each agency's ability to provide park and recreation services[45]:

- In the City of Brea, the Community Services Department oversees park activities. The Parks, Recreation, and Human Services Commission serves in an advisory role, representing public interests and concerns related to park and recreation services. The Commission evaluates community needs and provides recommendations on programs and services to the City Council, acting as a liaison between residents and City officials.

  The City of Brea's website lists a total of 12 public parks that encompass various recreational amenities such as soccer fields, picnic areas, basketball and tennis courts, public restrooms, barbeque areas, and more. Parkland acreage ranges in size from the

[45] RSG relied on information readily available via agency websites, General Plans, and feedback from interviews where appropriate.

0.5-acre Woodcrest Park to the 20-acre Brea Sports Park. Brea also has two golf courses: the Birch Hills Golf Course and Brea Creek Municipal Golf Course.

Additionally, two regional parks are situated in the City of Brea, the Carbon Canyon Regional park and the Ted Craig Regional Park, each consisting of approximately 130 acres. The Orange County Department of Parks maintains both regional parks. The City of Brea also provides a hiking trail spanning 1.9 miles known as the Olinda Oil Museum and Trail. According to Brea’s 2019 Parks, Recreation and Human Services Facility Needs Assessment, the City of Brea has recreational trails that cover about 6 miles of terrain.

In addition to the various parklands and related amenities, the City of Brea offers a variety of recreation programming that includes dance, sports, arts and crafts, music enrichment and more. Recreational programs are offered at the Brea Community Center located at 695 E. Madison Way in Brea.

In addition to the park and recreation services detailed above, the City of Brea provides 412 acres of open space. RSG was unable to identify any park and recreation standards in the City of Brea’s General Plan.

The City of Brea did not express any concerns or issues with adequacy of parks and recreation services or related facilities. RSG separately did not identify any notable concerns during the timing of this report.

- The City of Fullerton’s Parks and Recreation Department oversees park and recreation activities. The Parks and Recreation Commission serves in an advisory role, representing public interests and concerns related to public recreation services. The Commission evaluates community needs and provides recommendations on programs and services to the City Council, acting as a liaison between residents and City officials.

  The City of Fullerton website identifies a total of 53 public parks that encompass various recreational amenities such as soccer fields, picnic areas, basketball and tennis courts, public restrooms, barbeque areas, and more. Parkland acreage ranges in size from 0.6 to 242 acres, with the Plaza Park reflecting the smallest public park and the Brea Dam Recreation Area reflecting the largest. Four regional parks were identified within the City of Fullerton.

According to the City of Fullerton's list of trails on its website, Fullerton maintains approximately 28 miles of recreation trails that are spread throughout the city. Fullerton's trail heads range in size from 0.64 miles to 2.79 miles, with Nora Kuttner Trail reflecting smallest trailhead and Juanita Cooke Greenbelt & Trail the largest.

In addition to the various parklands and related amenities, the City of Fullerton offers a variety of recreation programming that includes youth and senior programs, recreation rentals, health & fitness classes, and more. Fullerton's Community Center Recreation Division is located at 340 W. Commonwealth Avenue.

In addition to park and recreation services, the City of Fullerton also offers 996 acres of open space. According to Fullerton's 2012 General Plan, the City strives to provide 4 acres of parklands for every 1,000 residents.

The City of Fullerton did not express any concerns or issues with adequacy of parks and recreation services or related facilities. RSG separately did not identify any notable concerns during the timing of this report.

- The City of La Habra's Community Services Department oversees recreation activities, whereas the Public Works Department oversees park maintenance. The Community Services Commission serves in an advisory role, representing public interests and concerns related to public recreation services. The Commission evaluates community needs and provides recommendations on programs and services to the City Council, acting as a liaison between residents and City officials.

  The City of La Habra has a wide range of parks including mini parks, neighborhood parks, and community parks. At certain park locations, the City of La Habra also offers natural and paved walking bike paths. According to La Habra's parks inventory list, the

City provides a total of 24 public parks that encompass various recreational amenities such as soccer fields, picnic areas, basketball and tennis courts, public restrooms, barbeque areas, and more. Individual parkland acreage ranges in size from 0.2 to 27 acres, with the Corona Park reflecting the smallest public park and the Vista del Valle Park reflecting the largest. No regional parks were identified within the City of La Habra.

In addition to the various parklands and related amenities, the City of La Habra offers a variety of recreation programming that includes youth sports programs, special events, summer day camps, aquatic programs, and more. La Habra's Community Center Recreation Division is located at 101 W. La Habra Blvd.

In addition to park and recreation services, the City of La Habra also offers 303 acres of open space. According to La Habra's 2014 General Plan[46], the City strives to provide a ratio of parks, recreational facilities, and open space of 2.5 acres for every 1,000 residents.

The City of La Habra did not express any concerns or issues with adequacy of parks and recreation services or related facilities. RSG separately did not identify any notable concerns during the timing of this report.

- In the City of Placentia, park and recreation services are administered by the Community Services Department, which oversees the planning, operation, and maintenance of parks, recreational facilities, and community programs. The Department is responsible for providing recreational programming, special events, facility rentals, and community services that support resident wellness, community engagement, and quality-of-life opportunities throughout the City.

  The Park Arts and Recreation Commission ("PARC") separately serves in an advisory role to the City Council and City Administrator, representing public interests and concerns related to park and recreation services. PARC also assists in the

[46] La Habra's General Plan was last amended January 2024.

development and adoption of park-related plans for Placentia's parks and recreational activities.

The City of Placentia's 2018 General Plan and Park and Facilities Map identify 19 public parks and related complexes offering recreational amenities such as athletic fields, picnic areas, courts, public restrooms, and barbeque areas. According to the City of Placentia's website, these facilities also accommodate meetings, receptions, birthday and graduation parties, and other special events.

Placentia's park system is divided between "Parkettes", "Neighborhood Parks" and "Community Parks" and "Subregional Parks". Park sizes range from approximately 0.4 acres (Jaycee Parkette) to 11 acres (Kraemer Park). Additionally, the City of Placentia's General Plan identifies one regional park, the Tri-City Regional Park which consists of approximately 40 acres. The Orange County Department of Parks is responsible for the maintenance and operation of Tri-City Regional Park. Overall, the City of Placentia offers over 220 acres of parklands to residents.

Placentia's 2018 General Plan further confirms the City also maintains a network of Class I, II, and III bikeways that provide access to schools, parks, and open space areas while supporting recreational and active transportation opportunities. While no equestrian trails currently exist within the City, residents have access to nearby equestrian facilities in surrounding jurisdictions. In terms of trails, the City confirmed with RSG that their trails primarily consist of short internal park trails and connections to regional facilities such as those at the Tri-City Regional Park. The City of Placentia further confirmed they are advancing the Atwood Multipurpose Trail Project, a planned 20-foot-wide walking and biking corridor intended to enhance connectivity, safety, and active transportation in the Atwood area. The City also received a $280,000 OCTA bicycle grant and expects construction to begin later this year.

In addition to the various parklands and related amenities, the City of Placentia operates a variety of recreational and community facilities that support youth, senior, educational, and recreational programming, as well as community events and facility rentals serving residents, nonprofit organizations, and public agencies. The 2018 General Plan for Placentia confirms there are ten recreational facilities and community buildings within the city.

According to the 2018 General Plan, the City of Placentia's Open Space and Recreation Plan establish a parkland standard of four acres per 1,000 residents to ensure adequate recreational opportunities. The City currently exceeds this standard, maintaining over 224 acres of parkland, including neighborhood, community, and subregional parks, as well as open space associated with school facilities.

The City of Placentia did not express any concerns or issues with adequacy of parks and recreation services or related facilities. RSG separately did not identify any notable concerns during the timing of this report.

- The City of Yorba Linda provides parks and recreation services through its Parks and Recreation Department, which includes Parks, Facilities, and Recreation divisions responsible for park and trail maintenance, public building operations, recreational programming, and community events serving residents and visitors.

  According to the City of Yorba Linda Park and Facilities Map, the City provide 30 public parks and fields offering a variety of amenities, including athletic fields, picnic areas, sports courts, barbeque facilities, public restrooms, and open space areas that support both active and passive recreation. Based on the City of Placentia's 2016 General Plan, the City's park system is divided between "Mini/Greenbelt" parks, "Neighborhood" parks, and "Community" parks. Parks range in size from 0.5 to 17 acres, with the Las Brisas Park reflecting the smallest public park and Eastside Community Park reflecting the largest.

  In addition to park amenities, recreational facilities accommodate community gatherings and private events such as meetings, receptions, and celebrations, while City programming includes youth and adult sports, aquatics, classes, senior and teen programs, summer camps, special events, and volunteer opportunities serving residents and surrounding communities.

Additionally, the 2018 General Plan identifies three regional parks located within City of Yorba Linda's planning area: Yorba Linda Regional Park, Carbon Canyon Regional Park, and Featherly Regional Park; the Chino Hills State Park is also accessible from the City of Yorba Linda but is not within the planning area. These regional parks provide significant recreational and open space resources to residents and the surrounding region. Collectively, these regional resources contribute approximately 14,770 acres of parkland serving the broader Yorba Linda area.

In terms of trails and open space, the 2016 General Plan confirms Yorba Linda provides 147 acres of open space and maintains an extensive trail system consisting of approximately 30 multi-use paved and natural surface trails totaling over 100 miles in length. The trail network supports recreational and active transportation opportunities and includes regional connections such as the Santa Ana River Trail, as well as linkages to nearby recreational resources including Chino Hills State Park, consistent with the City's Master Plan of Trails.

The City of Yorba Linda's 2016 General Plan establishes parkland dedication requirements consistent with the Quimby Act, requiring three acres of parkland per 1,000 residents or payment of in-lieu fees. The General Plan references the City's 2014 Parks and Recreation Master Plan ("PRMP"), which recommends a broader combined standard of 15 acres per 1,000 residents across mini, local, neighborhood, and regional park categories. While the PRMP indicates the City meets the overall combined standard, largely through access to regional parks, joint-use school facilities, and private recreational amenities, it identifies an approximate 101-acre shortfall in local parkland needed to satisfy neighborhood and community park standards.

The City of Yorba Linda did not express any concerns or issues with adequacy of parks and recreation services or related facilities. RSG separately did not identify any notable concerns during the timing of this report.

Based on the assessment and findings above, RSG determined the agencies in the North Region have the capacity to continue to provide quality park and recreational services to current residents at current levels of service. However, the City of Yorba Linda should continue to explore opportunities to expand its local parklands to meet its neighborhood and community park standards given the documented shortfall in their 2014 Parks and Recreation Master Plan.

LIBRARY SERVICES

Library services in the North Region are provided through a combination of municipal and county-operated systems. The Cities of La Habra and Brea receive library services through the County of Orange Public Library system, which operates branch facilities serving residents within these jurisdictions. The City of Placentia receives library services through the Placentia Library District. The City of Fullerton operates and maintains its own municipal library system, providing services directly to residents through City-managed facilities. Table 16 provides an inventory of the number of library facilities serving each community in the North Region.

Table 16: Library Service Providers in the North Region

City	Library Service Provider	Number of Library Branches
City of Brea	County of Orange	1
City of Fullerton	City of Fullerton	2
City of La Habra	County of Orange	1
City of Placentia	Placentia Library District	1
City of Yorba Linda	City of Yorba Linda	1

Following are individual agency findings:

- Library services for the Cities of Brea and La Habra are provided through the Orange County Public Libraries ("OCPL") system. OCPL operates a network of 29 community branch libraries that serve residents throughout Orange County. Through this partnership, OCPL operates branch libraries within Brea and La Habra and provides residents with access to the broader countywide library network. The Brea library is located at 1 Civic Center Circle Plaza, and the La Habra branch library is located at 221 E. La Habra Blvd. La Habra's city staff informed RSG that the library is temporarily closed for renovations but is expected to reopen in January 2027. The City of La Habra owns the library building, while all the staff members are employed by the county. OCPL offers a range of services, including access to physical and digital collections, research and educational resources, computer and internet access, literacy programs, and community programming for youth, teens, and adults. In addition, the OCPL system provides access to materials across its branch network, allowing residents to borrow and return items throughout the county system.

- The City of Fullerton operates and maintains its own municipal library system, the Fullerton Public Library, which provides services directly to residents through City-managed facilities. The library's mission is to serve the diverse needs of the community by fostering learning, providing access to information and resources, and promoting creative thinking and community engagement. Its vision emphasizes providing free and equitable access to information and ideas while supporting lifelong learning and literacy for residents of all ages. Fullerton Public Library offers a range of services, including access to physical collections and digital resources such as e-books and audiobooks, as well as educational programs and community events for children, teens, and adults. Additional services include technology assistance, research support, and literacy-focused programming that support educational and cultural enrichment within the community.

- The City of Placentia receives library services through the Placentia Library District, an independent special district responsible for operating and maintaining library facilities serving the community. The District's mission is to inspire learning, foster community connections, and provide equitable access to information and resources for residents. Library services include access to physical and digital collections, educational programming, literacy initiatives, and community events designed to serve residents of all ages. The District has expanded services and programs to better serve the community, including the development of an outdoor learning space, operation of a bookmobile, and other community-focused initiatives aimed at improving accessibility, outreach, and educational opportunities for residents. Additionally, the District continues to invest in services and technology to improve accessibility and customer service for patrons. The District offers a mobile application that provides convenient access to the library catalog, account services, and other library resources, enhancing public access and service delivery. The Placentia Library District eliminated overdue fines in 2017 in order to reduce barriers to accessing library resources and services, particularly for lower-income residents. This policy aligns with the District's goal of promoting equitable access to information and supporting literacy and student success while encouraging broader community participation in library programs and services.

- The City of Yorba Linda provides library services through the Yorba Linda Public Library, which is owned and operated by the City. The library's mission emphasizes inspiration, connection, and community building by providing residents with access to resources, services, and programs that support lifelong learning. The library offers a range of services including access to physical and digital collections, technology resources, and educational programs for children, teens, and adults. In addition, the library provides community programming and learning opportunities designed to support literacy, encourage curiosity, and create an inviting space for residents of all ages.

Based on the assessment and findings above, RSG determines that the agencies in the North Region have the capacity to continue providing library services to current residents at current service levels. The existing library systems and facilities provide residents with access to a range of resources, programs, and community services that support literacy, lifelong learning, and community engagement across the North Region.

ANIMAL CONTROL

La Habra is the only city in the North Region that provides animal control services through their Police Department.[47] The remaining four cities – Brea, Fullerton, Placentia, and Yorba Linda – receive animal control services by Orange County Animal Care.

According to the Orange County Animal Care's website, animal control services provided include the following:

- Shelter operations and adoption services
- Animal cruelty and neglect investigations
- Veterinary care
- Enforcement of local, state, federal laws (i.e., leashing)
- 24/7 field coverage

Based on interviews with city representatives, all North Region cities reported that they have sufficient funding in place to either contract for animal control services or provide the services directly at current levels. No agencies identified service deficiencies or concerns related to animal control service delivery. Based on the information available, animal control services in the North Region are adequate to meet existing community needs at the present level of service.

CODE ENFORCEMENT

Code enforcement services in the North Region are provided on a jurisdictional basis. Each city administers code enforcement within their respective boundaries, while Orange County provides code enforcement within the unincorporated areas of the North Region.

Based on the interviews with each agency, RSG determines that code enforcement services are sufficient to meet existing demands and that each agency has the adequate capacity and related facilities to continue to provide these services at current levels without

[47] Animal sheltering services in the City of La Habra is provided by contract with the Inland Valley Humane Society.

disruption. Further, none of the agencies identified deficiencies, service gaps, or concerns related to code enforcement service delivery.

VIII. FINANCIAL ABILITY TO PROVIDE SERVICES

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

4. Financial ability of agencies to provide services.

The development of the Fiscal Indicators web-based program (formerly fiscal trends) began in 2008 to provide consistent and structured approach for assessing the fiscal health of Orange County's local agencies. Initially designed to facilitate comparisons of agency performance, the Fiscal Indicators program has evolved into a key analytical tool supporting OC LAFCO's preparation of the MSRs. By housing accurate and meaningful financial data, the program enables the Commission to evaluate the efficiency and effectiveness of municipal service delivery in Orange County. Over time, the platform has undergone functional and structured updates. While recently simplified, the Fiscal Indicators continue to serve as one of OC LAFCO's core living resources to promote transparency and guide decision-making.

The North Region MSR process included the gathering of data needed for the Fiscal Indicators and was discussed with the agencies of the North Region. More details on each of the indicators is provided in the next section of the report as well as the performance of each agency relative to the indicators.

OC LAFCO FISCAL INDICATORS

Fiscal indicators help measure and describe prospects for fiscal health. Indicators can flag trends that merit further evaluation and planning to avoid potential service reductions and declining reserves. The OC LAFCO Fiscal Indicators are based on the past State of California Auditor's indicators of cities' fiscal risk.[48] Multi-year trends in growth (or decline) of agency operating revenues and expenditures, and levels of reserves, are adapted and applied to agencies in Orange County. Agency annual financial reports provide the source data for three key indicators used by OC LAFCO and further described below:

[48] The California Auditor no longer publishes its fiscal risk analysis.

- **Annual Change in Revenues** compares revenue growth over multiple years to long-term inflation (historically about 2-3%). Low revenue growth below inflation indicates a potential long-term problem keeping pace with inflationary cost increases. Declining revenues can be a symptom of the pandemic and/or weakening economic conditions.

Indicator	Range (Average Annual Change)
Declining Revenues	Less than 0%
Low Growth	0%-3%
Moderate Growth	3%-6%
High Growth	> 6%

- **Annual Change in Expenditures** compares expenditure growth over multiple years to long-term inflation. Expenditure growth consistently above inflation and/or above revenue growth indicates a potential structural imbalance and potential future revenue shortfalls. Excessive expenditures could require reserve drawdowns and service reductions.

Indicator	Range (Average Annual Change)
Declining Expenditures	Less than 0%
Low Growth	0%-3%
Moderate Growth	3%-6%
High Growth	> 6%

This indicator generally favors low or declining expenditures. Revenue indicators, if favorable, can help confirm that declining expenditures are a benefit and not an adverse response to weak revenues.

- **Adequate Operating Reserves** are essential to manage cash flow during the year, handle contingencies and emergencies, and provide a "rainy day" account for future economic downturns. Operating reserves typically provide at least two months of operating funds (i.e., 16.7% of annual expenditures). If financial audits do not distinguish operating from capital and other reserves, other metrics include total unallocated fund balances or unrestricted net position. "Cash" does not always indicate unencumbered funds available for cash flow and contingencies. Additional reserves above the 16.7% are usually typically available for emergencies or economic downturns, capital improvements, unfunded pensions, & other uses.

Reserve Indicator	Range
Low	Less than 17% of Expenditures
Moderate	17%-40% of Expenditures
High	> 40% of Expenditures

Depending on the type of agency and the timing of revenues and expenditures, higher minimum reserves may be required. Some agencies do not distinguish operating from capital and other reserves in their audit documents which may produce a "high" reserve indicator; further analysis is necessary to determine adequacy of capital reserves.

The Fiscal Indicators are intended to provide an initial review of annually reported financial data. Further in-depth analysis may be needed to better understand the cause of financial trends and potential remedies. For example, additional research could clarify whether declining expenditures positively reflect prudent management or are the result of weak revenues. Other factors that could influence indicators include the impacts of the pandemic; the economic climate; State and Federal regulatory changes; infrastructure needs and improvements; changes in service levels and contracts; unfunded OPEB and pension obligations; development, population growth, and increased need for services.

Fiscal Indicators for the North Region

The financial capacity of each agency in the North Region is generally adequate for providing services at the current levels, with minor concerns identified by the cities of Placentia and Fullerton as it relates to their ability to recruit and retain staff due to the competitive market salaries and benefits in the region. This MSR relies on data from the concurrent Fiscal Indicators project conducted by Berkson Associates on behalf of OC LAFCO, which assesses recent financial trends of the North Region agencies. Table 17 shows a summary of each agency's trends reported by the Fiscal Indicators. Three variables (revenues, expenditures, and reserves) are measured for each North Region agency over six fiscal years (FY 18-19 through FY 23-24).

Table 17: Summary of Fiscal Indicators Project and CA Auditor Rankings

North Region	Growth of Agency...			CA Auditor
Agency	Revenues	Expenditures	Reserves	Fiscal Condition Rank
Brea	Moderate	Moderate	High	144
Fullerton	Moderate	Moderate	Moderate	15
La Habra	Moderate	Low	Moderate	94
Placentia	High	High	High	102
Yorba Linda	Moderate	Moderate	High	330
Placentia Library District	High	Moderate	High	#N/A
Yorba Linda Water District	High	High	High	#N/A

Source: Berkson & Associates Fiscal Indicators Report
Notes: N/A indicates data not available

REGIONAL FISCAL CONCERNS

Across the North Region, the reviewed agencies generally demonstrate stable financial performance, with most jurisdictions maintaining balanced operations and adequate fund reserves over the reporting period. Revenues and expenditures have grown at a moderate pace, and most cities have been able to sustain service levels while navigating periodic fluctuations tied to capital investments and economic conditions.

At the same time, several common fiscal pressures are emerging across the region. Public safety continues to represent the largest share of General Fund expenditures for most cities, and costs have trended upward in recent years. In particular, increases in contract costs for fire protection services and rising personnel-related expenses for police and fire services have contributed to expenditure growth in multiple jurisdictions. These trends are largely driven by regional labor agreements, pension obligations, and service delivery adjustments, and are expected to remain an important budget consideration moving forward.

In addition, agencies across the region are managing ongoing capital and infrastructure needs, particularly related to aging systems. While many jurisdictions have identified and planned for capital improvements, the scale of long-term investment needs — especially for water, wastewater, and roadway infrastructure — suggests that continued funding commitments will be important to maintain current service levels. In some cases, funding constraints may contribute to phased implementation or delayed maintenance activities, particularly for roadway and broader infrastructure improvements, as agencies balance competing budget priorities.

Despite these considerations, the overall fiscal outlook remains stable. Most agencies continue to maintain sufficient reserves and demonstrate the capacity to meet existing service demands. Additionally, all agencies in the North Region are planning for such costs as reflected in their respective planning documents. However, long-term financial sustainability will depend on their continued efforts in managing rising service costs and maintaining consistent investment in infrastructure and capital assets. Therefore, continued monitoring of expenditure trends and proactive financial planning will help ensure that service levels can be sustained over time without placing undue pressure on local resources.

Assessment of Agency Financials

RSG assessed each agency's financial condition using the same general analytical approach applied by Richard Berkson with Berkson Associates. This evaluation is presented in the General Fund Cash Flow Detail tables included after each agency's financial overview below. The tables provide a six-year review of revenues, expenditures, and fund balances for FY 2018-19 through FY 2023-24 and include a "trend" column summarizing the compound average annual growth rate ("CAGR") over the reporting period. The compound trend represents the average annual rate of increases or decreases across the six-year period, helping illustrate longer-term financial direction while reducing the effect of year-to-year fluctuations.[49]

These trends are used to identify notable changes in key financial metrics and, where applicable, are supplemented with agency-provided context explaining underlying causes. Together, this approach provides a consistent and transparent framework for evaluating fiscal stability and identifying potential areas of concern.

[49] The "trend" column reflects the Compound Average Annual Growth Rate ("CAGR") for FY 2018-19 through FY 2023-24. CAGR represents the average annual rate of increase or decrease over a multi-year period, assuming growth occurs at a compounded rate, and is used to illustrate longer-term financial trends while minimizing the effect of short-term year-to-year fluctuations.

BREA

The City of Brea experienced moderate revenue and expenditure growth in its General Fund between FY 18-19 and FY 23-24. Public safety was the City's largest expenditure category in all six years accounting for 61.2% of all expenditures as of FY 23-24. Additionally, in FY 21-22 the City experienced a significant spike in Capital Outlay costs because of major facility and equipment replacement projects, including upgrades to the Curtis Theatre (new carpet and seating) and the replacement of in-car cameras for the Police Department, both funded through the City's Fixed Asset Replacement Fund and transferred into the General Fund. The City's revenues compared to expenditures remained in a surplus in five out of the six years reviewed, with FY 21-22 being in a deficit. Additionally, the City maintained a high fund balance in all six years reviewed. Therefore, RSG determines the City of Brea has sufficient financial capacity to meet service needs now and into the foreseeable future.

City of Brea General Fund Cash Flow Detail FY 18-19 through FY 23-24

Revenues							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Taxes	$44,889,030	$43,473,114	$44,769,138	$48,794,512	$56,229,925	$53,979,543	3.8%
License and Permits	606,355	823,019	451,865	350,510	393,659	287,697	-13.9%
Intergovernmental	9,107,164	9,406,073	15,377,259	9,299,024	14,203,467	10,171,867	2.2%
Charges for Services	3,810,657	4,251,831	1,758,530	3,115,543	3,446,957	3,898,624	0.5%
Investment Income	1,670,458	1,696,728	2,302,488	-2,958,325	1,097,842	3,073,878	13.0%
Fines and Forfeitures	682,762	403,116	279,487	352,127	323,185	325,010	-13.8%
Rental Income	1,662,487	1,026,581	896,057	993,185	2,580,302	2,906,180	11.8%
Other	3,017,005	3,834,593	3,506,041	3,101,245	2,354,378	2,738,884	-1.9%
Total Revenues	**$65,445,918**	**$64,915,055**	**$69,340,865**	**$63,047,821**	**$80,629,715**	**$77,381,683**	**3.4%**

Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
General Government	$5,732,627	$7,013,093	$6,697,845	$7,656,074	$8,533,760	$8,600,765	8.5%
Public Safety	35,120,119	37,688,380	38,281,869	40,546,864	42,440,042	46,272,277	5.7%
Community Services	2,716,848	2,813,755	2,745,297	2,683,703	2,496,372	9,488,694	28.4%
Community Development	7,540,687	7,584,500	6,607,980	8,269,116	9,612,938	3,010,068	-16.8%
Public Works	5,054,521	6,549,937	5,857,242	6,221,899	6,845,184	6,860,689	6.3%
Capital Outlay	10,549	137,920	166,596	496,648	537,016	1,087,593	152.7%
Debt Service							
...Principal	465,458	2,595,619	295,873	330,152	118,266	156,186	-19.6%
...Interest	368,468	351,681	197,523	68,330	92,968	91,456	-24.3%
Total Expenses	**$57,009,277**	**$64,734,885**	**$60,850,225**	**$66,272,786**	**$70,676,546**	**$75,567,728**	**5.8%**

Revenues/Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Revenues Over (Under) Expenditures	**$8,436,641**	**$180,170**	**$8,490,640**	**($3,224,965)**	**$9,953,169**	**$1,813,955**	**-26.5%**

Fund Balances/Reserves (End of Year)							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Non-spendable	$8,826	$2,485	$14,960	$591	$60	$29,357	27.2%
Restricted	8,661,782	8,883,450	11,337,663	9,743,633	10,634,967	12,329,512	7.3%
Committed	980101	1353559	1,388,993	1382302	1,443,668	1540335	9.5%
Assigned	12,777,708	11,807,692	11,914,029	12,010,304	11,633,475	13,010,810	0.4%
Unassigned Fund Balance "Reserves"	**$21,203,689**	**$19,891,722**	**$29,410,655**	**$25,265,822**	**$29,344,926**	**$28,051,499**	**5.8%**
Year-end Total Fund Balance	$43,632,106	$41,938,908	$54,066,300	$48,402,652	$53,057,096	$54,961,513	4.7%

FULLERTON

The City of Fullerton experienced moderate revenue and expenditure growth in its General Fund between FY 18-19 and FY 23-24. Public safety was the City's largest expenditure category in all six years accounting for 73.7% of all expenditures as of FY 23-24. Additionally, in FY 23-24 the City experienced a significant spike in Public Safety costs because of the establishment of an in-house Fire Department. This transition required the hiring of key personnel as well as the purchase of new equipment and vehicles to support service delivery. Costs also rose following City Council approval of new labor agreements with all bargaining units, which included salary increases for both Fire and Police staff. Furthermore, higher pension expenses related to the City's Unfunded Actuarial Liability ("UAL") contributed to the overall increase in public safety expenditures. Meanwhile, charges for services revenues increased moderately over the reporting period resulting in an overall compound annual growth rate of 7.1% - or an annual increase of $768,244.

Revenues compared to expenditures remained in a surplus in four out of the six years reviewed with FY 19-20 and FY 23-24 being in a deficit; this ties back to the significant increase in Public Safety costs as detailed above. According to City staff, the FY 2023-24 operating deficit was primarily attributable to increased personnel and pension-related expenditures, including salary adjustments under recently approved labor agreements and rising CalPERS unfunded liability costs, as well as slower revenue growth and declining sales tax revenues. City staff also noted that the FY 2022-23 surplus reflected one-time factors and does not directly offset the FY 2023-24 operating position, although it may help support overall fund balance stability.

Overall, the fiscal indicators show that the city's average expenditure growth exceeded revenue growth over the review period. The City Manager's FY 2023-24 transmittal letter also noted concerns regarding the City's ability to maintain its reserve targets in future years if current expenditure trends continue to outpace revenues, indicating potential long-term fiscal challenges. Despite these challenges, RSG determines that the City of Fullerton currently maintains sufficient financial capacity to provide municipal services and meet existing service obligations. Continued monitoring of expenditure trends, reserve levels, and the long-term impacts associated with the transition to an in-house Fire Department will be important to support ongoing fiscal sustainability and organizational resiliency.

City of Fullerton General Fund Cash Flow Detail FY 18-19 through FY 23-24

Revenues							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Taxes	$73,900,507	$73,637,181	$79,078,073	$86,939,335	$90,963,989	$92,859,908	4.7%
Franchise Taxes	4,493,400	4,145,175	4,181,577	4,269,636	4,787,544	5,534,009	4.3%
License and Permits	2,783,564	2,146,566	2,405,502	2,736,503	3,207,838	2,292,622	-3.8%
Intergovernmental	918,441	740,465	1,614,725	1,470,672	909,964	650,572	-6.7%
Charges for Services	9,340,500	10,046,661	9,540,923	11,275,258	13,113,830	13,181,721	7.1%
Investment Earnings	6,171,974	4,042,744	2,478,936	2,675,955	4,686,501	5,573,334	-2.0%
Fines and Forfeitures	1,415,167	1,045,346	870,975	1,560,603	1,846,733	2,064,407	7.8%
Miscellaneous	1,502,966	1,201,766	1,071,570	1,173,555	1,051,314	1,451,739	-0.7%
Total Revenues	**$100,526,519**	**$97,005,904**	**$101,242,281**	**$112,101,517**	**$120,567,713**	**$123,608,312**	**4.2%**

Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
General Government	$4,780,536	$5,296,375	$6,519,914	$6,621,526	$6,419,537	$6,076,194	4.9%
Public Safety	67,598,481	71,519,867	71,600,929	75,591,918	82,546,276	91,357,962	6.2%
Community Development	5,283,962	5,741,451	4,517,182	4,988,203	6,156,871	5,500,596	0.8%
Human and Leisure	9,891,682	10,041,598	8,078,361	9,165,659	9,138,302	10,235,467	0.7%
Public Works	6,254,014	6,929,101	6,935,290	7,512,297	8,999,374	10,172,976	10.2%
Refuse Collection	-	-	-	-	-	-	N/A
Capital Outlay	398,638	94,448	12,684	21,963	-	-	N/A
Debt Service	-	-	-	-	690,575	243,658	N/A
...Principal	306,135	245,262	252,154	259,240	295,094	358,338	3.2%
...Interest	-	60,873	53,981	46,895	41,641	32,809	N/A
Total Expenses	**$94,513,448**	**$99,928,975**	**$97,970,495**	**$104,207,701**	**$114,287,670**	**$123,978,000**	**5.6%**

Revenues/Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Revenues Over (Under) Expenditures	**$6,013,071**	**($2,923,071)**	**$3,271,786**	**$7,893,816**	**$6,280,043**	**($369,688)**	**-157.2%**

Fund Balances/Reserves (End of Year)							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Non-spendable	$6,528	$3,213,549	$2,907,996	$713,481	$312,710	$402,643	128.0%
Restricted	1,386,437	672,186	1,514,050	1,518,813	1,518,712	1,892,325	6.4%
Committed	-	-	-	438,687	1,535,971	3,277,873	N/A
Assigned	15,656,277	13,958,385	16,140,010	18,569,739	19,808,804	22,962,550	8.0%
Subtotal	17,049,242	17,844,120	20,562,056	21,240,720	23,176,197	28,535,391	10.9%
Unassigned Fund Balance "Reserves"	**$5,431,932**	**$217,388**	**-**	**$4,033,848**	**$10,311,002**	**$10,121,444**	**13.3%**
Year-end Total Fund Balance	$22,481,174	$18,061,508	$20,562,056	$25,274,568	$33,487,199	$38,656,835	11.5%

LA HABRA

The City of La Habra experienced moderate revenue and low expenditure growth in its General Fund between FY 18-19 and FY 23-24. Public safety was the City's largest expenditure category in all six years accounting for approximately 65% of all expenditures as of FY 23-24. Additionally, in FY 21-22 the City experienced a significant spike in Public Safety costs because of the OC Fire contract cost increase. However, based on information provided by La Habra, the City intends to address the rising costs in Public Safety through an overall budget cut of approximately $6.2 million as reflected in their FY 24-25 budget. Voters in La Habra also approved a sales tax increase in November 2024 which is expected to generate additional revenues to support public safety costs. Expenditures tied to Capital Outlay also increased significantly between FY 21-22 and FY 23-24 due to timing-related accounting adjustments, including a deferred inflow of resources adjustment associated with the City's public safety pension plan, which elevated reported expenses in the earlier year and normalized in the current year. During the reporting period, service revenue charges experienced moderate growth, resulting in a compound annual growth rate of 7.8%, equivalent to an annual increase of $449,519. Additionally, the intergovernmental revenue also has a high compound annual growth rate of 20.8%. Revenues compared to expenditures remained in a surplus in five out of the six years reviewed with FY 21-22 being in a deficit; this ties back to the significant increase in Public Safety costs as detailed above. Despite this anomaly, the City maintained a moderate fund balance in all six years reviewed. Therefore, RSG determines the City of La Habra has the sufficient financial ability to meet service needs now and into the foreseeable future.

City of La Habra General Fund Cash Flow Detail FY 18-19 through FY 23-24

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Revenues							
Property Taxes	$17,527,982	$18,749,790	$19,894,873	$21,047,527	$22,485,337	$23,640,653	6.2%
Sales and Use Tax	11,373,624	11,344,359	12,871,187	14,592,502	14,553,839	13,853,575	4.0%
Transaction and Use Tax	5,854,399	5,752,140	6,726,948	7,638,582	7,779,709	7,610,758	5.4%
Franchise Tax	1,910,805	1,983,537	1,997,428	2,097,646	2,227,559	2,580,172	6.2%
Intergovernmental	30,168	50,291	46,479	72,559	64,352	77,548	20.8%
Licenses and Permits	1,421,342	1,360,776	1,502,214	1,804,980	2,085,832	2,508,789	12.0%
Charges for Services	4,964,559	5,036,161	5,312,256	5,615,420	6,070,021	7,212,156	7.8%
Fines and Forfeitures	848,817	733,065	744,201	1,096,794	1,581,075	1,112,306	5.6%
Use of Money and Property	4,385,383	2,821,874	2,667,306	1,658,867	3,358,922	4,296,625	-0.4%
Other	266,759	198,902	45,249	93,991	57,452	93,955	-18.8%
Total Revenues	**$48,583,838**	**$48,030,895**	**$51,808,141**	**$55,718,868**	**$60,264,098**	**$62,986,537**	**5.3%**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Expenditures							
General Government	$3,027,302	$3,050,978	$3,159,686	$5,206,581	$3,760,654	$3,631,407	3.7%
Public Safety	29,220,591	30,727,821	31,631,514	87,595,131	26,877,604	33,422,816	2.7%
Public Works	5,159,805	5,262,066	5,110,912	8,600,630	5,556,650	6,033,607	3.2%
Community Services	3,604,106	3,341,646	3,232,285	9,303,190	3,905,510	4,808,573	5.9%
Community Development	1,827,000	2,033,365	2,290,415	4,383,523	2,702,881	2,822,360	9.1%
Capital Outlay	1,174,590	-	-	44,153	79,980	82,096	N/A
Debt Service	-	-	-	-	-	-	N/A
...Principal	319,754	203,403	130,997	1,050,116	-	-	N/A
...Interest	79,883	60,653	54,225	518,407	-	-	N/A
Total Expenses	**$44,413,031**	**$44,679,932**	**$45,610,034**	**$116,701,731**	**$42,883,279**	**$50,800,859**	**2.7%**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Revenues/Expenditures							
Revenues Over (Under) Expenditures	**$4,170,807**	**$3,350,963**	**$6,198,107**	**($60,982,863)**	**$17,380,819**	**$12,185,678**	**23.9%**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Fund Balances/Reserves (End of Year)							
Non-spendable	$4,425,438	$2,715,606	$2,043,647	$1,066,199	$15,403	$17,827	-66.8%
Restricted	834,185	2,015,009	3,105,457	3,410,091	4,800,802	10,796,031	66.9%
Committed	-	-	-	-	-	-	N/A
Assigned	2,950,000	3,555,000	5,983,680	4,172,063	6,626,824	6,751,172	18.0%
Unassigned Fund Balance "Reserves"	**$7,717,970**	**$8,602,672**	**$8,325,715**	**$10,233,206**	**$11,359,983**	**$13,588,010**	**12.0%**
Year-end Total Fund Balance	$15,927,593	$16,888,287	$19,458,499	$18,881,559	$22,803,012	$31,153,040	14.4%

PLACENTIA

The City of Placentia experienced high revenue and expenditure growth in its General Fund between FY 18-19 and FY 23-24. Public safety was the City's largest expenditure category in all six years reviewed - accounting for 26.8% of all expenditures as of FY 23-24. However, in FY 22-23 the City experienced a significant spike in Capital Outlay costs largely due to ARPA-funded infrastructure development projects, including $9 million of funding allocated for establishing a public safety building and several other development projects. During the reporting period, intergovernmental revenues experienced substantial growth, with a compound annual growth rate of 50.4%, corresponding to an average yearly increase of $472,791. Investment income also demonstrated notable volatility but maintained robust overall growth, achieving a compound annual growth rate of 48.2% and an average annual increase of $202,227. The revenues compared to expenditures remained in a surplus in four out of the six years reviewed with FY 19-20 and FY 23-24 being in a deficit; reflecting the cited increase in capital cost detailed above. Despite these shortfalls, the City maintained high fund balances in the last four of six years reviewed. Therefore, RSG determines the City of Placentia has sufficient financial ability to meet service needs now and into the foreseeable future.

City of Placentia General Fund Cash Flow Detail FY 18-19 through FY 23-24

Revenues							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Taxes	$29,671,258	$34,830,127	$37,858,390	$41,621,461	$44,429,339	$45,847,060	9.1%
Intergovernmental	353,354	701,864	9,743	952,389	8,640,895	2,717,309	50.4%
Licenses and Permits	1,922,689	2,453,827	2,827,761	2,440,102	2,643,941	2,535,885	5.7%
Fines and Forfeitures	438,581	418,752	290,534	503,302	457,065	548,960	4.6%
Investment Earnings	164,724	170,567	-28,258	-323,152	67,366	1,175,860	48.2%
Charges for Services	1,070,821	885,206	879,298	1,263,215	1,364,054	1,441,304	6.1%
Leases and Rents	1,230,532	1,211,622	1,079,979	1,422,831	1,572,445	1,677,641	6.4%
Contributions from Successor Agency	-	19,000	30,000	-	-	-	N/A
Miscellaneous	944,874	866,076	460,006	785,684	1,385,763	1,125,980	3.6%
Total Revenues	**$35,796,833**	**$41,557,041**	**$43,407,453**	**$48,665,832**	**$60,560,868**	**$57,069,999**	**9.8%**

Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
General Government	$7,823,758	$8,298,766	$10,911,110	$12,055,475	$15,748,766	$15,336,829	14.4%
Public Safety	17,861,015	21,399,386	14,899,543	15,441,982	16,357,168	18,491,792	0.7%
Public Works	3,435,887	3,980,719	3,430,456	3,514,281	4,100,553	5,350,268	9.3%
Community Services	997,888	1,198,254	1,215,937	1,482,732	1,718,087	1,809,970	12.6%
Community Development	1,343,251	1,537,369	1,437,912	2,289,940	2,617,825	3,431,853	20.6%
Capital Outlay	719,324	7,271,232	3,811,664	5,034,753	14,475,128	22,021,540	98.2%
Debt Service	-	-	-	-	-	-	N/A
...Principal	1,545,000	582,614	1,270,240	1,320,810	2,438,273	2,366,341	8.9%
...Payment to Refunding Agency	-	-	-	488,521	-	-	N/A
...Interest	293,723	206,426	391,808	343,759	252,565	231,958	-4.6%
...Debt Issuance Costs	-	-	-	117,995	-	-	N/A
Total Expenses	**$34,019,846**	**$44,474,766**	**$37,368,670**	**$42,090,248**	**$57,708,365**	**$69,040,551**	**15.2%**

Revenues/Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Revenues Over (Under) Expenditures	**$1,776,987**	**($2,917,725)**	**$6,038,783**	**$6,575,584**	**$2,852,503**	**($11,970,552)**	**-246.4%**

Fund Balances/Reserves (End of Year)							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Non-spendable	$4,706,295	$3,734,003	$3,346,897	$2,521,767	$1,453,892	$895,672	-28.2%
Restricted	571,396	555,259	556,084	2,024	805,521	1,643,582	23.5%
Committed	4,528,259	5,810,898	6,433,605	13,855,723	4,534,708	1,036,860	-25.5%
Assigned	-	-	-	-	-	-	N/A
Unassigned Fund Balance "Reserves"	**$543,287**	**$3,866,292**	**$9,893,885**	**$7,204,966**	**$19,918,635**	**$14,795,659**	**93.7%**
Year-end Total Fund Balance	$10,349,237	$13,966,452	$20,230,471	$23,584,480	$26,712,756	$18,371,773	12.2%

YORBA LINDA

The City of Yorba Linda experienced moderate revenue and expenditure growth in its General Fund between FY 18-19 and FY 23-24. Public Safety was Yorba Linda's largest expenditure category in each fiscal year, accounting for 32.4% of all expenditures as of FY 23-24. Although expenditures increased across multiple departments in this timeframe, Capital Outlays and Debt Service payments dropped significantly by FY 23-24; this can be largely attributed to the completion of prior one-time capital investments, including the purchase of a new ERP system, as well as the accounting impacts of implementing GASB 96 for Subscription-Based Information Technology Arrangements ("SBITAs"), which shifted certain technology costs away from traditional capital outlay and debt categories. Meanwhile charges for services and investment income increased significantly, growing by 44.1% and 73.8% respectively. Revenues compared to expenditures remained in a surplus in five out of the six years reviewed, peaking in FY 23-24 at $5.2 million. Similarly, Yorba Linda maintained high fund balances in all six years reviewed. Therefore, RSG determines the City of Yorba Linda has sufficient financial ability to meet service needs now and into the foreseeable future.

City of Yorba Linda General Fund Cash Flow Detail FY 18-19 through FY 23-24

Revenues							
	FY 2018-19	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Trend**
Taxes	$30,669,255	$31,574,712	$32,103,271	$35,346,788	$36,662,832	$37,421,910	4.1%
Licenses and Permits	1,758,173	1,758,957	1,905,891	2,502,333	2,446,906	1,715,183	-0.5%
Intergovernmental	612,078	532,041	492,362	116,301	788,451	747,230	4.1%
Charges for Services	3,699,460	3,059,130	3,169,493	4,408,727	4,940,900	5,332,330	7.6%
Investment Income	938,802	1,084,790	111,580	($1,087,169)	631,091	1,632,083	11.7%
Fines and Forfeitures	57,028	40,733	19,483	42,094	43,277	50,842	-2.3%
Developer Participation	-	-	-	-	-	-	N/A
Gain on Sale of City Property	10,759	438,953	12,114	-	-	276,193	N/A
Contributions from Successor Agency	227,444	87,345	-	-	-	-	N/A
Miscellaneous	362,028	235,957	1,094,226	301,015	1,268,501	1,670,346	35.8%
Total Revenues	**$38,335,027**	**$38,812,618**	**$38,908,420**	**$41,630,089**	**$46,781,958**	**$48,846,117**	**5.0%**
Expenditures							
	FY 2018-19	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Trend**
General Government	$7,535,226	$8,892,541	$8,915,761	$9,347,952	$9,839,477	$10,383,636	6.6%
Public Safety	11,774,157	12,403,651	12,584,332	10,608,075	13,664,873	14,134,730	3.7%
Community Development	2,839,186	3,169,389	3,073,170	3,646,948	3,587,102	4,041,043	7.3%
Parks and Recreation	6,652,263	6,330,386	6,317,469	7,805,197	8,527,887	9,249,343	6.8%
Library	-	-	-	-	-	-	N/A
Public Works	4,026,642	4,284,389	4,663,484	5,311,119	5,996,038	5,352,685	5.9%
Capital Outal	739,041	2,294,806	1,552,009	553,459	1,310,291	321,171	-15.4%
Debt Service	-	-	108,271	-	-	-	N/A
...Principal	-	-	-	7,611,000	128,195	127,915	N/A
...Interest	-	-	-	277,954	654	6,490	N/A
Total Expenses	**$33,566,515**	**$37,375,162**	**$37,214,496**	**$45,161,704**	**$43,054,517**	**$43,617,013**	**5.4%**
Revenues/Expenditures							
	FY 2018-19	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Trend**
Revenues Over (Under) Expenditures	**$4,768,512**	**$1,437,456**	**$1,693,924**	**($3,531,615)**	**$3,727,441**	**$5,229,104**	**1.9%**
Fund Balances/Reserves (End of Year)							
	FY 2018-19	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Trend**
Non-spendable	$24,183,522	$2,850,846	$627,888	$33,115	$86,578	$82,284	-67.9%
Restricted	-	-	-	-	-	-	N/A
Committed	23,252,150	27,742,190	31,713,494	31,849,609	26,109,298	27,118,359	3.1%
Assigned	2,115,847	2,208,550	1,102,561.00	2,024,793.00	14,407,135.00	14,890,559.00	47.7%
Unassigned Fund Balance "Reserves"	**$4,953,048**	**$3,755,960**	**$3,736,844**	**$8,698,134**	**$3,825,726**	**$2,142,419**	**-15.4%**
Year-end Total Fund Balance	$54,504,567	$36,557,546	$37,180,787	$42,605,651	$44,428,737	$44,233,621	-4.1%

PLACENTIA LIBRARY DISTRICT

The Placentia Library District experienced high revenue growth and moderate expenditure growth in its General Fund between FY 18-19 and FY 23-24. Aside from Capital Outlay, Salaries and benefits reflected one of the District's largest expenditure category in five out of the six years reviewed - accounting for 61.7% of all expenditures as of FY 23-24. However, in FY 18-19 and FY 19-20, the District experienced a significant spike in Capital Outlay costs, which is largely due to the Centennial renovation project. This project included a new library layout, an enhanced children's area, two additional group study rooms equipped with monitors, three passport rooms, dedicated STEM study spaces, more computers, and expanded library services for both children and adults.

Additionally, the District experienced a rise in professional services, with an average annual increase of $26,414 or a compound annual growth rate of 11.3% during the reporting period. In terms of revenues, property taxes account for a majority of revenues for the District consistently over the report period and account for 82.6% of all revenues as of FY 23-24. Grant and contribution revenues experienced a compound annual growth rate of 20.6% over the reporting period, reflecting an upward trend in external funding and intergovernmental support. The District has ceased charging fees to library patrons since 2017 to remove barriers to access, particularly for low-income residents, while aligning with national best practices, supporting literacy and student success, and advancing its mission of providing equitable community access while building trust and goodwill.

Revenues compared to expenditures remained in a surplus in the most recent four out of the six years reviewed, with FY 2018-19 and FY 19-20 being in a deficit; reflecting the cited increase in capital cost detailed above. Despite this anomaly, the District maintained high fund balances in all six years reviewed. The District also provides a defined contribution retirement plan that eliminates the risk and cost of future unfunded pension liabilities and improves fiscal predictability compared to typical PERS defined benefit plans. Therefore, RSG determines the Placentia Library District has sufficient financial ability to meet service needs now and into the foreseeable future.

Placentia Library District General Fund Cash Flow Detail FY 18-19 through FY 23-24

Revenues							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Property Taxes	$2,614,136	$2,685,728	$2,816,075	$2,888,746	$3,183,254	$3,469,855	5.8%
Grants and Contributions	107,545	349,997	82,417	300,027	666,250	274,500	20.6%
Library Income	280,430	172,893	194,038	317,016	269,988	253,693	-2.0%
Impact Fees	72,071	230,641	469,084	150,418	172,024	77,926	1.6%
Investment Income	51,260	46,482	9,661	4,977	19,779	126,368	19.8%
Miscellaneous	-	1,973	705	-	32	-	N/A
Total Revenues	**$3,125,442**	**$3,487,714**	**$3,571,980**	**$3,661,184**	**$4,311,327**	**$4,202,342**	**6.1%**

Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Salaries and Benefits	$1,840,328	$1,924,453	1,873,058	2,006,115	2,335,839	2,343,763	5.0%
Office and Administration	177,261	169,456	144,120	151,871	286,736	245,537	6.7%
Books and Library Materials	329,479	279,630	221,223	303,996	505,216	337,054	0.5%
Professional Services	185,668	158,531	106,314	233,372	284,088	317,740	11.3%
Maintenance	355,514	27,112	110,679	178,165	149,874	192,067	-11.6%
Library Program	36,485	74,964	75,761	49,030	10,248	74,570	15.4%
Miscellaneous	41,187	28,993	11,566	1,338	118,772	-	N/A
Capital Outlay	3,006,397	1,242,555	66,672	67,913	-	207,114	N/A
Debt Service	-	-	-	-	-	-	N/A
...Principal	31,637	32,681	33,760	34,874	36,025	44,522	7.1%
...Interest	32,118	38,017	36,920	39,094	37,819	36,754	2.7%
Total Expenses	**$6,036,074**	**$3,976,392**	**$2,680,073**	**$3,065,768**	**$3,764,617**	**$3,799,121**	**-8.8%**

Revenues/Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Revenues Over (Under) Expenditures	**($2,910,632)**	**($488,678)**	**$891,907**	**$595,416**	**$546,710**	**$403,221**	**N/A**

Fund Balances/Reserves (End of Year)							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Non-spendable	$29,092	$60,475	$35,392	$58,298	$201,057	$121,065	33.0%
Restricted	-	230,641	473,772	736,690	1,358,044	1,458,402	N/A
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned Fund Balance "Reserves"	**$2,569,379**	**$1,818,677**	**$2,492,536**	**$2,802,128**	**$2,599,470**	**$2,982,325**	**3.0%**
Year-end Total Fund Balance	$2,598,471	$2,109,793	$3,001,700	$3,597,116	$4,158,571	$4,561,792	11.9%

YORBA LINDA WATER DISTRICT

The Yorba Linda Water District experienced high revenue and expenditure growth in its General Fund between FY 18-19 and FY 23-24.[50] Water cost was the District's largest expenditure category in all six years reviewed - accounting for 32.1% of all expenditures as of FY 23-24. Costs tied to personnel service closely followed, accounting for 25.4%. Additionally, the District's supplies and services rose between FY 18-19 and FY 23-24, with a total average annual increase of $835,323, representing a compound annual growth rate of 13.8%. Water sales account for a majority of revenues for the District consistently over the report period and account for 77.0% of all revenues as of FY 23-24. This suggests the District relies more on its sales revenue than from property tax, which only accounts for 4.4% of all revenues in FY 23-24.

Despite the overall 8.2% compound annual revenue increases experienced between FY 18-19 through FY 23-24, the District's net income was in a deficit in four out of the six years reviewed: with a small surplus in FY 22-23, improving significantly by FY 23-24. This may be due to the decline in other nonoperating revenues which went from $1.0 million in FY 18-19 to $461,239 by FY 23-24, an overall annual decline of 14.6%. Despite these shortfalls, Yorba Linda Water District maintained high unrestricted net positions in all six years. The district's total fund balance increased from approximately $165.4 million in FY 2018–19 to $193.5 million in FY 2023–24, reflecting a 3.2% overall annual growth. RSG determines that the Yorba Linda Water District has sufficient financial capacity to meet service needs now and into the foreseeable future.

[50] Yorba Linda Water District had a $26 million capital contribution from Orange County Water District (OCWD) to fund PFAS treatment plant which was subsequently transferred to OCWD.

Yorba Linda Water District General Fund Cash Flow Detail FY 18-19 through FY 23-24

Revenues							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Water Sales	$29,819,532	$32,192,312	$35,539,146	$38,495,864	$36,880,380	$42,366,064	7.3%
Sewer revenues	2,528,020	2,731,285	2,743,000	3,204,396	3,453,202	4,002,126	9.6%
Other operating revenues	1,014,691	896,107	968,455	1,275,632	1,273,958	1,963,537	14.1%
Property Taxes	1,874,688	1,961,002	2,072,582	2,157,211	2,323,369	2,423,322	5.3%
Investment income	819,522	694,705	246,942	179,375	1,279,458	3,302,499	32.1%
Annexation revenue fees	-	-	-	-	-	495,143	N/A
Other nonoperating revenues	1,014,495	1,104,622	1,249,200	209,976	973,139	461,239	-14.6%
Total Revenues	**$37,070,948**	**$39,580,033**	**$42,819,325**	**$45,522,454**	**$46,183,506**	**$55,013,930**	**8.2%**

Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Variable water costs	$13,327,860	$16,916,388	$18,638,471	$20,603,385	$15,308,429	$16,900,164	4.9%
Persnonel services	9,538,167	10,890,404	10,947,895	11,016,220	10,348,225	13,352,318	7.0%
Supplies and services	4,592,521	4,754,718	5,459,423	6,297,722	8,100,671	8,769,138	13.8%
Depreciation	7,322,753	7,757,139	7,858,355	7,935,696	9,094,787	9,188,082	4.6%
Interest expense	1,350,616	1,309,883	1,293,830	1,249,313	2,408,426	2,218,001	10.4%
Gain (Losses) on sale of capital asset	-	-	-	-	-	2,190,824	N/A
Other nonoperating expenses	1,550,378	137,569	859,403	21,141	358,045	32,180	-53.9%
Total Expenses	**$37,682,295**	**$41,766,101**	**$45,057,377**	**$47,123,477**	**$45,618,583**	**$52,650,707**	**6.9%**

Revenues/Expenditures							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Revenues Over (Under) Expenditures	**($611,347)**	**($2,186,068)**	**($2,238,052)**	**($1,601,023)**	**$564,923**	**$2,363,223**	**N/A**

Fund Balances/Reserves (End of Year)							
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Trend
Net Investment in Capital Assets	$152,297,398	$148,308,815	$146,951,549	$145,238,227	$165,329,003	$158,153,034	0.8%
Restricted	-	-	-	-	-	-	N/A
Water Conservation	103,420	105,785	105,862	105,862	105,862	82,082	-4.5%
Pension Benefits	-	1,417,430	961,169	832,430	889,808	989,118	N/A
OPEB	1,960,545	608,558	740,332	306,736	327,776	364,360	-28.6%
Depository Cash	-	-	-	1,024,344	550,111	355,083	N/A
Unrestricted	11,075,303	13,840,027	15,335,639	15,275,541	22,168,454	33,591,567	24.8%
Year-end Total Fund Balance	$165,436,666	$164,280,615	$164,094,551	$162,783,140	$189,371,014	$193,535,244	3.2%

RSG

IX. OPPORTUNITIES FOR SHARED FACILITIES

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

5. Status of, and opportunities for, shared facilities;

The North Region includes one special district – Yorba Linda Water District – that provides multi-jurisdictional services. This includes providing retail water to the City of Yorba Linda and to portions of the cities of Brea and Placentia. This long-standing service configuration reflects existing shared infrastructure networks.

The Placentia Library District provides library services to residents within City of Placentia consistent with its jurisdictional boundaries but maintains its own independent Board and personnel. The City of Placentia and the Placentia Library District have an agreement in place for the joint use of a civic center campus arrangement where each agency owns its own parcel and building area, but they jointly use and maintain common facilities - most notably the shared parking lot and related common-area improvements (e.g., walkways and landscaping). Additionally, cities within the North Region continue to rely on Orange County for certain regionalized services, including animal control, regional park facilities, and library services (where applicable). These arrangements reflect coordinated service delivery models that leverage economies of scale and reduce administrative duplication.

This MSR evaluation considered whether additional shared facilities may enhance efficiency. Interviews and survey responses did not identify new or expanded opportunities for shared facilities beyond the existing arrangements described above. Agencies generally indicated that current cooperative agreements are functioning effectively and are adequately meeting service demands.

Accordingly, no additional shared facilities opportunities were identified at this time. The existing multi-jurisdictional service relationships and interagency coordination mechanisms appear sufficient to support continued service provision within the North Region.

X. ACCOUNTABILITY, GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

6. *Accountability for community service needs, including government structure and operational efficiencies.*
7. *Any other matter related to effective or efficient service delivery, as required by Commission Policy.*

Agencies in the North Region implement policies and procedures that ensure transparency and accountability to the public, including appropriate elections and public notice of agency meetings and actions. Each agency has a formal governing body that is elected, and all agencies conduct regularly scheduled public hearings pursuant to Government Code §54954. Many agencies stream their public hearings on platforms such as Zoom. All of the North Region agencies maintain websites that contain general information on City and District departments, activities, and events. Overall, agencies in the North Region function efficiently and are structurally strong.

The Cities of Brea, Fullerton, La Habra, and Yorba Linda are general law cities. Each city operates under a Council-Manager form of government in which the City Council appoints a City Manager responsible for overseeing day-to-day municipal operations and implementing policy direction established by the Council. Placentia is a charter city and operates under its voter-adopted city charter. Similar to the other cities in the North Region, Placentia utilizes a Council-Manager form of government, whereby the City Council establishes policy and appoints a City Administrator responsible for overseeing day-to-day municipal operations and implementing Council direction.

City Councils in the North Region generally consist of five members, including the Mayor. In most cases, council members are elected either at-large or by district, depending on the city's adopted electoral structure. The Mayor may be directly elected by voters or selected from among the City Council members to serve a designated term, depending on the specific governance structure established by each city.

The Placentia Library District and Yorba Linda Water District are independent special districts that provide library, and/or water and wastewater services within portions of the North Region. The Placentia Library District is governed by a five-member Board of Trustees elected by district to serve four-year terms. The Yorba Linda Water District is governed by a five-member Board of Directors elected at-large to serve four-year terms. These boards are responsible for establishing policy, adopting budgets, and overseeing district operations to ensure the continued provision of services to residents within their respective service areas.

Overall, the agencies reviewed demonstrate strong governance compliance and accountability practices. All agencies maintain active websites where agendas and meeting minutes are publicly accessible, supporting transparency and public engagement. Budgets and financial audits are generally posted online and available for public review.

The agencies' spheres of influence are largely coterminous with their service areas and are generally consistent with the land use designations identified in their respective General Plans. No governance instability or operational concerns were identified among the agencies reviewed.

No additional matters related to effective and efficient service delivery have been identified for review in this MSR by OC LAFCO or the North Region agencies.

MSR 25-08

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING THE MUNICIPAL SERVICE REVIEW FOR THE FOLLOWING CITIES AND SPECIAL DISTRICTS IN THE NORTH REGION:

CITIES

BREA, FULLERTON, LA HABRA, PLACENTIA, AND YORBA LINDA

SPECIAL DISTRICTS

PLACENTIA LIBRARY DISTRICT AND YORBA LINDA WATER DISTRICT.

August 12, 2026

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

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence, the Commission shall conduct Municipal Service Reviews (MSRs) prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Local Agency Formation Commission of Orange County (OC LAFCO) has completed three previous cycles of MSRs, and has prepared an MSR for the North Region that includes the following cities: Brea, Fullerton, La Habra, Placentia, and Yorba Linda to address the seven MSR determinations; and

WHEREAS, the Local Agency Formation Commission of Orange County (OC LAFCO) has completed three previous cycles of MSRs, and has prepared an MSR for the North Region that includes the following special districts: Placentia Library District and Yorba Linda Water District to address the seven MSR determinations; and

WHEREAS, the report identified in this Resolution (MSR 25-08) contains a statement of determinations as required by California Government Code Section 56430 for the municipal services provided by cities and special districts identified within this resolution; and

WHEREAS, copies of the MSR report and Statement of Determinations in this Resolution are available for public review in the OC LAFCO offices and on the OC LAFCO website; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set August 12, 2026 as the hearing date on this MSR report and Statement of Determinations and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, has prepared a report, including his recommendations thereon, and has provided a copy of this report to each affected agency entitled to a copy; and

WHEREAS, the report consists of the adoption of the MSR Statement of Determinations for the cities and special districts identified in this Resolution; and

WHEREAS, this Commission called for and held a public hearing on the MSR report and Statement of Determinations on August 12, 2026, and at the hearing this Commission heard and received all oral and written comments, objections, and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this MSR and the report of the Executive Officer; and

WHEREAS, pursuant to the California Environmental Quality Act, the MSR for the North Region was determined to be exempt from CEQA under State CEQA Guidelines.

NOW, THEREFORE, the Local Agency Formation Commission of Orange County (OC LAFCO) DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions.

a) The "Municipal Service Review for the North Region (MSR 25-08)" together with the written Statement of Determinations are determined by the Commission, as the lead agency, to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.

b) The Commission directs the Executive Officer to file a Notice of Exemption, shown as "Exhibit 1," with the Orange County Clerk-Recorder as the lead agency under Section 15062.

Section 2. Determinations.

a) This review is assigned the following distinctive short-form designation: "Municipal Service Review for the North Region (MSR 25-08)."

b) The Executive Officer's staff report and recommendation for the approval of the MSR for the North Region, dated August 12, 2026, are hereby approved.

c) The Commission has adopted the accompanying Statement of Determinations for the North Region, shown as "Exhibit 1A."

Section 3. Mail Copy of Resolution.

The Executive Officer shall mail a copy of this Resolution as provided in Government Code Section 56882.

Section 4. 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 Orange County Local Agency Formation Commission, 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 12th day of August 2026.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of August 2026.

WENDY BUCKNUM
Chair of the Local Agency Formation
Commission of Orange County

By: ___________________________
WENDY BUCKNUM

EXHIBIT: 1
NOTICE OF EXEMPTION

TO:		FROM: (Public Agency)	Local Agency Formation Commission of Orange County (Lead Agency)
☐	Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044		
☒	Clerk of the Board of Supervisors or County Clerk County of: Orange Address: 601 N. Ross Street Santa Ana, CA 92701	Address	2677 North Main Street Suite 1050 Santa Ana, CA 92705

1. Project Title:	"Municipal Service Review for the North Region (MSR 25-08)"
2. Project Applicant:	Local Agency Formation Commission of Orange County
3. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	The project area encompasses the cities of Brea, Fullerton, La Habra, Placentia, and Yorba Linda, and portions of unincorporated Orange County.
4. (a) Project Location – Cities and Special Districts	The project area encompasses the cities of Brea, Fullerton, La Habra, Placentia, and Yorba Linda, and portions of unincorporated Orange County, and the service boundaries of Placentia Library District and Yorba Linda Water District.
(b) Project Location – County	Orange
5. Description of nature, purpose, and beneficiaries of Project:	Conduct a review of the municipal services provided by the cities of Brea, Fullerton, La Habra, Placentia, Yorba Linda, and portions of unincorporated Orange County, and the service boundaries of Placentia Library District and Yorba Linda Water District.
6. Name of Public Agency approving project:	Local Agency Formation Commission of Orange County
7. Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Local Agency Formation Commission of Orange County

8.	Exempt status: (check one)			
	(a)	☐	Ministerial project.	(Pub. Res. Code § 21080(b)(1); State CEQA Guidelines § 15268)
	(b)	☐	Not a project.	
	(c)	☐	Emergency Project.	(Pub. Res. Code § 21080(b)(4); State CEQA Guidelines § 15269(b), (c))

(d) ☐ Categorical Exemption. State type and section number:	One single-family residence, or second dwelling unit in residential zone. Class 3 § 15303(a)
(e) ☐ Declared Emergency.	(Pub. Res. Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
(f) ☒ Statutory Exemption. State Code section number:	CEQA Guidelines §15262 (Feasibility and Planning Studies)
(g) ☐ Other. Explanation:	
9. Reason why project was exempt:	The Municipal Service Review and Statement of Determinations are exempt from CEQA under CEQA Guidelines Section 15262: Feasibility and Planning Studies. A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration.
10. Lead Agency Contact Person:	Luis Tapia, Executive Officer
Telephone:	(714) 640-5100
11. If filed by applicant: Attach Preliminary Exemption Assessment (Form "A") before filing. 12. Has a Notice of Exemption been filed by the public agency approving the project? Yes ☐ No ☒	
13. Was a public hearing held by the Lead Agency to consider the exemption? Yes ☒ No ☐ If yes, the date of the public hearing was: August 12, 2026	

Signature:_________________________ Date:______________ Title: Executive Officer

Name:

☒ Signed by Lead Agency ☐ Signed by Applicant

Date Received for Filing: ________________________

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code. Reference: Sections 21108, 21152, and 21152.1, Public Resources Code

EXHIBIT 1A: MSR STATEMENT OF DETERMINATIONS
for the North Region

DETERMINATION 1: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA.
Generally, the population and number of housing units for agencies in the North Region are expected to grow slowly over the next five years. Agencies are planning for incremental population growth through their general plans, housing elements, and other planning documents. The cited limited growth is largely attributed to the existing buildout and the geography of the region.

DETERMINATION 2: THE LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AFFECTED SPHERE OF INFLUENCE.
While there is a total of 8 OC LAFCO-designated disadvantaged unincorporated communities ("DUCs") in Orange County, none are located within or contiguous to the boundaries or the Sphere of Influences ("SOIs") of the agencies in the North Region.

DETERMINATION 3: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES, ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES INCLUDING NEEDS OR DEFICIENCIES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, AND STRUCTURAL FIRE PROTECTION IN ANY DISADVANTAGED, UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE AFFECTED SPHERE OF INFLUENCE.
The agencies within the North Region are providing adequate law enforcement, fire, water, wastewater, public works, parks and recreation, library, animal control, road maintenance, and code enforcement services to their residents and customers. Agencies serving the region have the resources to maintain current levels of service and to meet expected demands in the future. One exception, however, is the significant capital costs for road maintenance which may pose a challenge in meeting the necessary improvements if careful planning is not maintained.

In addition, the agencies in the North Region—apart from the Placentia Library District, who does not maintain street, water, or wastewater infrastructure—also have aging water and wastewater infrastructure requiring improvements and/or replacements in the coming years. This is particularly the case for the cities of Fullerton and La Habra, who maintain the oldest water and wastewater infrastructure among the regional agencies. However, the agencies in the region maintain and regularly update their Pavement Management Plans, CIPs, and associated budgets to support necessary improvements to streets, water, and wastewater infrastructure.

While this determination focuses on the public agencies serving the North Region, water service within the region is also provided by Golden State Water Company, an investor-owned utility regulated by the California Public Utilities Commission. Golden State Water Company provides water service to a significant portion of the City of Placentia and portions of the City of Yorba Linda, while Yorba Linda Water District serves the remaining residential areas within Placentia.

EXHIBIT 1A: MSR STATEMENT OF DETERMINATIONS
for the North Region MSR

DETERMINATION 4: FINANCIAL ABILITY OF AGENCIES TO PROVIDE SERVICES.
The financial capacity of the North Region Agencies is adequate for maintaining current service levels, although there are certain fiscal challenges facing the region in the future. Specifically, agencies are experiencing increasing costs for public safety, and significant capital improvement costs for roads, water, and wastewater infrastructure. In addition, the cities of Fullerton and Placentia expressed concerns regarding their ability to recruit and retain staff due to competitive salary disadvantages compared to neighboring agencies. The City of La Habra also expressed concerns regarding the increasing costs to contract fire protection services with the Los Angeles County Consolidated Fire Protection District ("CFPD").

The findings of the fiscal indicators and fiscal analysis indicate that the agencies in the North Region are reporting high or moderate revenue growth, with varied expenditure growth and reserve balances. Additionally, all agencies maintain healthy fund balances and reported net surpluses in most of the recent years reviewed.

According to agency surveys and interviews, the City of Fullerton mentioned that in May 2025, the City Council directed staff to pursue two "Dedicated" 0.5% add-on sales tax measures for the November 2026 ballot—one for Streets and Infrastructure and one for Public Safety. If both pass, each is projected to raise about $15 million annually (approximately $30 million total) to support infrastructure and public safety and reduce pressure on the City's General Fund deficit. The City of La Habra has adopted Measure V in November 2024, a one-cent sales tax, to help address a budget shortfall and support public safety services. The measure is expected to generate approximately $15.6 million per year in ongoing revenue. The City of Placentia is considering increasing the Transient Occupancy Tax (TOT) from 10% to potentially 14% to support revenue generation; however, no formal decision has been made yet on the new rate. The City of Yorba Linda is updating its fee study to reflect the FY2025-26 budget, and they anticipated to complete the draft by April or May 2026. Further, all of the cities have adopted reserve policies, which they are able to meet on an ongoing basis. The Placentia Library District did not identify any new comparable special tax measures, revenue initiatives, or fee study updates during the survey and interview process. Placentia Library District's existing revenues consist of property taxes, passport services, and impact fees.

DETERMINATION 5: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES.
The agencies in the North Region did not express a need or desire for further shared facilities, nor did the consultant RSG identify additional opportunities for additional shared facilities during this review.

EXHIBIT 1A: MSR STATEMENT OF DETERMINATIONS
for the North Region MSR

DETERMINATION 6: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES.
Agencies in the North Region implement policies and procedures that ensure transparency and accountability to the public, including public notice of City Council and District Board meetings, actions, and regular elections. All agencies have websites and social media channels that provide information about their meetings, including ways to access the meetings virtually.

All cities in the North Region are general law cities, apart from the City of Placentia, which is a charter city. The cities of Placentia and Fullerton hold district elections whereas the cities of Brea, La Habra, and Yorba Linda hold at-large elections. Each city has a five-member City Council and appoints a mayor annually from among its members. Council members serve staggered, four-year terms, and all of the cities operate under the Council-Manager form of government. Most North Region cities do impose a two consecutive four-year term limits for council members, apart from the City of Yorba Linda who imposes a maximum of three four-year term limits, and the City of La Habra who has not adopted a term limit.

The Placentia Library District is governed by a five-member Board of Trustees who are appointed by the County Board of Supervisors and serve four-year terms. The Yorba Linda Water District is governed by a five-member Board of Directors elected at-large and serve four-year terms.

DETERMINATION 7: ANY OTHER MATTER RELATED TO EFFECTIVE OR EFFICIENT SERVICE DELIVERY, AS REQUIRED BY COMMISSION POLICY.
No other matters were identified during the conducting of the North Region MSR.

ATTACHMENT 3

SOI 25-09

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND RECONFIRMING THE SPHERES OF INFLUENCE FOR THE FOLLOWING CITIES AND SPECIAL DISTRICTS IN THE NORTH REGION:

CITIES

BREA, FULLERTON, LA HABRA, PLACENTIA, AND YORBA LINDA

SPECIAL DISTRICTS

PLACENTIA LIBRARY DISTRICT AND YORBA LINDA WATER DISTRICT.

August 12, 2026

On motion of Commissioner _____________, duly seconded and carried, the following Resolution was adopted:

WHEREAS, California Government Code Section 56425 requires that the Local Agency Formation Commission of Orange County (OC LAFCO) adopt Spheres of Influence (SOI) for all agencies in its jurisdiction and to review, and update as necessary, those spheres every five years; and

WHEREAS, the SOI is the primary planning tool for OC LAFCO and defines the probable physical boundaries and service area of a local agency as determined by OC LAFCO; and

WHEREAS, proceedings for adoption, update, and amendment of an SOI are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Section 56000 et seq. of the Government Code; and

WHEREAS, the California Government Code Section 56430 requires that in order to prepare and update SOIs, the Commission shall conduct Municipal Service Reviews (MSR) prior to or in conjunction with action to update or adopt an SOI; and

WHEREAS, OC LAFCO has previously reviewed and adopted SOIs for Orange County cities and special districts as required by Government Code Section 56425 and during the conducting of MSRs for Orange County cities and special districts as required by Government Code Section 56430; and

WHEREAS, on August 12, 2026, OC LAFCO adopted new MSR determinations provided within the North Region MSR for the following cities and special districts: Brea, Fullerton, La Habra, Placentia, Yorba Linda, Placentia Library District, and Yorba Linda Water District; and

WHEREAS, the information and findings contained in the MSR and SOI reviews for the cities and special districts identified in this Resolution are current and do not raise any significant service-related issues; and

WHEREAS, copies of the MSR and SOI report, SOI maps, and statement of determinations for the cities and special districts identified in this Resolution have been reviewed by the Commission and are available for public review in the OC LAFCO offices and on the OC LAFCO website; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set August 12, 2026, as the hearing date of the SOI reviews of the cities and special districts identified in this Resolution and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427 has prepared a report, including his recommendations thereon, and has provided a copy of this report to each affected agency entitled to a copy; and

WHEREAS, the review consists of the reconfirmation of the SOIs for the following cities: Brea, Fullerton, La Habra, Placentia, and Yorba Linda; and

WHEREAS, the review consists of the reconfirmation of the SOIs for the following special districts: Placentia Library District and Yorba Linda Water District; and

WHEREAS, this Commission called for and held a public hearing on the SOI reviews for the cities and special districts identified in this Resolution on August 12, 2026, and at the hearing this Commission received all oral and written comments, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to these reviews and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this review, including but not limited to, factors specified in Government Code Sections 56425 and 56430; and

WHEREAS, pursuant to the California Environmental Quality Act, the SOI reviews and reconfirmation of the existing SOIs of the cities and special districts identified in this Resolution were determined to be exempt from CEQA under State CEQA Guidelines.

NOW, THEREFORE, the Local Agency Formation Commission of Orange County DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions.

a) The "Sphere of Influence Reviews for the North Region (SOI 25-09)" together with the written Statement of Determinations are determined by the Commission, as the lead agency, to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.

b) The Commission directs the Executive Officer to file a Notice of Exemption, shown as "Exhibit 2," with the Orange County Clerk-Recorder as the lead agency under Section 15062.

Section 2. Determinations.

a) This review is assigned the following distinctive short-form designation: "Sphere of Influence Reviews for the North Region (SOI 25-09)."

b) The Executive Officer's staff report and recommendation to reconfirm the SOIs, including the SOI maps attached as "Exhibit 2B" hereto for the cities and special districts identified in this Resolution dated August 12, 2026, are hereby approved.

c) The Commission has adopted the accompanying Statement of Determinations for the cities and special districts identified in this Resolution, shown as "Exhibit 2A."

Section 3. Mail Copy of Resolution.

The Executive Officer shall mail a copy of this Resolution as provided in Government Code Section 56882.

Section 4. 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 office of OC LAFCO. The custodian for these records is Orange County Local Agency Formation Commission, 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 12th day of August 2026.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of August 2026.

WENDY BUCKNUM
Chair of the Local Agency Formation
Commission of Orange County

By: ________________________________
WENDY BUCKNUM

EXHIBIT: 2

NOTICE OF EXEMPTION

TO: ☐	Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044	FROM: (Public Agency)	Local Agency Formation Commission of Orange County (Lead Agency)
☒	Clerk of the Board of Supervisors or County Clerk County of: Orange Address: 601 N. Ross Street Santa Ana, CA 92701	Address	2677 North Main Street Suite 1050 Santa Ana, CA 92705

1.	Project Title:	"Sphere of Influence Reviews for the North MSR Region (SOI25-09)"
2.	Project Applicant:	Local Agency Formation Commission of Orange County
3.	Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	The project area encompasses the city boundaries of Brea, Fullerton, La Habra, Placentia, Yorba Linda, and portions of unincorporated Orange County.
4.	(a) Project Location – Cities and Special Districts	The project area encompasses the cities of Brea, Fullerton, La Habra, Placentia, and Yorba Linda, and portions of unincorporated Orange County, and the service boundaries of Placentia Library District and Yorba Linda Water District.
	(b) Project Location – County	Orange
5.	Description of nature, purpose, and beneficiaries of Project:	Conduct SOI reviews and adopt the Statement of Determinations for the cities of Brea, Fullerton, La Habra, Placentia, Yorba Linda, and portions of unincorporated Orange County, and the service boundaries of Placentia Library District and Yorba Linda Water District.
6.	Name of Public Agency approving project:	Local Agency Formation Commission of Orange County
7.	Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Local Agency Formation Commission of Orange County
8.	Exempt status: (check one)	
	☐ Ministerial project.	(Pub. Res. Code § 21080(b)(1); State CEQA Guidelines § 15268)
	☐ Not a project.	
	☐ Emergency Project.	(Pub. Res. Code § 21080(b)(4); State CEQA Guidelines §

	15269(b), (c))
☐ Categorical Exemption. State type and section number:	One single-family residence, or second dwelling unit in residential zone. Class 3 § 15303(a)
☐ Declared Emergency.	(Pub. Res. Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
☒ Statutory Exemption. State Code section number:	CEQA Guidelines §15262 (Feasibility and Planning Studies)
☐ Other. Explanation:	
9. Reason why project was exempt:	The Sphere of Influence Reviews and Statement of Determinations are exempt from CEQA under CEQA Guidelines Section 15262: Feasibility and Planning Studies. A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration.
10. Lead Agency Contact Person:	Luis Tapia, Executive Officer
Telephone:	(714) 640-5100
11. If filed by applicant: Attach Preliminary Exemption Assessment (Form "A") before filing. 12. Has a Notice of Exemption been filed by the public agency approving the project? Yes ☐No ☒	
13. Was a public hearing held by the Lead Agency to consider the exemption? Yes ☒ No ☐ If yes, the date of the public hearing was: August 12, 2026	

Signature:_______________________ Date:_____________ Title: Executive Officer
Name:

☒ Signed by Lead Agency ☐ Signed by Applicant

Date Received for Filing: ____________________

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

EXHIBIT 2A: SOI STATEMENT OF DETERMINATIONS
for the North Region

DETERMINATION 1: THE PRESENT AND PLANNED LAND USES IN THE AREA, INCLUDING AGRICULTURAL AND OPEN-SPACE LANDS.

Cities, special districts, and unincorporated areas within the North Region are largely built out with little remaining open space for development. The cities anticipate modest population growth and are planning for any increases in housing stock through their respective planning documents, including General Plans and Housing Elements.

Pursuant to Government Code Section 65302(c), general plans must include a housing element explaining how the jurisdiction will meet its allocation of the regional housing need. The cities are also required by State law to submit annual progress reports on their respective general plan and housing element by April 1 for the prior year. As of the date of this report, all of the cities have received certification of their 6th Round Housing Element from the California Department of Housing and Community Development ("HCD") and have submitted annual progress reports for 2024. Annual progress reports for 2025 were due April 1, 2026, and each city in North Region confirmed they submitted the report by/before this deadline.

DETERMINATION 2: THE PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA.

North Region agencies are currently providing adequate services and facilities to their residents and customers. Based on the information reviewed for this MSR, the agencies appear capable of continuing to provide these services at current levels in the near term.

While no immediate deficiencies in service delivery were identified, several agencies operate infrastructure that is aging and will require rehabilitation or replacement over time. Portions of the water and wastewater systems within the region are approaching the end of their useful life and will require ongoing capital investment to maintain service reliability. Similarly, roadway networks and related public infrastructure will require continued maintenance and periodic improvements.

The agencies have identified many of these infrastructure improvement needs through their respective Pavement Management Plans, Urban Water Management Plans, Master Plans and Capital Improvement Projects. Planned projects primarily involve rehabilitation, replacement, or modernization of existing facilities rather than expansion of service capacity. Agencies are generally planning and budgeting for these improvements to maintain service levels and address long-term infrastructure needs.

EXHIBIT 2A: SOI STATEMENT OF DETERMINATIONS for the North Region

DETERMINATION 3: THE PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES THAT THE AGENCY PROVIDES OR IS AUTHORIZED TO PROVIDE.

The present capacity of the public facilities operated by the cities and special districts in the North Region is adequate to provide public services to their residents and customers. Additional information regarding infrastructure responsibilities and identified capital improvement needs is provided below.

The five cities in the North Region require significant capital improvements to their street infrastructure to meet projected demands. The Cities of Brea, Fullerton, and La Habra are also responsible for their respective water and wastewater systems and have identified significant capital improvements to these systems.

Unlike the other cities, Yorba Linda and Placentia do not provide all utility services directly. The City of Yorba Linda is responsible for its street infrastructure, while the Yorba Linda Water District provides water and wastewater services. As discussed above, the District has identified significant capital improvements to these systems to meet projected demands.

Similarly, the City of Placentia is responsible for its wastewater infrastructure, while potable water service is provided primarily by Golden State Water Company, with portions of the city also served by the Yorba Linda Water District. Significant capital improvements have been identified for the water infrastructure serving the city to meet projected demands. Additionally, the City has identified capital improvements to its wastewater system.

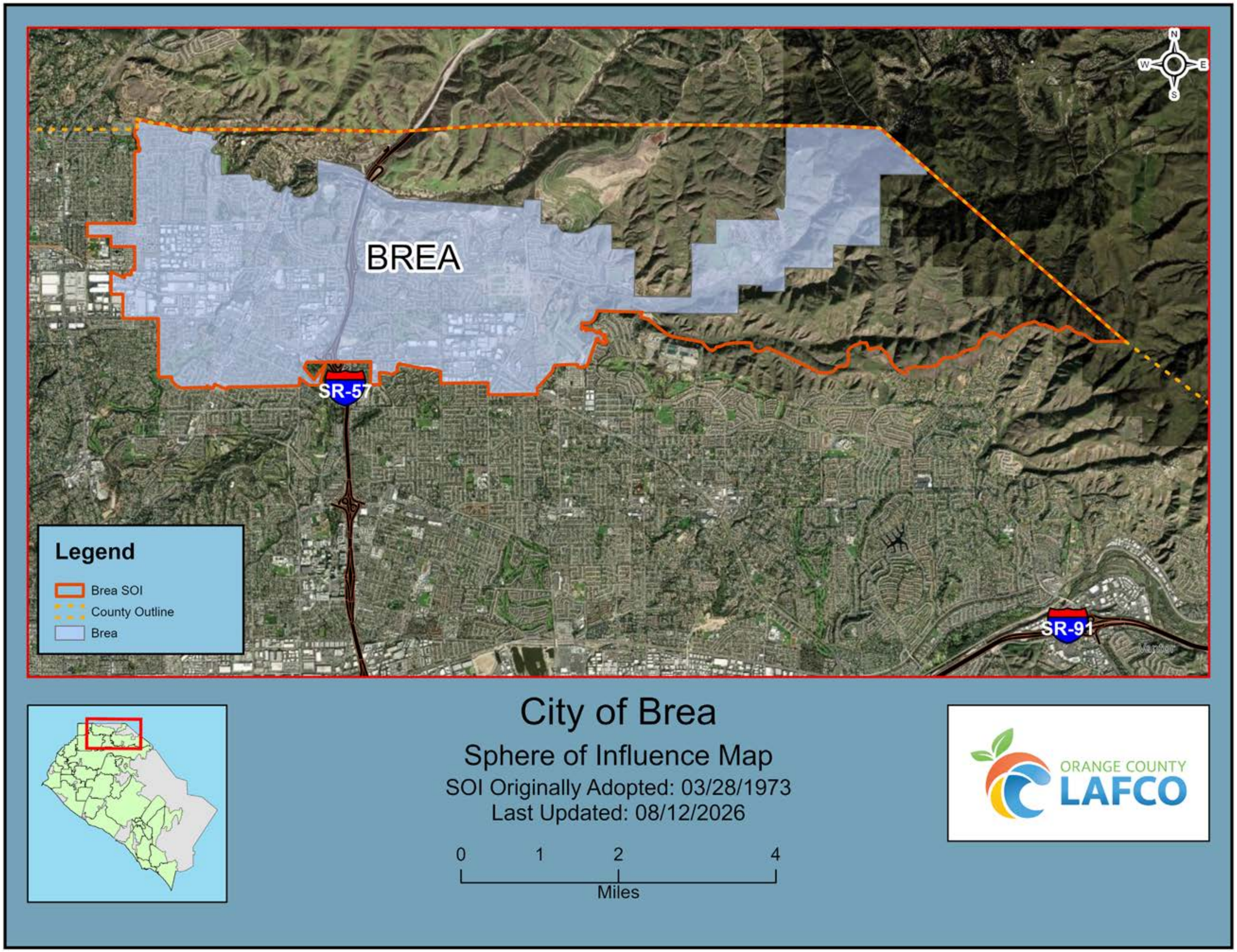
Despite these infrastructure needs, all agencies in the North Region have incorporated necessary improvements into their capital planning and budgeting and are proceeding with implementation in accordance with their adopted planning documents.

DETERMINATION 4: THE EXISTENCE OF ANY SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST IN THE AREA, IF THE COMMISSION DETERMINES THAT THEY ARE RELEVANT TO THE AGENCY.

The North Region includes a limited number of unincorporated areas, predominantly within the SOIs for the cities of Brea and Yorba Linda. These unincorporated areas receive municipal services primarily from Orange County, including but not limited to, fire protection, parks and recreation, planning, and community development.

DETERMINATION 5: IF A CITY OR SPECIAL DISTRICT PROVIDES PUBLIC FACILITIES OR SERVICES RELATED TO SEWERS, MUNICIPAL AND INDUSTRIAL WATER, OR STRUCTURAL FIRE PROTECTION, THE PRESENT AND PROBABLE NEED FOR THOSE FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE.

There are no DUCs located within or contiguous to the SOIs for the agencies in the North Region.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Legend
Brea SOI
County Outline
Brea
City of Brea
Sphere of Influence Map
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Last Updated: 08/12/2026
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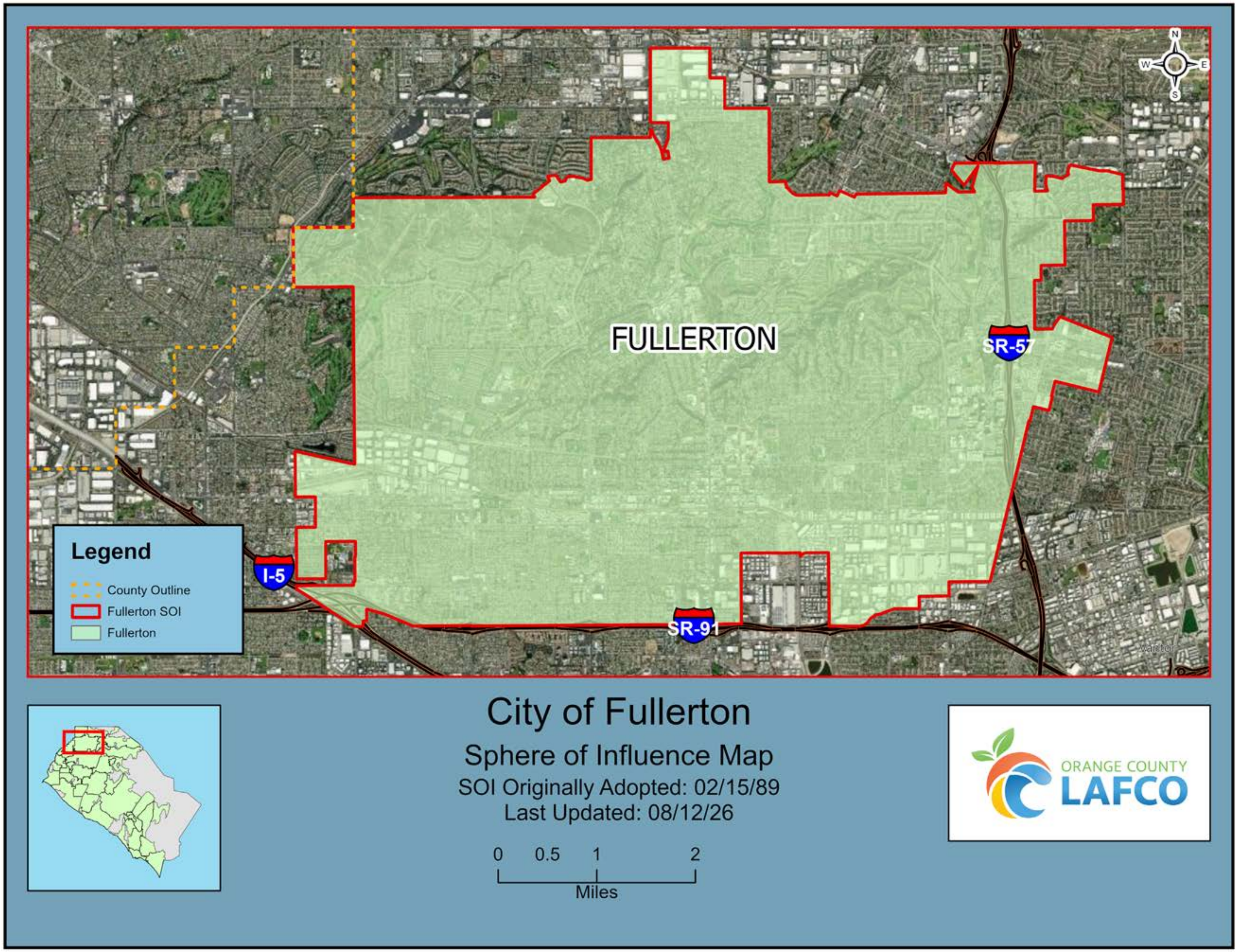
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I-5
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Legend
County Outline
Fullerton SOI
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City of Fullerton
Sphere of Influence Map
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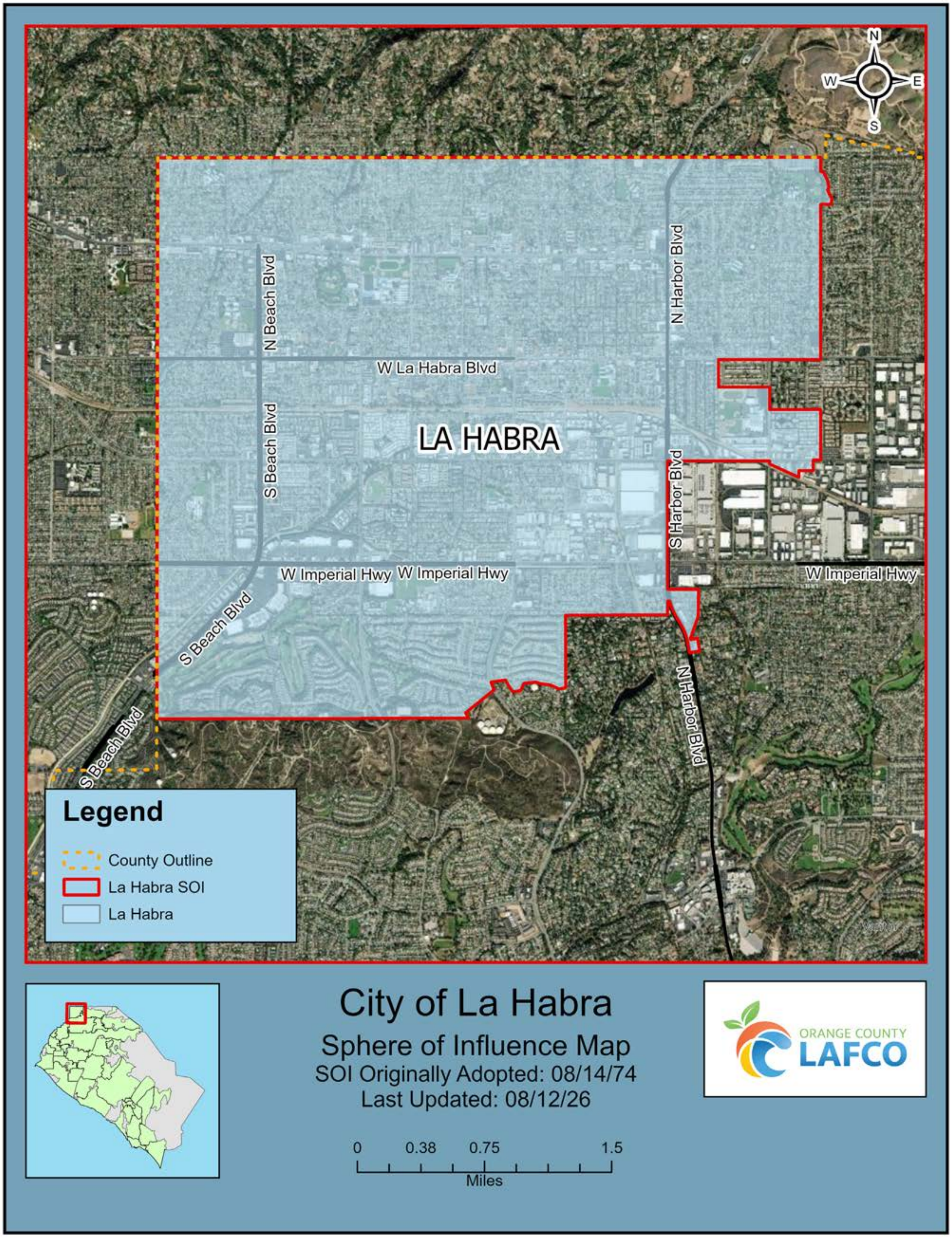

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County Outline
La Habra SOI
La Habra
City of La Habra
Sphere of Influence Map
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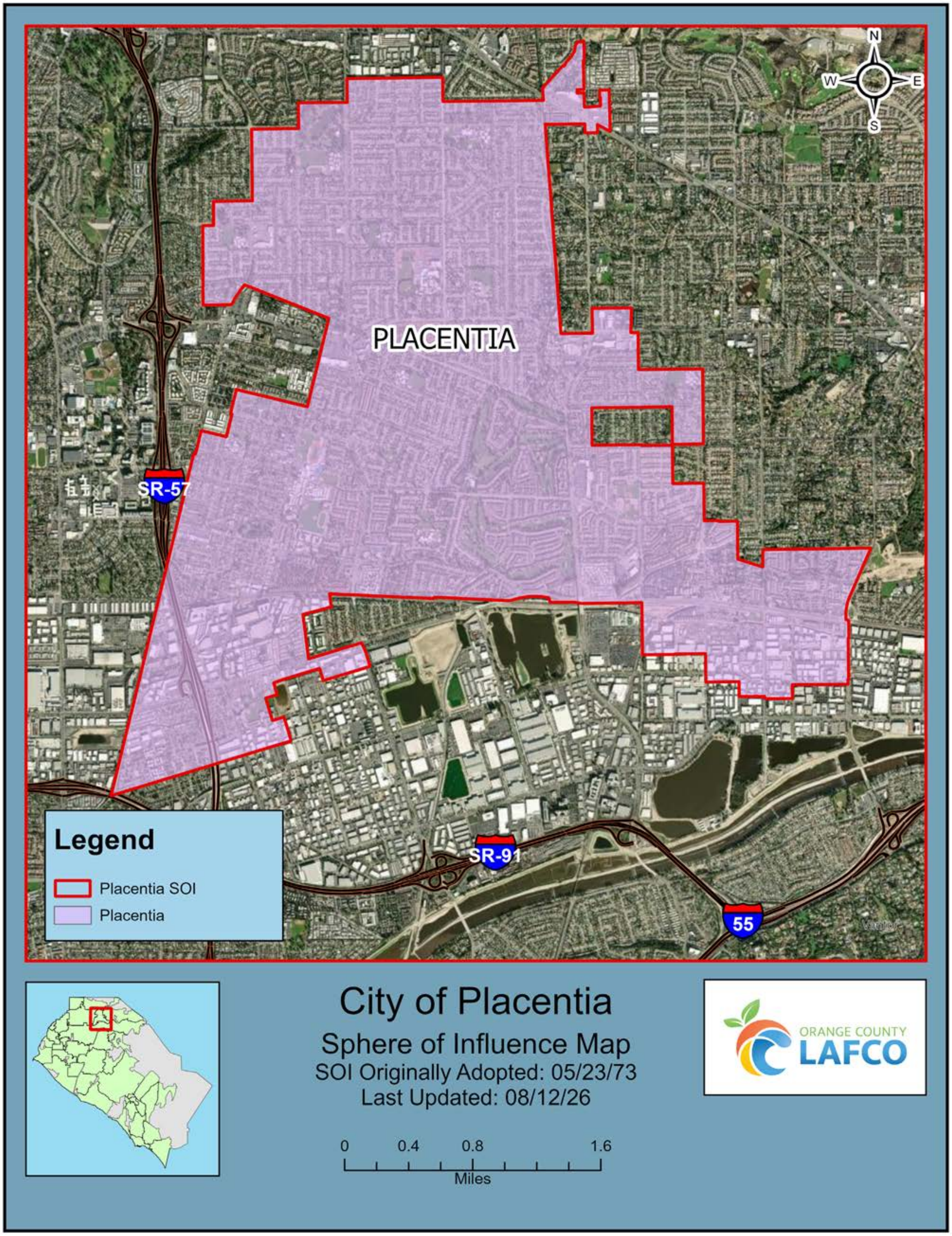
ORANGE COUNTY
LAFCO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Last Updated: 08/12/26
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ORANGE COUNTY
LAFCO


YORBA LINDA
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County Outline
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ORANGE COUNTY
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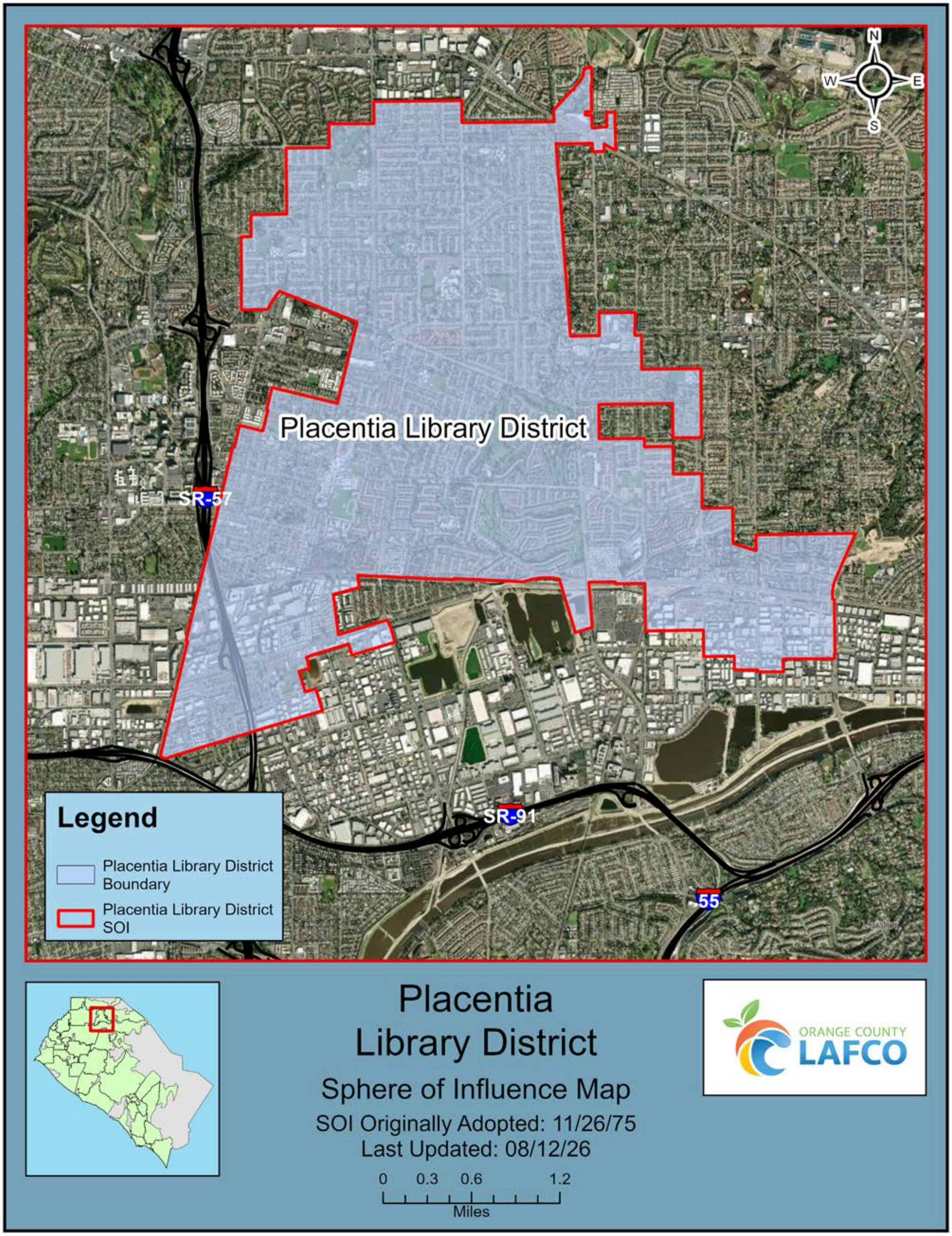
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Placentia Library District SOI
Placentia
Library District
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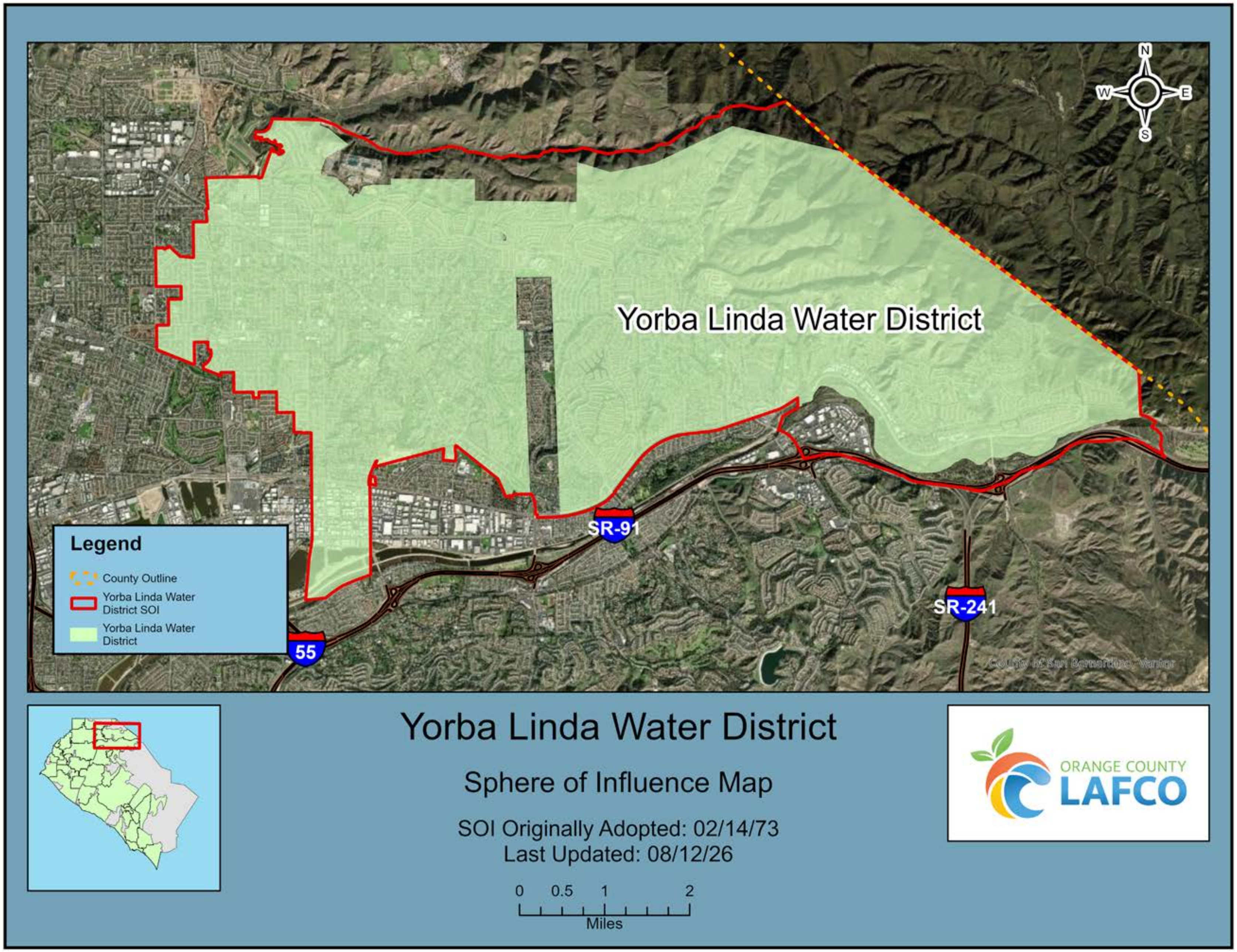
ORANGE COUNTY
LAFCO


Yorba Linda Water District
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County Outline
Yorba Linda Water District SOI
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Yorba Linda Water District
Sphere of Influence Map
SOI Originally Adopted: 02/14/73
Last Updated: 08/12/26
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Miles
ORANGE COUNTY LAFCO

ORANGE COUNTY
LAFCO

2677 North Main Street | Suite 1050
Santa Ana, CA 92705
Phone: 714.640.5100 | **Fax:** 714.640.5139

MEETING DATE: August 12, 2026

9a | Commission Discussion

TO: Local Agency Formation Commission of Orange County

FROM: Executive Officer

SUBJECT: Fiscal Year 2025-2026 Year-End Comprehensive Report

BACKGROUND

Throughout the fiscal year, the Commission receives quarterly financial reports and mid-year and year-end reports on the agency's work plan. The attached comprehensive report combines the review of the accomplishments of the 2025-2028 Work Plan and an assessment of the agency's budget and investment portfolio for July 1, 2025, through June 30, 2026. The Work Plan, which includes the status of approved projects and activities, is referenced as Attachment 2 to this report.

RECOMMENDED ACTION

Staff recommends the Commission:

1. Receive and file the Year-End Comprehensive Report for Fiscal Year 2025-2026.

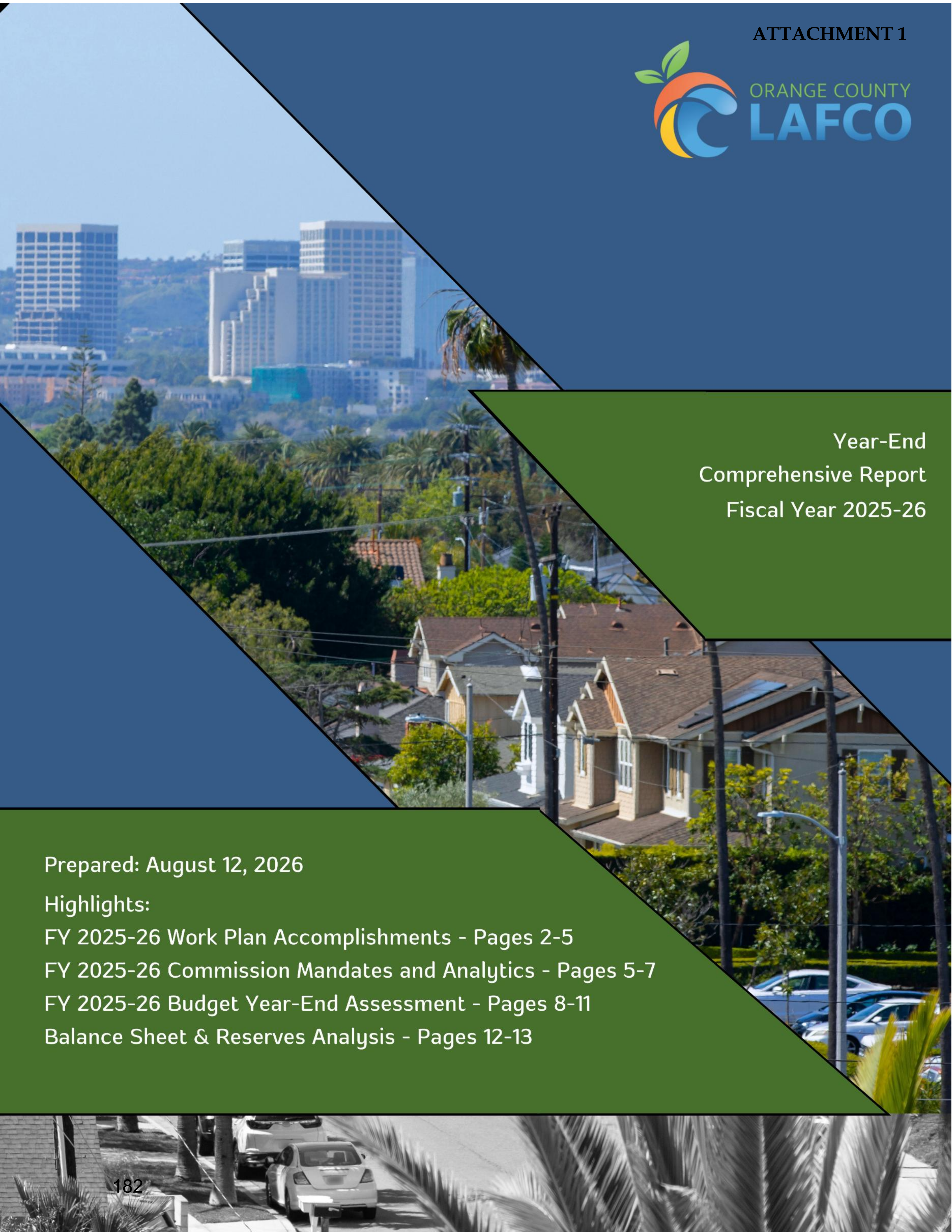
Respectfully submitted,

LUIS TAPIA

Attachments:
1. Fiscal Year 2025-2026 Year-End Comprehensive Report
2. 2025-2028 OC LAFCO Work Plan
3. 4th Cycle – MSR and SOI Program Timeline

ATTACHMENT 1

ORANGE COUNTY LAFCO



Year-End Comprehensive Report Fiscal Year 2025-26

Prepared: August 12, 2026

Highlights:

INTRODUCTION

The Year-End Comprehensive Report presents an overview of the Commission's Work Plan accomplishments, Commission mandates, analytics, and the agency's budget and investment portfolio performance for Fiscal Year 2025-2026.

WORK PLAN ACCOMPLISHMENTS

This section highlights the Commission's accomplishments during the first fiscal year of its three-year 2025-2028 Work Plan. In addition to the processing of filed applications and responding to the legislative mandate to prepare Municipal Service Reviews, a Work Plan has been adopted by the Commission that includes objectives assigned to the following strategic goals – ***Goal One*****:** Staff Development, Retention, and Recruitment; ***Goal Two*****:** Improve Municipal Service Review (MSR) Process for Future MSRs; ***Goal Three*****:** Optimize Communication; and, ***Goal Four*****:** Southern Region LAFCOs Educational and Legislative Partnership.

In the first year of the 2025-2028 Work Plan, the agency's overall performance includes completion of several objectives within the timeline established by the Commission and others on track prior to the completion of the three-year work plan. A discussion of each goal and the accomplishments and respective status of each objective is provided in the next section of this report and referenced in ***Attachment 2***.

Goal One: *Staff Development, Retention, and Recruitment*

Staff development, retention, and recruitment remained areas of priority during the FY 2025-2026. During the first quarter of the fiscal year, the agency experienced staff transitions, including hiring a Policy Analyst and appointing a new Executive Officer. During the transition of the two key positions, the Commission and staff continued to carry out the agency's mission with minimal interruptions to projects and activities. A key ongoing practice by staff is cross-training, which has allowed operational efficiencies to continue. Additionally, the Commission approved the *Classification and Compensation Study*, which updated the employee salary schedule and position classifications, and included a new position classification, senior analyst, as a promotional opportunity.

Professional development involving staff continued to be supported and encouraged by the Executive Officer. Staff participated in LAFCO-related and external activities to expand their acumen in leadership, government, geographic information systems, and municipal fiscal analysis.

During the past fiscal cycle, OC LAFCO completed the following activities to align with the key priorities of staff development, retention, and recruitment:

- ✓ Recruitment of a Policy Analyst I (complete).
- ✓ Commission appointed a new Executive Officer (complete).
- ✓ Conducted employee *Classification and Compensation Study (complete)*.
- ✓ Executive Officer continued to cross-train staff in multiple areas of the agency operations (ongoing).
- ✓ $20K annual funding for staff participation in professional development and training activities (underway).

Retaining and recruiting strong talent remains a priority for the Commission as the agency enters its second year of the three-year Work Plan 2025–2028 and will play a critical role in the agency's success in this area.

Goal Two: *Improve Municipal Service Review (MSR) Process for Future MSRs*

To date, the Commission has completed fourth-cycle MSRs for 24 cities, 22 special districts, and three County Service Areas, including the North MSR Region, which is scheduled for a public hearing on August 12, 2026. The MSR process has undergone many changes over the course of the previous and current work plan, resulting in efficiencies in report preparation, data collection, and agency feedback. The report preparation and data collection areas have been enhanced through budgeting and the use of consultants to complement staff's expertise and resources.

In addition to using surveys before and after the MSR process to gather data and feedback from cities and special districts, the MSR process also includes conducting agency interviews. These direct discussions with agency staff during the MSR process have allowed OC LAFCO staff and consultants to collect additional information and receive clarification on information provided in the surveys to ensure accuracy. The interviews also provide an additional opportunity for the agency staff to receive answers or clarification on the MSR process.

Enhancements to the MSR process discussed in this section have contributed to the completion of approximately 70 percent of the Commission's current five-year cycle MSR program, with the expectation that this will increase to 85 percent during the next fiscal year. During FY 2025-2026, the Commission received and filed the Central MSR Region, will hold a public hearing for the North MSR in August, and hired a consultant to work with staff on the Coastal MSR Region. The Coastal MSR Region includes 5 cities and 8 special districts, and is expected to be presented to the Commission in the spring of 2027. The updated MSR program schedule is attached to this report for reference and is also available on the OC LAFCO website to agencies and other interested parties.

Goal Three: *Optimize Communication*

During FY 2025-2026, the Commission's communication tools and resources remain key in keeping OC LAFCO Commissioners and staff connected with our local agencies, other external organizations and groups, and the public. Below is a list of the Work Plan objectives for this goal completed during FY 2025-26:

- ✓ Published Summer and Spring editions of The Pulse with distributions to local agencies and other external organizations and associations.
- ✓ Conducted visits with stakeholders, including 13 special districts and 12 cities, to provide updates on LAFCO news, updates on the current fourth round of MSRs, and provide information on the fiscal indicators.
- ✓ Provided LAFCO 101 Presentations to the Independent Special Districts of Orange County (ISDOC) and the California State Association of County Auditors Tax Managers Group.

THE Pulse

ORANGE COUNTY LAFCO

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.

A Message from the Chair

Wendy Bucknum, Chair

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 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.

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 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.

SPRING EDITION

Contents

Additional objectives that were also completed or started during the past fiscal year to support effective efforts of internal and external communication include the following efforts:

- ✓ Completion of website enhancements and improvements.
- ✓ Implementation of a new program on the agency's website to ensure compliance with the recent updates to the Americans with Disabilities Act instituted by the Federal Government regarding digital accessibility.
- ✓ Electronic access improvements to OC LAFCO local bylaws, policies, and procedures.

Finally, to ensure OC LAFCO stays connected with various external groups, staff and Commissioners continued participation with the following groups over the past fiscal year:

- ❖ Alliance of LAFCOs (Orange, Los Angeles, San Bernardino, and San Diego LAFCOs) – staff and Commissioners, with Commissioner McGregor and Huang as the regular and alternate members, respectively.
- ❖ Alliance Legislative Committee (Luis Tapia, Executive Officer and Aimee Diaz, Policy Analyst I).
- ❖ Center for Demographic Research (CDR) - Staff
- ❖ Independent Special Districts of Orange County (ISDOC) (Commissioner Fisler, Luis Tapia, Executive Officer, Leo Lara, Policy Analyst I).
- ❖ Orange County City Managers Association – Executive Officer
- ❖ Orange County Council of Governments (Commissioners Wagner and Bucknum, and Luis Tapia, Executive Officer).
- ❖ Orange County Business Council – Staff
- ❖ UC Berkeley, LAFCO and Water/Wastewater Small System Working Group (Luis Tapia, Executive Officer).

Goal Four: *Southern Region LAFCOs Educational and Legislative Partnership*

In May 2025, the Commission approved the "Memorandum of Understanding by and between Los Angeles, Orange, San Bernardino, and San Diego LAFCOs" (MOU) to formalize the collaboration and officially provide a budget for the Alliance of Local Agency Formation Commissions (Alliance of LAFCOs). The memorandum of understanding outlines the collaboration between the LAFCOs for the provision and receipt of services, including educational opportunities, training, professional networking, and legislative advocacy. Below is a list of the Work Plan objectives for this goal related to the establishment of the Alliance completed during FY 2025-26:

- ✓ Approved a memorandum of understanding between the members of the Alliance of LAFCOs and the first amendment to the MOU.
- ✓ Collaborated with the Alliance of LAFCOs to establish the Alliance of LAFCOs Legislative Committee to review and monitor legislation of LAFCO interest.
- ✓ Participated in the monthly Alliance of LAFCOs meetings.
- ✓ Planned the first staff workshop for the Alliance of LAFCOs.
- ✓ Distributed the Summer 2025 and Spring 2026 Pulse editions to stakeholders.

COMMISSION MANDATES

While not included within the Commission's Work Plan, the Commission is required to efficiently process filed applications and conduct MSRs and sphere reviews and updates in accordance with the timelines prescribed in State law and adopted local policies. Because of statutory timelines and mandates, filed applications and MSRs take precedence over other agency activities and projects.

During the past fiscal year, two applications were processed and approved by the Commission. Staff resources were allocated to the applications and to additional efforts and inquiries involving potential changes of organization. The summaries below highlight these efforts.

Completed

Latent Powers:

- ✓ Activation of Latent Powers for Three Arch Bay Community Services District – *Approved February 11, 2026*.

City Annexation

- ✓ City of Irvine Annexation of the Gateway Development Notch Areas 1 and 2 – *Approved May 13, 2026*.

MSR/SOI Reviews

- ✓ Central MSR Region – Completed September 2025.

Underway

Proposed Submittal of Application

- ✓ City of Anaheim Annexations of Right-of-Ways – *End of Summer*.
- ✓ Irvine Ranch Water District and Orange County Sanitation District Annexations – *Summer*.

MSR/SOI Reviews:

- ✓ North Region – *Anticipated Completion – August 2026*.
- ✓ Coastal Region – *Anticipated Completion – March/April 2027*.

Potential Applications

- City of Orange is exploring the annexation of the islands within the City's SOI.
- City of Cypress is exploring an annexation to the Cypress Recreation & Park District.
- City of Newport Beach is exploring the annexation of an area.

FY 2025-26 ANALYTICS

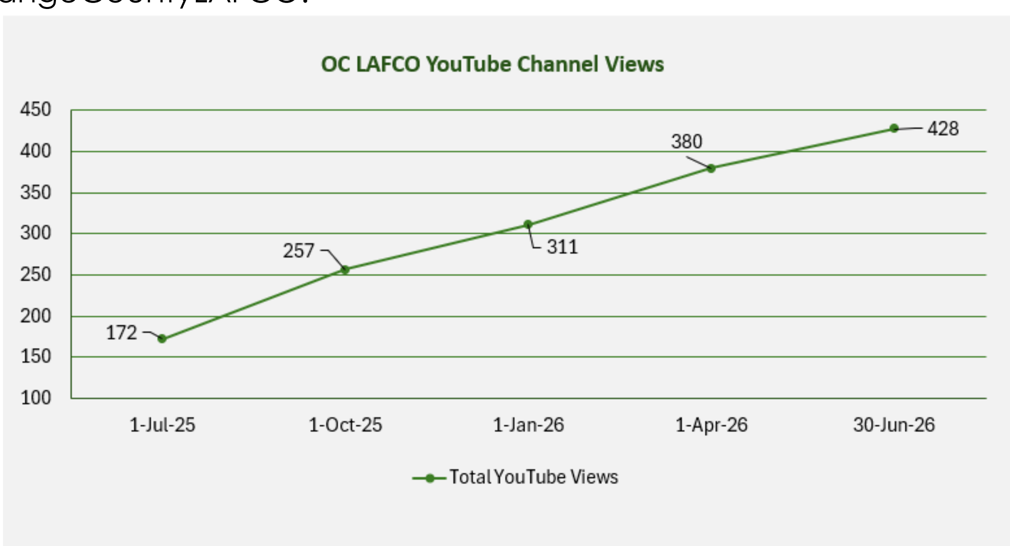
During the past fiscal year, the OC LAFCO website has served as an important resource for the agencies and public, generating more than 27,365 page views. The website analytics demonstrate that users accessed a variety of information related to the agency's programs and services, with the highest levels of activity focused on the following pages: the Homepage, Unincorporated Areas, Meetings, Municipal Service Reviews, and Sphere of

Influence maps. The chart below displays the five pages that attracted the most visits over the past fiscal year. Although the listed pages accounted for the most website traffic, they represent a portion of the overall engagement across the website.

YouTube Performance

The Commission continued to enhance public access to its general meetings during Fiscal Year 2025-26 through its livestream platform. Following the Commission's introduction of audio livestreaming and transition to video livestreaming in 2025, the Commission's online meeting broadcast serves as a resource for public viewing. During Fiscal Year 2025-2026, the Commission's livestreams received a total of 428 views to date and over 60 hours of watch time, reflecting continued public engagement with the Commission's digital meeting access tool. The graph below demonstrates livestream viewership trends during the fiscal year.

To follow along with OC LAFCO, visit www.oclafco.org or subscribe to the agency's YouTube channel @OrangeCountyLAFCO.



YEAR-END BUDGET OVERVIEW

This report provides an update on the agency's budget and investment portfolio performance for the period of July 1, 2025, through June 30, 2026.[1] The Fiscal Year 2025-26 budget of $1,837,990 supported the operations of the Commission and provided the resources needed to accomplish the agency's work plan.

Revenues

The OC LAFCO revenues (agency apportionments and interest earnings) exceeded budget projections at the end of the fiscal cycle. The year-to-date agency revenues received include $1,692,010 in agency apportionments and $75,944 in interest earnings received from the Commission's investment accounts. The fiscal year budget for 2025-2026 included moderate projections for the interest earnings that were based on the market performance at that time. However, interest earnings at year-end performed well and exceeded projections.

Another source of OC LAFCO revenue is application filing fees. These filing fees are not used for budgeting purposes as they are used to offset the costs associated with processing the respective applications. During the 2025-2026 fiscal year, the agency had filing fees for two applications on deposit as shown in the financial overview as revenue within the Special Revenue Fund column. The Special Revenue Fund column in the table on page 11 includes year-to-date accounting of the application fees and expenses incurred during the current fiscal year.

Expenditures

Throughout FY 2025-2026, the General Fund expenditures trended between 12 percent and approximately 35.9 percent below quarterly target levels, and as of June 30, 2026, expenditures are at approximately 64.1 percent of the overall budget of $1,837,990. The following table provides a comparison of the percentage of actual funds used and the target levels for the 2025-2026 budget cycle.[2]

Total Funds Used (as of June 30, 2026)				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Target	25%	50%	75%	100%
Actual	12%	29.4%	46.7%	64.1%

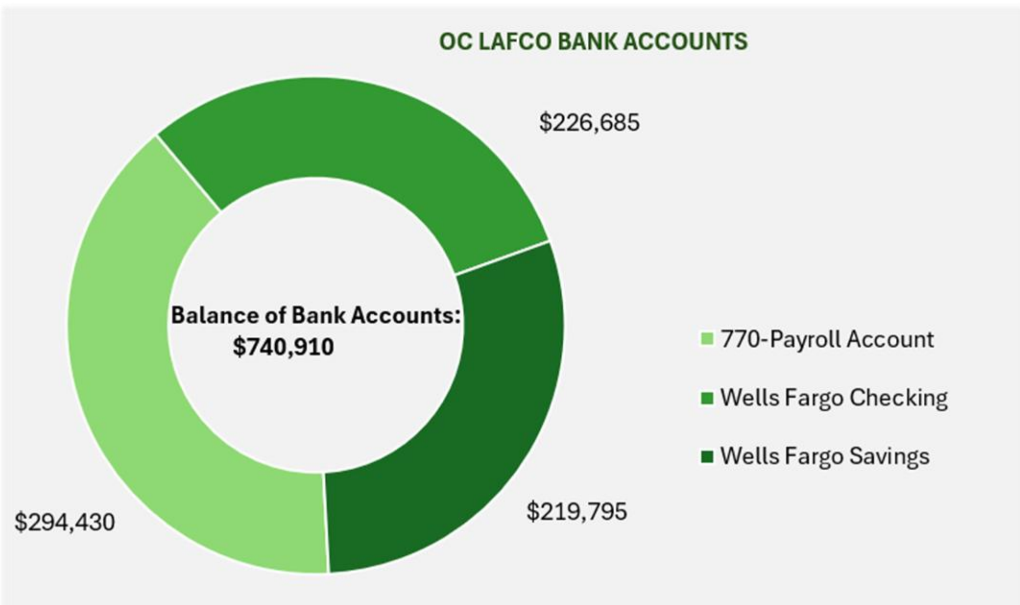
As indicated in the table on page 10, at the close of the fourth quarter, overall expenses are projected to be approximately 35.9 percent below the approved budget total by June 30.

[1] All financial statements contained in this report are on an accrual accounting basis.
[2] Actual expenditures for the year-end reporting are unaudited and subject to change.

Ending below the target level is largely attributed to savings within the salaries and benefits line items resulting from the transition in the Executive Officer position, the vacancy of a policy analyst during the first quarter of FY 2025-2026, and the vacancy of the Assistant Executive Officer position. Additional line items within the budget target levels and key operational expenditures include professional services (e.g., Legal, Accounting/Audit, Human Resources), office equipment and supplies, information technology, and other office operation line items. The line item, general liability, reflects a slightly higher cost above the budgeted amount due to a minor increase in the estimates used during the preparation of the annual budget. Lastly, line items, including unincorporated islands, Commission meeting expenses, and human resources, reflect low percentages of expenses due to delays on expected projects and charges, potential applications, and other related actions.

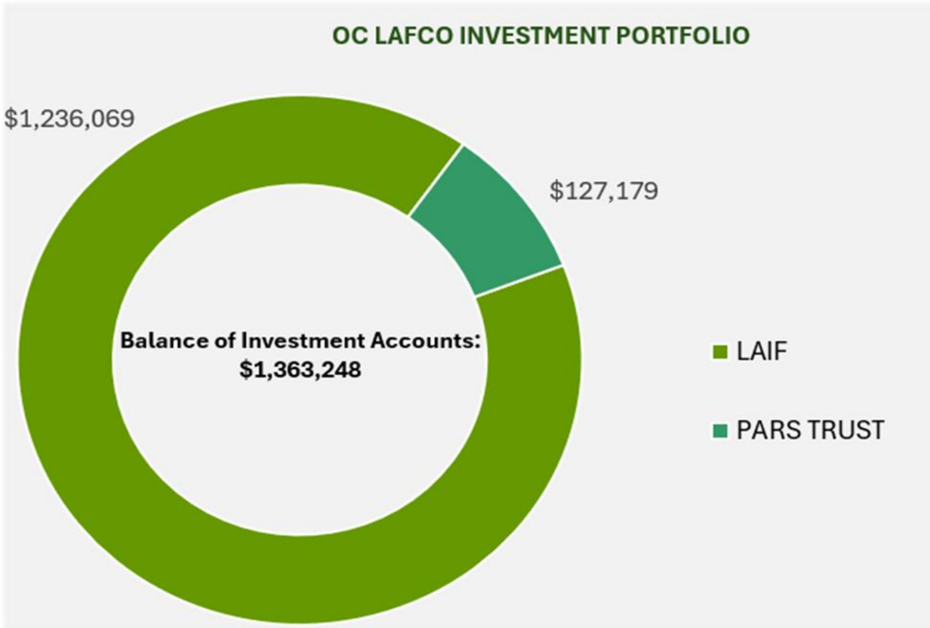
Balances and Investment Report

The following graph illustrates the balance of OC LAFCO's bank accounts as of June 30, 2026:



To maximize the interest accrued on the agency's revenues, apportionment fees have been 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 past fiscal year saw continued improvement involving the investment earnings of the agency's Section 115 Public Agencies Post-Employment Benefits Trust (Trust). The balance of the Trust account is $127,179 and includes three Commission-approved transfers totaling $102,437 and a current gain of $24,742 since being established by the Commission in 2021.

The following graph illustrates the complete balance of OC LAFCO's investment portfolio as of June 30, 2026.



APPENDIX A
OC LAFCO – Year-End Budget Overview
July 1, 2025 – June 30, 2026

	YTD Special Revenue Funds	1st Qtr. General Fund	2nd Qtr. General Fund	3rd Qtr General Fund	4th Qtr General Fund	YTD General Fund	TOTAL FY 25/26 Budget	General Fund
Revenue:								
Addition/(Use) of Unreserved Equity	$ -	$ -	$ -	$ -	$ -	$ -	$ 110,340	0.0%
LAFCO Apportionment	-	1,692,010	-	-	-	1,692,010	1,692,010	100.0%
Filing Fees	12,521	-	-	-	-	-	-	0.0%
Misc Revenue	-	167	116	-	81	364	-	0.0%
Interest & Dividends	-	369	17,291	40,312	17,972	75,944	35,640	213.1%
PARS Trust Investment Gain/Loss	-	5,027	2,052	(978)	8,217	14,318	-	0.0%
Total Revenue	12,521	1,697,573	19,459	39,334	26,270	1,782,636	1,837,990	97.0%
Expenditures:								
Salaries	5,382	84,364	119,065	100,152	118,071	421,652	671,000	62.8%
Hourly Employees	-	4,195	4,451	3,565	3,220	15,431	20,800	74.2%
Benefits & Insurance					-			
Retirement Benefits	-	29,802	41,496	35,720	42,064	149,082	274,700	54.3%
Retiree Health Benefits	-	763	1,091	936	1,097	3,887	6,200	62.7%
Health Insurance	-	9,059	14,071	12,882	15,029	51,041	78,500	65.0%
Dental Insurance	-	436	847	1,300	1,518	4,101	5,600	73.2%
Life Insurance	-	49	82	72	84	287	420	68.2%
Unemployment Insurance	-	36	50	43	50	179	540	33.1%
Health Reimbursement	-	1,282	1,765	1,513	1,766	6,326	8,200	77.1%
Optional Benefit Plan	-	-	16,042	-	-	16,042	18,500	86.7%
Deferred Compensation	-	833	3,439	2,898	5,303	12,473	19,400	64.3%
Medicare	-	1,254	1,973	1,527	1,774	6,528	10,300	63.4%
Salary Continuance	-	220	311	267	313	1,111	1,750	63.5%
Accidental Death Insurance	-	15	24	21	25	85	120	71.0%
Executive Car Allowance	-	-	1,800	1,200	2,400	5,400	7,200	75.0%
Total - Benefits & Insurance	-	43,749	82,991	58,379	71,422	256,541	431,430	59.5%
Information Technology	-	2,457	4,658	5,817	6,864	19,796	21,600	91.6%
Internet & Electronic Services	-	5,946	4,584	5,153	3,483	19,166	21,500	89.1%
County of Orange	-	807	523	2,087	215	3,632	13,100	27.7%
Insurance	-	5,404	5,404	5,404	5,756	21,968	21,860	100.5%
Memberships/Subscriptions	-	7,234	7,034	6,974	6,874	28,116	28,600	98.3%
Office Equipment/Supplies	-	4,530	3,922	3,010	7,171	18,633	28,400	65.6%
Professional Services:								
Legal	-	6,832	5,826	10,728	5,261	28,647	60,000	47.7%
Accounting/Audit	-	23,405	12,903	12,304	12,304	60,916	60,900	100.0%
Human Resources	-	6,331	-	-	-	6,331	30,000	21.1%
Other Professional Services	-	5,740	30,444	35,899	42,707	114,790	200,000	57.4%
Total - Professional Services	-	42,308	49,173	58,931	60,272	210,684	350,900	60.0%
Mapping/Archiving	-	984	984	984	983	3,935	4,000	98.4%
Investment Admin Fees	-	91	63	26	11	191	850	22.5%
Public Noticing/Communications	6,321	2,405	-	1,781	598	4,784	14,400	33.2%
Unincorporated Areas Program	-	-	-	-	-	-	11,000	0.0%
Rents/Improvements/Maintenance	-	38,335	28,760	28,751	19,657	115,503	118,700	97.3%
Equipment Leases & Maintenance	-	2,527	1,089	1,445	2,874	7,935	8,100	98.0%
Commissioner/Staff Expenses	-	540	1,206	993	759	3,498	5,000	70.0%
Comm. Stipends & Taxes/Fees	-	1,124	2,362	3,006	1,926	8,418	15,750	53.4%
Educations & Legislative Partn	-	250	3,905	1,307	6,308	11,770	16,000	73.6%
Professional Development	-	145	-	2,150	2,653	4,948	20,000	24.7%
Transportation/Travel	-	-	680	-	156	836	5,000	16.7%
Commission Meeting Expense	-	267	280	280	265	1,092	10,000	10.9%
SBE	650	-	-	-	-	-	-	0.0%
Refund of Deposit	-	-	-	-	-	-	-	0.0%
Total Expenditures	12,353	247,662	321,134	290,195	319,538	1,178,529	1,837,990	64.1%
Total Net Income (Loss)	$ 168	$ 1,449,911	$ (301,675)	$ (250,861)	$ (293,268)	$ 604,107	$ -	

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

**Financial data represents pre-audited amounts, which does not include all year end adjustments.

Balance Sheet and Reserves Balance Analysis

This report includes the balance sheet to provide an understanding of OC LAFCO's financial status. The financial document in this year-end report summarizes the agency's assets and liabilities as of June 30, 2026. Additionally, an analysis of the agency's reserve balances is provided on page 13.

APPENDIX B
OC LAFCO BALANCE SHEET
As of June 30, 2026

	6/30/2026
ASSETS	
Current Assets	
Cash and Investments	
County Acct-Payroll	294,430
Wells Fargo Checking	226,685
Wells Fargo Savings	219,795
Investment Acct - LAIF	1,236,069
PARS Trust	127,179
Fair Market Value Adjustments	627
Total Cash and Investments	2,104,785
Other Current Asset	
Interest Receivable	15,166
Prepaid Expenses	31,315
Retirement Prepaid Expense	149,749
Total Other Current Asset	196,230
Total Current Assets	2,301,015
Fixed Assets	31,744
Other Assets	
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
Total Other Assets	951,131
TOTAL ASSETS	$ 3,283,890
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	27,799
Salaries Payable	28,245
Compensated Absences	46,218
Total Current Liabilities	102,262
Long Term Liabilities	
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
Total Long Term Liabilities	2,280,408
Total Liabilities	2,382,670
Equity	901,220
TOTAL LIABILITIES & EQUITY	$ 3,283,890

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

APPENDIX C
OC LAFCO RESERVE BALANCE
As of June 30, 2026

Cash & Investments Description	June 30, 2026 Balance	Commission Approved Balances	Balance Excess / (Deficiency)
County Payroll	294,430	280,808 [1]	13,622
Checking - Wells Fargo	226,685	178,690 [1]	47,995
Savings - Wells Fargo	219,795	205,000 [1]	14,795
LAIF Investment	1,236,069	-	1,236,069
PARS Trust	127,179	-	127,179
Total	**$ 2,104,159**	**$ 664,498**	**$ 1,439,661** [2]

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

2 - Remaining Available Cash to fund Operations and Reserves.

Introduction

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

Strategic Planning Workshop

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

1: Staff Development, Retention and Recruitment

2: Improve Municipal Service Review (MSR) Process for Future MSRs

3: Optimize Communication

4: Southern Region LAFCOs Educational and Legislative Partnership

2025-2028 Work Plan

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

GOAL 1:

Staff Development, Retention and Recruitment

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

GOAL 2:

Improve Municipal Service Review (MSR) Process For Future MSRs

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
2.1	EO/AEO/ Analyst	Develop criteria for conducting the following MSR and SOI review processes for future reviews: 1. Comprehensive 2. Reconfirm 3. Update	Consultant	2026-2028	Not yet started.
2.2	AEO/Analyst	Develop and distribute the following MSR questionnaires: 1. Pre-MSR/SOI – to assess which process will be conducted.	Staff	2026-2028	Not yet started.
2.3	AEO/Analyst	Continued use of web-based programs (fiscal indicators, shared services, and MS dashboard) to maintain agency data for MSR determinations.	Staff	2025-2028	**Ongoing** • Fiscal Indicators updated with data from FY 2024-2025. • Staff is updating the data included as part of the dashboard. Expected to be completed by Fall 2026.
2.4	AEO/Analyst/CC	Present year-end report to the Commission that provides analytics on MSR agency feedback and the use of the agency's web-based programs.	Staff	2025-2028	**As needed and/or biannually** • Following the completion of the North Region MSR, staff will be distributing the post MSR survey and provide an update to the Commission during the September meeting.

GOAL 3:

Optimize Communication

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
3.1	All	Use agency communications tools (bi-annual news, website, video FAQs, fiscal indicators and shared services programs) to engage agencies and public to inform of OC LAFCO activities.	Staff	2025-2028	**Complete** **Ongoing**
3.2	Analyst/CC	Conduct visits and disseminate media kits to OC legislators and stakeholders.	Staff	2025-2028	**Ongoing** Completed visits to 13 special districts and 12 cities during FY 2025-2026.
3.3	EO/Analyst	Distribute bi-annual news to inform of OC LAFCO activities.	Staff	2025-2028	**Ongoing** The spring and summer editions of the Pulse were distributed during FY 2025-2026.

ORANGE COUNTY LAFCO

GOAL 4:

Southern Region LAFCOs Educational and Legislative Partnership

Obj. No.	Staff Assigned	Objective Description	Resources	Schedule	Status
4.1	EO	Establish a memorandum of understanding with southern region LAFCOs to develop a collaborative structure on issues that all/each LAFCO(s) encounter.	Staff	Started July 1, 2025	**Complete** Commission approved the first amendment to the MOU with Los Angeles, San Bernardino, and San Diego, allocating $15,000 to support the collaborative effort.
4.2	All	Target areas of collaboration with legislative, educational, and professional associations and groups.	Staff/Alliance of LAFCOs	FY 2025-2028	Staff attends the Alliance monthly meetings. OC LAFCO hosted the first Alliance Workshop
4.3	Analyst	Develop mechanisms to monitor key legislation of LAFCO interest through the partnership with the southern region LAFCOS.	Executive Officer and Policy Analyst	FY 2025-2028	**Complete** **Ongoing** The Alliance members executed a contract with the lobbyist firm Politico Group. Staff attends the monthly meeting of the Alliance Legilsative Committee.
4.4	EO/Analyst	Conduct visits and disseminate information to OC legislators and stakeholders (CSDA, CSAC, League of CA Cities, OC League of CA Cities) to establish legislative partnerships.	Staff	Executive Officer and Policy Analyst	**Complete** **Ongoing** The Executive Officer and staff met with 13 special districts and 12 cities to provide information on the OC LAFCO MSR process, fiscal indicators, current projects, and discuss topics of interest to each agency. Staff has attended meetings held by stakeholders (OCCOG, CSDA, and OCCMA) to track legislation that may be of interest to OC LAFCO.
4.5	Analyst/CC	Distribute bi-annual news to agencies and stakeholders to inform them of OC LAFCO activities and efforts by the southern region LAFCOs.	Staff	Annually	**Ongoing** The spring and summer edition of the Pulse were distributed during FY 2025-2026.

ATTACHMENT 3

4th Cycle - Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program FY 2026-27

MSR Region	Cities	Special Districts	Areas of Interest
• North **Scheduled Public Hearing: August 12, 2026**	• Brea • Fullerton • La Habra • Placentia • Yorba Linda	• Placentia Library District • Yorba Linda Water District	• Fire and Emergency Response ○ Integration of fire and water services for more effective response during emergency and disaster events. ○ Consolidation of internal services (i.e. procurement, HR, training). ○ Regionalization of service delivery involving medical calls and reduction in costs. ○ Maintaining of adequate fire suppression. • Police ○ Consolidation of specialty services that may include: CSI, dispatch, commercial and traffic enforcement. ○ External issues involving consolidation of departments. • Shared Services ○ Maximizing of funding opportunities supported by County for unincorporated islands. ○ Shared service models to increase funding for additional services that may include: IT, purchasing, training, HR, class comps. • Development of shared services system for areas such as: landscape and fleet maintenance.
• Coastal **Underway** **Anticipated for Public Hearing in Spring 2027**	• Costa Mesa • Huntington Beach • Los Alamitos • Newport Beach • Seal Beach	• Costa Mesa Sanitary District • Irvine Ranch Water District • Mesa Water District • Rossmoor Community Services District • Rossmoor/Los Alamitos Area Sewer District • Sunset Beach Sanitary District • Surfside Colony Community Services District • Surfside Colony Stormwater Protection District	• Public Works ○ Public outreach for better understanding of the financing of infrastructure. ○ Correlation of level and cost of services. ○ Economies of scale and potential shared services system for areas such as: fleet, tree trimming, and purchasing. • Solid Waste ○ Impacts of having fewer haulers on competitive bidding and rates. • Parks and Recreation • Police ○ Impediments involving consolidation of agencies Shared services database that includes: operational and staffing costs; population growth impacts on infrastructure and land use.

4th Cycle - Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program
FY 2027-28

MSR Region	Cities	Special Districts	Areas of Interest

• Southeast
Scheduled to start in FY 2027-28
	• Lake Forest
	• Mission Viejo
	• Rancho Santa Margarita
	• San Clemente
	• San Juan Capistrano
		• El Toro Water District
		• Irvine Ranch Water District
		• Moulton Niguel Water District
		• Santa Margarita Water District
		• South Coast Water District
		• Trabuco Canyon Water District
		• South Orange County Wastewater Authority (JPA)
			• Public Works
			  ○ Location and condition of public infrastructure.
			• Police
			  ○ Fiscal sustainability of increasing costs of contracts with County Sheriff
			  ○ Impacts of and ability to maintain related pension costs.
			• Water
			  ○ Water quality involving low flow run-off issues.
			  ○ Assistance for agencies from treatment agencies on flow diversion and low flow funding mechanisms.
			  ○ Water rate structures and conservation.

Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program

COMPLETED REGION MSRs

MSR Region	Cities	Special Districts	MSR Approved	SOI Status	Next Scheduled MSR
Southwest	• Aliso Viejo • Dana Point • Laguna Beach • Laguna Hills • Laguna Niguel • Laguna Woods	• Capistrano Bay Community Services District • Emerald Bay Community Services District • El Toro Water District • Laguna Beach County Water District • Moulton Niguel Water District • South Coast Water District • Three Arc Bay Community Services District • Joint Powers Authority: South Orange County Wastewater Authority	August 2023	**All city and six special district SOIs reconfirmed. South Coast SOI continued to discuss South Laguna annexation.**	**2028**
West	• Cypress • Buena Park • Garden Grove • Fountain Valley • La Palma • Stanton • Westminster	• Buena Park Library District • Cypress Recreation and Park District • Garden Grove Sanitary District • Midway Sanitary District	August 2023	**All city and special district SOIs reconfirmed**	**2028**
Central	• Anaheim • Irvine • Orange • Santa Ana • Tustin • Villa Park	• East Orange County Water District • Irvine Ranch Water District • Serrano Water District • Silverado-Modjeska Recreation and Park District	September 2025		**2030**

ORANGE COUNTY LAFCO

Municipal Service Review (MSR) and Sphere of Influence Update (SOI) Program

COMPLETED DISTRICT MSRs

MSR Region	Services Provided	MSR Approved	SOI Status	Next Scheduled MSR
County Service Area Nos. 13, 22, and 26	Fund wastewater and park and recreation services countywide and within unincorporated areas adjacent to the cities of Buena Park and Yorba Linda.	August 2022	**Reconfirmed**	**2027**
Municipal Water District of Orange County	Manages Orange County's imported water supply and resource planning, with the exception of the cities of Anaheim, Fullerton, and Santa Ana	September 2020	**Reconfirmed**	**2025**
Orange County Cemetery District	Owns and operates three public cemeteries located in the cities of Anaheim, Lake Forest, and Santa Ana	October 2022	**Reconfirmed**	**2027**
Orange County Sanitation District	Provides regional sewer collection and treatment for 20 cities, four special district (containing five cities), and several unincorporated areas generally located in the northern and central parts of the County.	September 2020	**Reconfirmed**	**2025**
Orange County Water District	Responsible for managing the Basin in order for the 19 retail water suppliers ("Groundwater Producers") that have wells in the basin to serve approximately 2.44 million northern and central Orange County residents.	March 2025	**Reconfirmed**	**2029**
Orange County Vector Control District	Provides vector control services including mosquito and pest abatement, public health protection, and environmental monitoring throughout the northern, central, and southern regions of Orange County.	July 2025	**Reconfirmed**	**2029**

ORANGE COUNTY LAFCO

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Santa Ana, CA 92705
Phone: 714.640.5100 | **Fax:** 714.640.5139

9b | Commission Discussion

MEETING DATE: August 12, 2026

TO: Local Agency Formation Commission of Orange County

FROM: Executive Officer
Policy Analyst I

SUBJECT: Legislative Report (August 2026)

DISCUSSION

The Legislature reconvened from its summer recess on August 3, and legislators have continued to advance proposed legislation through committees to meet the August 31 deadline for each house to pass bills. Bills approved by both houses will then be enrolled and presented to Governor Newsom. The Governor has until September 30 to sign or veto bills passed by the Legislature.

Throughout the legislative session, staff has continued to participate in the Alliance of LAFCOs Legislative Committee to review, discuss, and monitor legislation previously reviewed by the Commission, and identify additional legislation of LAFCO interest. Accordingly, this report provides an update on previously reviewed legislation, the Amicus Brief, and the legislative committee's recent activity.

Update on Previously Reviewed Legislation

In June, the Commission received an update from staff on AB 1821 (Pacheco) – California Public Records Act and the Validating Acts SB 1440, 1441, and 1442 authored by the Senate Local Government Committee, noting that there were no changes to the bills. Since the June meeting, AB 1821 has experienced a minor non-substantive change. A summary of the recent change to AB 1821 and a table with status updates on bills previously reviewed by the Commission are provided below.

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

AB 1821 proposes to modify the existing timelines for public agencies to respond to public records requests. If approved, AB 1821 would allow agencies to respond to a public records request within 10 business days rather than calendar days and allow extensions of up to 14 business days. The recent non-substantive amendment to the bill adds language acknowledging that state and local agencies provide a variety of public services and therefore, additional time may be needed to address public records requests. Given that the amendment does not alter the bill's intent, staff recommends that the Commission maintain a ***Support*** position on AB 1821.

RECOMMENDED ACTION: ***Support*** position adopted on May 13, 2026. No additional action recommended.

Support: Alameda County Office of Education, California Association of Recreation & Park Districts, California Association of School Business Officials, California Municipal Clerks Association, California Special Districts Association, City of Bakersfield, City of Bellflower, City of Buena Park, City of Canyon Lake, City of Carlsbad, City of Concord, City of Corona, City of Eastvale, City of El Cerrito, City of Fontana, City of Grass Valley, City of Hesperia, City of Los Alamitos, City of Monterey Park, City of Norwalk, City of Rancho Cucamonga, City of Redding, City of Riverside, City of Rohnert Park, City of San Bernardino, City of Scotts Valley, City of St. Helena, City of Sunnyvale, City of Thousand Oaks, City of Vacaville, City of Woodland, County of Inyo, County of Mendocino, County of Monterey, County of Riverside, Los Angeles Unified School District, McKinleyville Community Service District.

Oppose: ADU Rights.org, Alliance for Boys and Men of Color, Alliance of Californians for Community Empowerment (ACCE) Action, American Friends Service Committee, Anti Police-terror Project, Association of Alternative Newsmedia Publishers, Bend the Arc: Jewish Action, California, Black Lives Matter California, CAIR California, California Advocates for Nursing Home Reform, California Coalition for Sheriff Oversight, California Faculty Association, California League of United Latin American Citizens, California News Publishers Association, California Rural Legal Assistance Foundation, Californians for Pesticide Reform, Cancel the Contract, Carceral Ecologies, Care First California, Center for Juvenile Law and Policy, Loyola Law School, Center for Policing Equity, Check the Sheriff, Communities United for Restorative Youth Justice, Community Legal Services in East Palo Alto, Courage California, Dignity and Power Now, Disability Rights California, Disability Rights Education & Defense Fund, East Bay Sanctuary Covenant, Environmental Working Group, Family Violence Appellate Project, Fight for the Future, Friends Committee on Legislation of California, Friends of the Eel River, Gente Organizada, Get the Flock Out - Santa Cruz County, Humboldt Waterkeeper, In Our Care San Mateo County, Inland Coalition for Immigrant Justice, Justice Teams Network, Justice2jobs Coalition, LA Defensa, LA Voice, League of United Latin American Citizens (LULAC), Legal Aid Association of California, Local 148 Los Angeles County Public Defender's Union, Los Angeles Community Action Network, Los Angeles Press Club, Mexican-American Legal Defense and Ed Fund (MALDEF), National Housing Law Project, National Lawyers Guild - Los Angeles (NLG-LA), ORALE: Organizing Rooted in Abolition Liberation and Empowerment, Orange County Rapid Response Network, Parents Against Child Sexual Abuse, Partnership for the Advancement of New Americans, Pillars of the Community, Public Counsel, Public Interest Law Project, San Diego Pro Chapter of the Society of Professional Journalists, Saving Lives in Custody California, Secure Justice, Services, Immigrant Rights and Education Network (SIREN), Sister Warriors Freedom Coalition, Starting Over Strong, Stop LAPD Spying Coalition, Surfrider Foundation, The Ark, The Black Alliance for Just Immigration, The Daily Californian, The Impact Fund, The San Benito Blueprint, The Wage Justice Center, Transparent California, Trial Impact Project, Unite Here Local 11, University of Florida, College of Journalism and

Communications, University of San Francisco Racial Justice Clinic, Youth Justice Coalition, Youth Law Center.

BILL LOCATION/STATUS: Senate Floor.

2026 Legislative Session – Bill Status			
Bill	**Description**	**Adopted Positions**	**Status**
AB 1821	AB 1821 would amend the California Public Records Act by modifying an agency's response timeline for public records requests from calendar days to business days, including the allowable extension timeline period.	**Support**	AB 1821 is currently under review on the Senate Floor. The next hearing date has not been identified.
SB 1440 **SB 1441** **SB 1442**	Annual Validating Acts are meant to retroactively fix typographical, grammatical, and procedural errors that might invalidate boundary changes or bond issues.	**Support**	Signed by the Governor on June 17, 2026.

Alliance of LAFCOs Legislative Committee

The Alliance of LAFCOs Legislative Committee met on June 22 and July 27 to discuss bills of LAFCO interest. Staff from the four participating LAFCOs and Chris Lee from Politico Group discussed the legislative session timeline and a variety of bills covering several topics, including joint powers authorities, non-disclosure agreements, and public meeting accessibility. At this time, these bills do not have an impact on LAFCO's authority. Staff also discussed planning for the new FY 2026-2028 legislative session, including coordinating with Chris Lee on potential legislative priorities and how best to prepare and engage in the next legislative cycle. Staff will continue to participate in the Legislative Committee and provide the Commission with an update at future meetings.

Amicus Brief

On September 17, 2025, the Commission approved OC LAFCO's participation as a party to an amicus brief regarding the court case Monterey Peninsula Water Management District v. Monterey LAFCO. The court case developed from Monterey LAFCO's denial of Monterey Peninsula Water Management District's (MPWMD) request to activate latent powers to provide retail water service within a portion of Monterey County. The court ruled in favor of MPWMD, finding that Monterey LAFCO used an incorrect substantial evidentiary standard to deny the District's proposal. Monterey LAFCO appealed the court decision, asserting that the court's findings were based on applying an incorrect "rational connection" standard instead of the substantial evidence standard delineated in the Cortese-Knox-Hertzberg Local Government

Reorganization Act of 2000. Given the potential implications of the appellate court's ruling, the Commission approved OC LAFCO's participation as a party to the amicus brief, which was also joined by Los Angeles, Marin, Placer, Sacramento, San Bernardino, San Diego, and San Joaquin LAFCO, along with the California Association of Local Agency Formation Commissions (CALAFCO). The purpose of the amicus brief is to provide the appellate court with additional information and perspective regarding the practical impacts of the court decision on LAFCOs throughout the state.

The amicus brief was submitted on July 24, 2026, by Bill Pellman of Nossaman LLP, on behalf of the participating LAFCOs. A copy of the amicus brief is attached. Staff will continue to monitor the appellate proceedings and will provide updates to the Commission during future meetings.

RECOMMENDED ACTION

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

Respectfully Submitted,

LUIS TAPIA

Aimee Diaz
AIMEE DIAZ

Attachments:

1. Assembly Bill 1821 (Pacheco)
2. Amicus Brief of the California Association of Local Agency Formation Commissions and of Los Angeles, Marin, Orange, Placer, Sacramento, San Bernardino, San Diego, and San Joaquin Local Agency Formation Commissions - Amicus Brief

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

Date Published: 06/25/2026 09:00 PM

AMENDED IN SENATE JUNE 25, 2026

AMENDED IN SENATE JUNE 10, 2026

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: ~~methods of submission, 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 an agency to designate a physical office location and a specified email address for the submission of requests, and authorize an agency to designate other reasonable methods for the submission of requests, including submission to a physical mailing address, subject to certain requirements, including that the agency accept upon receipt any request that is submitted at the designated physical office location or through the designated email address during the agency's normal business hours. If an agency designates any method for the submission of requests, the bill would deem a request as properly requested for purposes of specified provisions only if the request was submitted through a method of submission that was designated by the agency. If the agency finds that a request was not submitted through a method of submission that was designated by the agency, the bill would deem the request as not properly requested at the time of submission and not subject to specified timelines otherwise applicable to the request had it been properly requested, except as specified. The~~

~~bill would require an agency to provide notice to the public of any updates or changes to any method for the submission of requests designated by the agency by posting the updates or changes on its internet website.~~

~~If an agency determines that a request is a commercial use request, as defined, the bill would require a requester to submit to the agency, in addition to any other applicable fees, a payment of fees to cover the search and review time, as defined, for the request. The bill would exempt from that fee requirement any request made by an educational or noncommercial scientific institution, as specified, a government agency, and a representative of the news media, as defined. The bill would authorize an agency to petition the superior court for a determination that a requester submitted a request with malicious intent, as specified. If the court determines that the request was submitted with malicious intent, the bill would authorize the agency to impose on the requester, in addition to any other applicable fees, a payment of fees to cover the search and review time for the request. The bill would suspend an agency's duty to respond to a request during the pendency of any court proceeding under that provision. The bill would specify that the payment of fees by a requester to cover the search and review time for a request for these purposes includes an administrative fee and a professional fee, as specified.~~

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 and any fees to cover the search and review time for a request described in paragraph (3), or a statutory fee if applicable. Upon request, an exact copy shall be provided unless impracticable to do so.~~

~~(2)(A)An agency shall designate a physical office location and a specified email address for the submission of requests, and may designate other reasonable methods for the submission of requests, including, but not limited to, submission to a specified physical mailing address or through a specified online portal, subject to both of the following requirements:~~

~~(i)The agency shall accept upon receipt any request that is submitted in person at the designated physical office location or through the designated email address during the agency's normal business hours.~~

~~(ii)An agency shall make any method of submission that was designated by the agency clearly available on its internet website.~~

~~(B)(i)If an agency designates any method for the submission of requests, a request shall be deemed as properly~~

~~requested for purposes of this chapter only if the request was submitted through a method of submission that was designated by the agency.~~

~~(ii)If the agency finds that a request was not submitted through a method of submission that was designated by the agency, the request shall not be deemed as properly requested at the time of submission and shall not be subject to any timelines under this chapter otherwise applicable to the request had it been properly requested. This clause shall not apply if the agency had a reasonable basis to be aware of the request.~~

~~(C)An agency shall provide notice to the public of any updates or changes to any method for the submission of requests designated by the agency by posting the updates or changes on its internet website.~~

~~(3)(A)(i)If an agency determines that a request is a commercial use request, the requester shall submit to the agency, in addition to any other applicable fees, a payment of fees to cover cost of the search and review time for the request.~~

~~(ii)Clause (i) shall not apply to any request made by any of the following:~~

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

~~(II)A government agency.~~

~~(III)A representative of the news media.~~

~~(B)An agency may petition the superior court for a determination that a requester submitted a request with malicious intent, including for the purpose of delaying the agency. If the court determines that the request was submitted with malicious intent, the agency may impose on the requester, in addition to any other applicable fees, a payment of fees to cover the search and review time for the request. The agency's duty to respond to the request shall be suspended during the pendency of any court proceedings under this subparagraph.~~

~~(C)The payment of fees by a requester to cover the search and review time for a request pursuant to subparagraphs (A) and (B) shall be as follows:~~

~~(i)The payment of fees shall include both of the following fees:~~

~~(I)An administrative fee in the amount of twenty-two dollars and thirty-five cents ($22.35) per hour, which may be increased by a cost-of-living adjustment.~~

~~(II)A professional fee in the amount of sixty-six dollars and twenty-six cents ($66.26) per hour, which may be increased by a cost-of-living adjustment.~~

~~(ii)For purposes of clause (i), both of the following shall apply:~~

~~(I)Any charges that are for less than a full hour shall be billed in quarter-hour segments.~~

~~(II)The United States city average of the "Consumer Price Index for all Urban Consumers," as published by the United States Bureau of Statistics, shall be used as the basis for determining changes in the cost of living.~~

~~(D)For purposes of this paragraph, all of the following definitions apply:~~

~~(i)"Commercial use request" means a request from or on behalf of a person who seeks information for a use or purpose that furthers the commercial, trade, or profit interests of the requester or the person on whose behalf the request is made. In determining whether a requester properly belongs in this category, the agency may ask the requester to provide information regarding the use to which a requester will put the documents requested. If the requester does not promptly provide this information, the agency may infer that the records have been requested for commercial use. When the agency has reasonable cause to doubt the requester's stated use of the records sought, or where the use is not clear from the request itself, the agency will seek additional clarification before assigning the request to a category.~~

~~(ii)"Representative of the news media" means a person who regularly gathers, prepares, collects, photographs, records, writes, edits, reports, or publishes news or information that concerns local, national, or international events or other matters of public interest for dissemination to the public for a substantial portion of the person's livelihood or for substantial financial gain.~~

~~(iii)"Search and review time" means the actual time spent identifying and locating records, including material within documents, responsive to a request, determining whether any portions are exempt from disclosure, and performing all tasks necessary to prepare the records for disclosure, including redacting portions exempt from~~

~~disclosure.~~

~~(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 the ability to designate methods to receive, obtain proper compensation for, and sufficient time to respond to, public record 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 the ability to designate methods to receive, obtain proper compensation for, and sufficient time to respond to, public record requests.~~ *acknowledging that state and local agencies provide a variety of public services and may need additional time to properly respond to requests.*

No. H051849

IN THE CALIFORNIA COURT OF APPEAL
SIXTH APPELLATE DISTRICT

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT,

Plaintiffs and Appellant,

v.

CALIFORNIA AMERICAN WATER COMPANY, et al.,

Defendants and Appellants.

On Appeal from the Monterey County Superior Court,
Trial Case No. 22CV000925

Honorable Thomas W. Wills

APPLICATION FOR LEAVE TO FILE AMICUS BRIEF IN SUPPORT OF APPELLANT; AMICUS BRIEF OF THE CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS AND OF LOS ANGELES, MARIN, ORANGE, PLACER, SACRAMENTO, SAN BERNARDINO, SAN DIEGO, AND SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSIONS

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APPLICATION FOR LEAVE TO FILE AMICUS CURIAE BRIEF IN SUPPORT OF APPELLANT

Pursuant to California Rules of Court, rule 8.200(c), the California Association of Local Agency Formation Commissions ("CALAFCO") and the Los Angeles, Marin, Orange, Placer, Sacramento, San Bernardino, San Diego and San Joaquin Local Agency Formation Commissions (CALAFCO and the individual LAFCOs listed here are collectively referred to as the "LAFCO Amicus Parties") respectfully request leave to file the accompanying Amicus Curiae brief in support of appellant Local Agency Formation Commission of Monterey County ("Monterey LAFCO").

CALAFCO routinely works with its member commissions to monitor legislation and provide technical and policy guidance concerning the Cortese–Knox–Hertzberg Local Government Reorganization Act (Gov. Code, § 56000 et seq.) ("Cortese-Knox-Hertzberg Act"). Because judicial interpretations of the Cortese–Knox-Hertzberg Act directly affect all LAFCOs' operations statewide, CALAFCO has a strong interest in ensuring that appellate decisions reflect the statutory and policy framework intended by the Legislature.

The Los Angeles, Marin, Orange, Placer, Sacramento, San Bernardino, San Diego and San Joaquin Local Agency Formation Commissions are state-mandated quasi-judicial countywide Commissions whose purview is to oversee boundary changes of cities and special districts consistent with the Cortese-Knox-Hertzberg Act. Because judicial interpretations of the Cortese-

Knox-Hertzberg Act directly affect LAFCO operations, procedures and decisions, these LAFCOs have a strong interest in ensuring that appellate decisions reflect the statutory and policy framework intended by the Legislature.

Pursuant to rule 8.200(c)(3), LAFCO Amicus Parties certify that no party or counsel for any party authored the proposed amicus brief in whole or in part, and no party, counsel for a party, or any other person or entity made a monetary contribution intended to fund the preparation or submission of the brief.

For these reasons, LAFCO Amicus Parties respectfully request that the Court grant leave to file the attached Amicus Curiae brief.

I. INTRODUCTION.

The question before this Court—what standard of judicial review governs Local Agency Formation Commission ("LAFCO") determinations under the Cortese-Knox-Hertzberg Act—is of exceptional importance to local governance throughout California. For decades, LAFCOs have carried out the Legislature's policy of promoting orderly growth, efficient service delivery, and the preservation of agricultural and open-space lands. (Gov. Code, § 56001.) These LAFCOs operate as legislative bodies, not adjudicative tribunals: they weigh evidence, balance competing public values, and make discretionary judgments about what best serves the affected communities. (See generally Gov. Code, § 56000 et seq.)

Because of that legislative character, the Legislature has prescribed a correspondingly deferential standard of review—whether that LAFCO's decision is supported by "substantial evidence in light of the whole record." (Gov. Code, § 56107, subd. (c).)[1] The statute does not authorize courts to inquire further into whether each finding bears a "rational connection" to the evidence.

Yet in *McBail & Co. v. Solano County LAFCO* (1998) 62 Cal.App.4th 1223 ("*McBail*"), the Court of Appeal introduced—without textual, doctrinal, or policy foundation—a hybrid "rational connection" test that blended substantial evidence review with arbitrary-and-capricious analysis. That unmoored formulation, if now reaffirmed or expanded, threatens to distort the uniform and deferential standard the Legislature intended. It invites courts to second-guess legislative policy determinations and compels LAFCOs to defend their reasoning with a level of analytical precision foreign to legislative decision making.

The LAFCO Amicus Parties file this Amicus Curiae brief in support of appellant Monterey LAFCO to urge the Court to reverse the trial court's decision in its entirety and reaffirm the statutory standard of review: substantial evidence in the record. Together, CALAFCO and the Los Angeles, Marin, Orange, Placer, Sacramento, San Bernardino, San Diego and San Joaquin Local Agency Formation Commissions represent fifty-four of the

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[1] For clarity, all references to "Section 56107" in this brief refer to Government Code section 56107.

fifty-eight county LAFCOs statewide and have a vital interest in preserving a clear, predictable framework for judicial review—one that respects both legislative intent and the institutional competence of local decisionmakers.

A published decision adopting a "rational connection" requirement would reverberate across the state. It may alter how every LAFCO structures its deliberations, drafts its resolutions, and evaluates proposals, shifting focus from substantive policy balance to defensive record-building. That outcome would not promote transparency or accountability. On the contrary, it would chill legitimate policymaking and erode the deference the Legislature deliberately conferred to LAFCOs under the Cortese-Knox-Hertzberg Act.

For the reasons explained herein, this Court should decline to perpetuate *McBail*'s hybrid formulation and reaffirm that judicial review of LAFCO decisions under the Cortese–Knox-Hertzberg Act is—and always has been—limited to determining whether substantial evidence supports the LAFCO's action.

II. ARGUMENT.

A. The Legislature Intentionally Adopted the Substantial Evidence Standard and Has Never Required a "Rational Connection" Test.

The Cortese–Knox-Hertzberg Act (Gov. Code, § 56000 et seq.) assigns to each LAFCO the quintessentially *legislative* responsibility of shaping local governance boundaries and service delivery patterns in a manner that promotes orderly development, efficient services, and the preservation of agricultural and open-space lands. (Gov. Code, §§ 56375, 56886.)

LAFCOs act in a quasi-legislative capacity when exercising discretion in making determinations on proposals. (*Sierra Club v San Joaquin Local Agency Formation Comm'n* (1999) 21 Cal.4th 489, 495.) Each LAFCO must balance a constellation of public policy factors—community identity, fiscal sustainability, service efficiency, consistency with local and regional plans, and the effect on adjacent jurisdictions. (See *Sierra Club*, *supra*, 21 Cal.4th at 495; see also *City of Agoura Hills v. Local Agency Formation Com.* (1988) 198 Cal.App.3d 480, 485.) These determinations are not mechanical fact findings. They are the product of judgment, weighing, and policy discretion. They resemble the deliberations of a city council or board of supervisors more than those of a trial-type adjudicative body.

This means LAFCO decisions are likely to be upheld as long as statutory procedures are followed and any substantial evidence supports LAFCO determinations. (Gov. Code, § 56107, subd (a).) Technical noncompliance with certain statutory procedures will not invalidate the affected proceedings. (*Ibid.*)

Recognizing that character, the Legislature has supplied a single, well-understood measure of judicial review: "In any action or proceeding to attack, review, set aside, void, or annul a determination by a commission on grounds of noncompliance with this division, any inquiry shall extend only to whether there was fraud or a prejudicial abuse of discretion. Prejudicial abuse of discretion is established if the court finds that the determination or decision is not supported by substantial evidence in light of the whole record." (Gov. Code, § 56107, subd (c).)

"Substantial evidence has been defined as relevant evidence that a reasonable mind might accept as adequate support for a conclusion. A presumption exists that an administrative action was supported by substantial evidence. The burden is on the appellant to show there is no possible substantial evidence whatsoever to support the findings of the District." (*Taylor Bus Service, Inc. v. San Diego Bd. of Education* (1987) 195 Cal.App.3d 1331, 1340-41, internal citations omitted.) This standard of review strikes the intended balance between deference and oversight.

And although the Legislature has amended the Cortese-Knox-Hertzberg Act since 1998 – the year *McBail* was published – it has never altered Section 56107 or incorporated *McBail*'s ruling. A useful point of comparison is the Legislature's response to *Malibu Committee for Incorporation v. Board of Supervisors* (1990) 222 Cal.App.3d 397, a case interpreting the predecessor provisions to Government Code section 57202.

In *Malibu Committee*, the Court of Appeal held that the county board of supervisors—rather than the LAFCO—could set the effective date of a city incorporation if the LAFCO had not done so. (*Malibu Committee*, *supra*, 222 Cal.App.3d at 409–410.) That holding had immediate and practical consequences for the allocation of responsibilities between LAFCOs and the conducting authority. The following year, the Legislature amended section 57202 to clarify the intended division of authority and to confirm that LAFCOs, not the board of supervisors, control the effective date of incorporation. (Stats. 1991, ch. 37.) Because the ruling had immediate implications for how authority was allocated between LAFCOs and conducting authorities, the Legislature amended section 57202 the next year to make clear that only LAFCO controls the effective date. The amendment ensured that the statutory structure functioned as intended.

Nothing similar occurred after *McBail*. The reason is simple: *McBail* did not expose any structural uncertainty or statutory gap. The Cortese–Knox-Hertzberg Act already contained a clear standard of judicial review—substantial evidence in light of the whole record—and that standard was functioning without difficulty. *McBail*'s reference to a "rational connection" did not implicate the allocation of responsibilities among governmental actors, nor did it identify any defect in the statutory scheme that would require legislative clarification. It simply added a phrase not found in the Cortese–Knox-Hertzberg Act.

The Legislature's decision not to amend Section 56107 therefore supports retaining the text as written. The substantial evidence standard already provided the appropriate level of deference for the policy-laden decisions LAFCOs make, and nothing in the years since *McBail* has suggested that LAFCOs, reviewing courts, or applicants have struggled to apply it. Introducing an extra-statutory "rational connection" requirement would expand judicial review beyond what the Legislature prescribed and would invite courts to revisit policy judgments that belong to LAFCOs. The Legislature's inaction confirms that no such expansion was intended or needed.

When the statutory framework is working as designed, and the Legislature has expressed no desire to alter the standard, courts should not read into the Cortese-Knox-Hertzberg Act a requirement that does not appear in its text. The substantial evidence standard in Section 56107 remains the sole measure of judicial review of LAFCO determinations.

B. ***McBail*'s Reasoning Does Not Justify Departing from the Statutory Substantial Evidence Framework.**

McBail is best understood as a response to an agency decision resting on a legally irrelevant justification, not as an attempt to alter the statutory substantial evidence" standard.

In *McBail*, the First District Court of Appeal confronted a narrow procedural defect in a local agency's denial of an annexation petition. (*McBail*, *supra*, 62 Cal.App.4th at 1223.) Solano LAFCO had denied the proposal on the ground that the project "did not enhance the mission of Travis Air Force Base." (*Id.* at p. 1227.) The Court of Appeal concluded that this articulated reason was outside the purposes of the Cortese-Knox Act (the precursor to the Cortese-Knox-Hertzberg Act)—discouraging urban sprawl and encouraging orderly governmental formation—and therefore could not support the denial. (*Id.* at pp. 1233–1235.)

In explaining its reasoning, the court quoted a sentence from *California Hotel & Motel Assn. v. Industrial Welfare Com.*

(1979) 25 Cal.3d 200 ("*California Hotel*") that has since generated confusion: "A court must ensure that an agency has adequately considered all relevant factors, and has demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute." (*McBail*, *supra*, 62 Cal.App.4th at 1231 [quoting *California Hotel, supra*, 25 Cal.3d at 212].) Yet *California Hotel* involved state-level quasi-legislative rulemaking under the Labor Code, not a LAFCO proceeding. (*California Hotel*, *supra*, 25 Cal.3d at 204.) The *McBail* court imported this "rational connection" language without examining whether it fit within Section 56107, which already prescribes the applicable standard: substantial evidence in the record supporting the LAFCO's determination.

In any event, the disposition in *McBail* ultimately turned not on the absence of a rational connection but on the absence of any valid statutory basis for the denial. (*McBail*, *supra*, 62 Cal.App.4th at 1231.) Solano LAFCO's stated ground—failure to "enhance" a military base— was "clearly beyond the scope of the [Cortese-Knox-Hertzberg] Act." (*Ibid.*) Properly understood, *McBail*'s holding rested solely on the absence of any lawful statutory ground for the denial. It did not alter the standard of review or require courts to assess the agency's reasoning beyond the statutory substantial evidence test.

Although the court correctly required that LAFCO's decisions relate to the statutory purposes of the Cortese-Knox-Hertzberg Act, it blurred the distinction between that threshold legality inquiry and the Legislature's prescribed standard of review. Section 56107 states plainly: "Any determination of a commission shall be upheld unless the court finds that the determination or decision was not supported by substantial evidence in the record." The statute contains no "rational connection" requirement. (Gov. Code, § 56107, subd (c).)

By importing *California Hotel*'s language from a state rulemaking context and applying it to a local boundary decision already subject to substantial evidence review, *McBail* introduced an extra analytical step that the statute does not require. Nothing in Section 56107 supports that additional layer, and no published decision since 1998 has expanded upon or reaffirmed it. (Cf. *Tracy Rural Cnty. Fire Prot. Dist. v. Local Agency Formation Comm'n of San Joaquin County* (2022) 84 Cal.App.5th 91, 107 [analysis to whether there was a prejudicial abuse of discretion under Section 56107 did not include a "rational connection" analysis].)

Read narrowly, *McBail* stands only for the unremarkable proposition that a LAFCO may not base its decision on a criterion outside the statutory purposes of the Cortese-Knox-Hertzberg Act. When a LAFCO approves or denies a proposal, it must articulate a basis that falls within the statute's enumerated factors so that a reviewing court can determine whether substantial evidence supports that basis. (*McBail*, *supra*, 62 Cal.App.4th at 1231.) That limited holding does not justify importing an amorphous "rational connection" standard into Section 56107.

Here, under Government Code section 56668, Monterey LAFCO's determinations involve multiple factors, but the statute does not require positive findings on each. (Gov. Code, § 56668.) If substantial evidence supports Monterey LAFCO's conclusion as to any one statutory factor, the decision is valid. Judicial review ends once the court identifies such support. Courts are not authorized to reweigh evidence or assess the rationality of each factor's relationship to the record.

This approach reflects California courts' consistent deference to the discretionary aspects of state and local quasi-legislative decisions, based on the recognition that agencies—not courts—have the subject-matter expertise to evaluate the policy considerations at stake. (See e.g., *Pitts v. Perluss* (1962) 58 Cal.2d 824, 834-835 ["Under such circumstances, courts should let administrative boards and officers work out their problems with as little judicial interference as possible. The substitution of the judgment of a court for that of the administrator in quasi-legislative matters would effectuate neither the legislative mandate nor sound social policy"], internal quotes and citations omitted.) The contrary approach would invite courts to second-guess legislative judgments and transform substantial evidence review into de novo policy review—contrary to the purpose of the Cortese–Knox-Hertzberg Act and the separation of powers.

C. Section 56107's Text Forecloses Any Additional "Rational Connection" Requirement.

A comparison of administrative review statutes shows why the Cortese-Knox-Hertzberg Act should not permit courts to impose a "rational connection" requirement onto Section 56107. By comparison, in similar statutory schemes, the Legislature has chosen to broaden judicial review by expressly authorizing courts to examine both (1) whether the agency proceeded "in a manner required by law", or (2) whether its determination is supported by substantial evidence. (Pub. Resources Code, § 21168.5; see also Cal. Water Code, § 10651 [similarly defining abuse of discretion as either failure to proceed in "a manner required by law" or lack of "substantial evidence"].)

The California Environmental Quality Act ("CEQA") provides a useful comparison. There, the governing statute provides that an abuse of discretion is established "if the agency has not proceeded *in a manner required by law* or if the agency's determination is not supported by substantial evidence." (Pub. Resources Code, § 21168.5.) Because CEQA expressly contains both prongs, courts reviewing CEQA decisions have, at times, applied a "rational connection" analysis. (See, e.g., *Western States Petroleum Assn. v. Superior Court* (1995) 9 Cal.4th 559, 577 [CEQA case invoking California Hotel's "rational connection" language].) That reasoning can be understood, however, as flowing naturally from CEQA's broader review structure, which requires courts to determine whether the underlying policy "proceeded in a manner required by law."

Section 56107, on the other hand, adopts a different—and narrower—formulation. It states that "[p]rejudicial abuse of discretion is established if the court finds that the determination or decision is not supported by substantial evidence in light of the whole record." (Gov. Code, § 56107, subd. (c).) Unlike CEQA, Section 56107 does not include the separate "manner required by law" clause. (*Ibid.*) That omission is subtle but significant. By limiting review solely to whether substantial evidence supports the determination, the Legislature signaled that courts should not require the kind of analytical demonstration that accompanies statutes using the broader CEQA formulation.

Other statutory schemes further support this point. The Agricultural Labor Relations Act under Labor Code section 1160.8, for example, also uses a "substantial evidence" standard without any "manner required by law" language. (Lab. Code, § 1160.8.) Thus, in *Gerawan Farming, Inc. v. Agricultural Labor Relations Bd.* (2018) 23 Cal.App.5th 1129, the Court of Appeal applied that standard exactly as written: it reviewed that board's findings for substantial evidence "on the record considered as a whole." (*Id.* at p. 1162-63.) Under this standard, the court emphasized, "[W]e do not reweigh the evidence. If there is a plausible basis for the Board's factual decisions, we are not concerned that contrary findings may seem to us equally reasonable, or even more so." (*Id.* at p. 1162 [citing *Rivcom Corp. v. Agricultural Labor Relations Bd.* (1983) 34 Cal.3d 743, 756-757].) At no point did the court undertake a separate "rational connection" inquiry or assess whether the agency's reasoning was sufficiently articulated beyond what the substantial evidence test itself demands.

Gerawan thus illustrates the same principle that should guide review under Section 56107: where the Legislature confines judicial review to a substantial evidence test, courts should not supplement that framework with a separate "rational connection" inquiry. In this context, courts should apply the substantial evidence test—and only the substantial evidence test—the statute provides. Section 56107 uses that same limited formulation. Its text forecloses importing a rational-connection requirement from unrelated administrative contexts, and confirms that judicial review ends once substantial evidence supports the LAFCO's determination in light of the whole record.

D. A New "Rational Connection" Test Would Carry Significant Policy Consequences for All LAFCOs.

LAFCOs occupy a unique place in California's local government framework. They are not ordinary administrative agencies adjudicating private rights, nor are they political bodies operating without statutory constraint. They are hybrid institutions performing delegated legislative functions under a statewide statutory mandate—the Cortese-Knox-Hertzberg Act—to guide orderly growth, protect agricultural lands, and ensure efficient service delivery. To carry out that mission, each LAFCO must balance numerous, sometimes competing, policy factors that have no single "correct" answer.

A published appellate decision endorsing a "rational connection" test would have immediate and far-reaching policy consequences for all LAFCOs across the state.

First, it would blur the line between judicial review and policy discretion. LAFCOs would be forced to draft findings and resolutions not only to demonstrate evidentiary support, but also to anticipate post hoc judicial scrutiny of whether each factor was "rationally connected" to the evidence. This would inject a level of analytical rigidity foreign to LAFCO decision making. LAFCOs, which are composed of locally elected officials and public members, are meant to deliberate and weigh competing public interests—not to defend their reasoning as if they were administrative law judges issuing quasi-judicial findings.

Second, introducing a "rational connection" overlay would encourage litigation and discourage local experimentation. The existing substantial evidence test provides predictability: LAFCO decisions stand if the record contains reasonable evidentiary support. A new, separate "rational connection" standard would create fertile ground for challengers to reframe disagreements over policy balancing as alleged failures of logic. That shift would invite courts to revisit the merits of legislative determinations and could embolden disappointed applicants to challenge almost any denial, claiming insufficient "rational connection" between the evidence and the agency's policy conclusions.

Third, the new standard would undermine consistency and statewide coordination. Part of CALAFCO's role is to educate its members on the application of relevant statutes in order to encourage uniformity among LAFCOs so that similar proposals are evaluated under consistent principles while taking into account unique, local conditions. While operating independent of each other and each commission has its own set of policies applicable to their respective county, the Los Angeles, Marin, Orange, Placer, Sacramento, San Bernardino, San Diego and San Joaquin Local Agency Formation Commissions implement the same statute and have a clear guideline to follow for creating their administrative records. The adoption of an ambiguous and non-statutory review standard would fragment that uniformity, as individual commissions might begin altering their procedures and recordkeeping practices to "litigation-proof" their decisions. Over time, this would create a patchwork of inconsistent approaches, defeating the Legislature's intent that the Cortese–Knox-Hertzberg Act operate as a coherent statewide framework.

Finally, expanding judicial review in this way may erode confidence in the delegation of legislative authority to LAFCOs. The Legislature created LAFCOs precisely to place local boundary decisions in the hands of bodies that understand local service conditions and growth pressures. If courts begin reassessing the "rationality" of those policy judgments, the careful division of responsibility between local and judicial decisionmakers will be compromised. Such a result would frustrate the very purpose of the Cortese–Knox-Hertzberg Act and could discourage commissioners from making the difficult, politically sensitive judgments that the statute requires.

For all of these reasons, the Court should resist any invitation to transform the deferential "substantial evidence" standard into a nebulous "rational connection" review. A published decision doing so would ripple through every county in California, chilling legitimate policymaking and introducing precisely the kind of uncertainty that the Cortese–Knox–Hertzberg Act was designed to avoid.

III. CONCLUSION.

The "rational connection" test announced in *McBail* was unnecessary and unfounded in statute. The Legislature has provided a clear and sufficient standard—substantial evidence in the record—and California precedent in analogous contexts confirms that courts do not add rational-connection analysis where the statute does not require it.

Accordingly, this Court should reaffirm that judicial review of LAFCO determinations under the Cortese–Knox-Hertzberg Act is confined to the substantial evidence standard. Applying that test, Monterey LAFCO's decision must be upheld if supported by substantial evidence in the record.

Dated: July 24, 2026

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CERTIFICATION OF WORD COUNT

(Cal. Rules of Court, Rule 8.204(c)(1))

The text of this brief consists of 3,665 words as counted by the Windows Word Count Tools feature of the Microsoft Word word-processing program used to prepare this brief.

Dated: July 24, 2026

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CERTIFICATE OF SERVICE

I certify that on July 24, 2026, I electronically filed the following document(s) described as **APPLICATION FOR LEAVE TO FILE AMICUS BRIEF IN SUPPORT OF APPELLANT; AMICUS BRIEF OF THE CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS AND OF LOS ANGELES, MARIN, ORANGE, PLACER, SACRAMENTO, SAN BERNARDINO, SAN DIEGO, AND SAN JOAQUIN LOCAL AGENCY FORMATION COMMISSIONS,** with the Clerk of the California Court of Appeal, Sixth Appellate District, by using the Court's electronic filing service, TrueFiling and also served the document by first class mail as follows:

Hon. Thomas W. Willis
Monterey County Superior Court
1200 Aguajito Road, Department 15
Monterey, CA 93940

My business address is 777 S. Figueroa Street, 34th Floor, Los Angeles, CA 90017.

I declare under penalty of perjury that the foregoing is true and correct.

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9c | Commission Discussion

MEETING DATE: August 12, 2026

TO: Local Agency Formation Commission of Orange County

FROM: Executive Officer

SUBJECT: OC LAFCO Office Lease Agreement Update

BACKGROUND

In 2014, the Commission first approved a 64-month lease agreement with OC Main Street Owner, LLC, for OC LAFCO's current office space at 2677 North Main Street, Suite 1050. Following a competitive process, the Commission approved an amendment in November 2019 extending the lease agreement by approximately 10 years, with the term scheduled to conclude in 2030. During OC LAFCO's occupancy of the office space, the building's ownership has transitioned among several owners without affecting the agency. OC LAFCO was recently informed that the Orange County Transportation Authority (OCTA) is the new owner of the building.

OCTA notified OC LAFCO staff of its plans to relocate to 2677 North Main Street, and OC LAFCO's current office space is included in OCTA's office buildout. However, OCTA would like to accommodate OC LAFCO as a tenant and has suggested a relocation office within the building. This report includes a list of factors that demonstrate the importance of the OC LAFCO offices remaining in the same building, and a request that the Commission authorize the Executive Officer to negotiate a new 10-year lease agreement with OCTA. A draft of the lease agreement would be presented to the Commission during the October meeting for consideration.

DISCUSSION

The OC LAFCO offices have been located at 2677 North Main Street for the past 12 years, ensuring continuity of agency operations without interruptions and providing accessibility to the public, agencies, and other interested parties. The second amendment to the office lease established a 10-year lease agreement commencing on May 1, 2020, and expiring on August 31, 2030. To ensure continuity of OC LAFCO offices within the same building, OCTA has provided OC LAFCO with the option to relocate within the building. Based on a preliminary walkthrough of the proposed office space, the space is suitable for OC LAFCO's needs. Staff recommends that the Commission consider the approval for the Executive

Officer to negotiate a new lease agreement with OCTA based on the following factors:

- ***Relocation Costs:***
  As part of the relocation package, OCTA would cover the costs associated with the build-out of the new office space, the relocation of office equipment (e.g., furniture, files, and other office items), the setup of information systems and technology, and the transition of multiple service providers.

- ***Accessibility for Commissioners, Staff, Agencies, and Visitors***
  Maintaining the OC LAFCO offices at 2677 North Main Street provides a central location within Orange County, publicly available from 6:00 a.m. to 6:00 p.m., and is adjacent to three freeways.

- ***Continuity of Agency Operations:***
  OC LAFCO offices have been at the current building location for 12 years. Remaining in the same building provides continuity and avoids disruptions.

- ***Security:***
  The property includes on-site security staff to support the safety of the employees, premises, and immediately adjacent areas.

- ***Office Lease Costs and Terms:***
  The terms of the proposed lease will be determined in the next phase once the office space is selected within the building. OCTA informed the Executive Officer that an increase in the lease amount is not expected. The terms of the lease will be presented to the Commission during the October meeting.

RECOMMENDED ACTION
Staff recommends the Commission:

1. Authorize the Executive Officer to negotiate a lease agreement with the Orange County Transportation Authority and present the agreement for Commission consideration during the October meeting.

Respectfully submitted,

LUIS TAPIA