

**ORANGE COUNTY** 

February 13, 2013

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**CAROLYN EMERY** Interim Executive Officer TO: Local Agency Formation Commission

FROM: **Interim Executive Officer** 

Policy Analyst

**SUBJECT:** 2013-2018 Municipal Service Review and Sphere of Influence

Updates for Orange County Cities and Special Districts

#### **BACKGROUND**

Amendments to the Cortese-Knox-Hertzberg Act in 2000 require that LAFCOs prepare Municipal Service Reviews (MSRs) every five years in conjunction with Sphere of Influence (SOI) updates for each city and special district. MSRs, in general, evaluate how agencies currently provide services and how they plan to deliver services in the future given changing demographic and fiscal trends.

OC LAFCO has completed two cycles of MSRs - the first round of MSRs were completed between 2005 and 2008 and involved a collaborative, stakeholder-driven process involving County, city, special district, and LAFCO staff. The result was detailed MSRs for each Orange County agency. The stakeholder discussions, and the subsequent MSRs that followed, laid the groundwork for the completion of numerous boundary and organizational changes which have improved service delivery in Orange County.

Two key lessons learned from the initial cycle of MSRs were: (1) Orange County's agencies are generally well run and provide high level services; and (2) the stakeholder driven MSR process is time-consuming and costly in terms of staff time and resources for LAFCOs, cities and special districts. For the second cycle of MSRs (2008-2013), the Commission "reconfirmed" the MSR determinations for most Orange County agencies, but directed staff to provide additional analysis for six agencies (City of Huntington Beach, City of Orange, City of Los Alamitos, City of Rancho Santa Margarita, City of Tustin, and Sunset Beach Sanitary District). Focused MSRs and SOI updates were completed for those agencies with separate recommendations and determinations adopted Commission.

#### USING WEB-BASED PROGRAMS TO MEET MSR DETERMINATIONS

Consistent with OC LAFCO's overarching goal of making the MSR process meaningful for LAFCO and its member agencies, the Commission developed a new approach for the current round of MSRs (2013-2018): use technology, where possible, to develop ongoing monitoring tools for Orange County's local agencies.

OC LAFCO's approach to MSRs now largely embraces a web-based, interactive approach instead of stand-alone reports that are updated and shelved every five years. Attachment 1 to this report, the "2013 - 2018 Municipal Service Review and Sphere of Influence Updates for Orange County's Cities and Special Districts" identifies and describes the web-based programs and reports that address the seven MSR determinations. Staff is recommending that one set of MSR determinations be applied to all of Orange County's cities and special districts. Staff has not identified any significant MSR-related issues with Orange County's cities and special districts. However, it is noted throughout the report that future discussions need to ensue regarding governance options for South Orange County.

As the Rancho Mission Viejo Company prepares to open its initial neighborhoods of the Ranch Plan (a planned community of up to 14,000 homes with a mix of commercial and open space uses) in the summer of 2013, development of a long-term governance plan for this "new community" is identified as a key project in the Commission's work plan.

Also adjacent to the developing Rancho Mission Viejo property are the developed, unincorporated communities of Coto de Caza, Ladera Ranch, Las Flores, Wagon Wheel and Stonecliffe. With the exception of Ladera Ranch, all of these communities are currently included within the City of Rancho Santa Margarita's sphere of influence (adopted by the Commission in May 2010). The provision of municipal services to these unincorporated areas will also be discussed as part of the overall South County governance plan.

#### SPHERE OF INFLUENCE UPDATES

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years either concurrently or subsequently to the preparation of Municipal Service Reviews. With the exception of five agencies, the City of Garden Grove, the City of Stanton, the City of Laguna Beach, Capistrano Bay Community Services District, and the Municipal Water District of Orange County (discussed in *Attachment 1*), staff is recommending that the spheres of influence for the remaining Orange County cities and special districts be re-confirmed. Sphere of influence maps for agencies recommended for reconfirmation are included in *Attachment 3*.

#### **AGENCY COMMENTS**

Staff received comments from 11 agencies regarding the Commission's reconfirmation of their spheres of influence. Four agencies requested further analysis of their current spheres of influence boundaries (City of Rancho Santa Margarita, City of Laguna Beach, Capistrano Bay Community Services District, and the Municipal Water District of Orange County). Staff concurs that the spheres for the City of Laguna Beach, the Capistrano Bay Community Services District, and the Municipal Water District of Orange County warrant further analysis and review and are not proposed for reconfirmation at this time. Staff will prepare individual analyses of key issues and return to the Commission with sphere of influence recommendations for these agencies at a later date.

The City of Rancho Santa Margarita sphere issues will be analyzed in the upcoming South County Governance Report; however, staff recommends reaffirming the Rancho Santa Margarita sphere at this time. The remaining agency comments offered support for their current sphere boundary and/or requested minor administrative changes which have been completed. Comment letters received are included in A*ttachment 2* for Commission review.

#### **CEQA**

LAFCO is the lead agency under CEQA for the third round of municipal service reviews and related sphere of influence updates. Staff reviewed the CEQA Guidelines and recommends that the Commission consider the proposed action to adopt new MSR determinations for Orange County's cities and special districts exempt from CEQA under CEQA Guidelines §15262 (Feasibility and Planning Studies). See *Attachment 4*, Notice of Exemption - MSRs.

Staff is also recommending that the Commission consider the proposed action to reconfirm the spheres of influence for selected Orange County cities and special districts exempt from CEQA under CEQA Guidelines §15262 (Feasibility and Planning Studies). See *Attachment 5*, Notice of Exemption – SOIs.

#### **RECOMMENDATIONS**

Staff recommends that the Commission:

- 1. Receive and file the "2013 -2018 Municipal Service Review and Sphere of Influence Updates for Orange County's Cities and Special Districts" report (Attachment 1).
- 2. Find the Municipal Service Review exempt under the statutory exemption of the California Environmental Quality Act (CEQA) Guidelines §15262 (*Attachment 4*)

- 3. Find the Sphere of Influence Updates exempt under the statutory exemption of the California Environmental Quality Act (CEQA) Guidelines §15262 (Attachment 5)
- 4. Certify the Municipal Service Review Certificate of Fee Exemption for the California Wildlife, Fish and Game (*Attachment 6*)
- 5. Certify the Sphere of Influence Updates Certificate of Fee Exemption for the California Wildlife, Fish and Game (*Attachment 7*)
- 6. Adopt the Draft Resolution approving the MSR determinations for all of Orange County cities and special districts (*Attachment 8*).
- 7. Adopt the Draft Resolution reconfirming the current spheres of influence for the selected Orange County cities and special districts identified therein (*Attachment 9*).
- 8. Direct staff to work with the following five agencies (Capistrano Bay Community Services District, Municipal Water District of Orange County, City of Laguna Beach, City of Garden Grove, and City of Stanton) to analyze their sphere of influence issues and return to the Commission at a later date with recommendations for Commission consideration.

Respectfully submitted,

CAROLYNEMERY

#### Attachments:

- 1. 2013-2018 MSR/SOI Update
- 2. Comment Letters
- 3. Sphere of Influence Maps
- 4. Categorical Exemption MSRs
- 5. Categorical Exemption SOIs
- 6. Certificate of Fee Exemption MSRs
- 7. Certificate of Fee Exemption SOIs
- 8. Draft Resolution (MSR 13-01)
- 9. Draft Resolution (SOI 13-02)

# 2013-2018 Municipal Service Review and Sphere of Influence Updates for Orange County's Cities and Special Districts



#### INTRODUCTION

In 2000, the revised Cortese-Knox-Hertzberg Reorganization Act was amended to require LAFCOs to conduct comprehensive, regional municipal service reviews (MSRs) every five years in conjunction with sphere of influence (SOI) updates for each city and special district within Orange County. OC LAFCO has completed two prior cycles of MSR and SOI updates. This report comprises the third round (2013 – 2018) of MSR and SOI reviews for Orange County's cities and special districts. The report includes the following key sections:

- Background of past MSR/SOI updates
- Proposed MSR determinations for each Orange County city and special district
- Discussion of proposed city and district SOI reconfirmation
- Discussion of agencies with outstanding sphere issues, including islands
- Staff recommendations

#### **BACKGROUND**

The original 2000 law required that the initial round of Municipal Service Reviews be completed by LAFCOs throughout California no later than January 1, 2008. Between 2005 and 2008, OC LAFCO successfully completed MSR and SOI updates for most cities and special districts under LAFCO's authority.

## 1st Cycle of MSRs: "Stakeholder Driven" (2008)

The original law was vague and could have resulted in reports with little or no value to LAFCO or the affected agencies. Instead, OC LAFCO designed a collaborative, stakeholder-driven process that was unique in California. The process provided an opportunity for stakeholders to demonstrate vision and leadership in tackling important issues and often planted "seeds" for future changes in local governance leading to a long-term improvement in the delivery of municipal services.

Those stakeholder discussions, and the subsequent MSR reports that followed, resulted in successes – a consolidation of two water districts, a reorganization of territory between agencies to correct funding inequities, boundary changes between counties, the identification of water and sewer challenges, continued discussion of future governance in South County, and an increased awareness of a variety and complexity of issues facing cities and special districts. This effort also highlighted the innovative and effective ways that many Orange County public agencies tackle tough issues.

## 2<sup>nd</sup> Cycle of MSRs: "Reconfirmation" (2008 - 2013)

One of the important lessons learned from the initial round of detailed MSRs was that, generally, Orange County agencies are well run and provide their constituents with reliable, high level services. In November 2008, the Commission concurred with staff that it would not be a valuable use of staff time (or that of city and/or district staff) to replicate the intensive, stakeholder effort undertaken in the first round of MSRs.

As a result, the Commission "reconfirmed" each of the agencies' respective MSRs/SOIs for the 2008 – 2013 cycle, with the exception of six agencies (City of Rancho Santa Margarita, City of Huntington Beach, Sunset Beach Sanitary District, City of Tustin, City of Orange and the City of Los Alamitos) that were identified in the first round of MSRs as having important sphere of influence and/or boundary issues that required additional staff and Commission analysis. Focused sphere of influence studies were subsequently completed for these agencies with recommendations and determinations adopted by the Commission.

### 3<sup>rd</sup> Cycle of MSRs: "Best Practices" (2013 – 2018)

Continuing OC LAFCO's efforts to make the MSR process relevant and meaningful for LAFCO and Orange County's cities and special districts, the Commission developed a new approach for the 3<sup>rd</sup> cycle of MSRs. Since the initial round of MSRs showcased the excellent work of public agencies in Orange County, OC LAFCO believed that those agencies exhibiting innovative and efficient efforts, called "Best Practices," could help other public agencies learn how to *do more with less*.

A Best Practices Summit sponsored by OC LAFCO was held on March 27, 2009, with 84 elected officials and key staff from 47 Orange County agencies in attendance. The purpose of the Summit was to allow elected officials and key staff from a variety of public agencies to not only discuss what issues Orange County would face in the next few years, but also allow for a broad exchange of original and inventive ideas or "practices" to meet those challenges.

In order to streamline the 3<sup>rd</sup> cycle of MSR updates and continue to provide value to our stakeholders, the Commission agreed to showcase Best Practices as a unique, County-wide approach to meet the State-mandated MSR requirements for Orange County's cities and special districts. Many of the programs staff has developed over the last three years, in collaboration with local agencies, were designed to highlight best practices, provide opportunities for cities and districts to share services, identify demographic and fiscal trends, align services, and increase agency and public involvement in government decision making.

#### A New Approach to MSR Determinations

The Commission's approach to MSRs has evolved significantly over time - from drafting labor-intensive, one-time reports every five years for each Orange County local agency, to a primarily web-based system that allows LAFCO, the County, cities, special districts and the public the opportunity to review local agencies on an ongoing basis. This approach has several unique advantages over traditional MSR reports:

- Provides an interactive data base to more easily identify service-related opportunities
- Showcases the high level of services provided by most Orange County agencies
- Provides continuous data and information updates
- Promotes local agency "best practices"
- Conserves staff time and resources

#### Outside the Box: Using Web-based Programs to meet MSR Determinations

The Commission has recently leveraged new technology to improve communication and collaboration among Orange County's local agencies through the development of various webbased programs. Many of these programs are unique to OC LAFCO and are being studied and, in some cases, replicated by other LAFCOs throughout California. OC LAFCO has set the bar in terms of innovatively addressing MSR determinations through both the use of technology and special studies.

State law (Government Code Section 56430) provides LAFCOs with great latitude in how each LAFCO addresses the MSR requirements for its cities and special districts. The law does require, however, that written determinations be prepared for seven specific areas: (1) growth and population projections; (2) location and characteristics of any unincorporated disadvantaged communities; (3) present and planned capacity of public facilities; (4) financial ability of agencies to provide services; (5) opportunities for shared services; (6) accountability for community service needs, including government structure and operational efficiencies; and (7) any other matter related to effective or efficient service delivery, as required by Commission policy.

Tables 1 and 2, below, identify the cities and special districts evaluated in the 2013-2018 MSR cycle:

21: Orange County Cities –	MSR Review Cycles		
Cities	1 <sup>st</sup> MSR Cycle (Adopted MSR Determinations)	2 <sup>nd</sup> MSR Cycle (Adopted MSR Determinations)	3 <sup>rd</sup> Round of MSR (Proposed MSR Determinations)
City of Aliso Viejo	July 18, 2007	November 12, 2008	See Pages 6-9
City of Anaheim	November 20, 2006	November 12, 2008	See Pages 6-9
City of Brea	November 9, 2005	November 12, 2008	See Pages 6-9
City of Buena Park	July 18, 2007	November 12, 2008	See Pages 6-9
City of Costa Mesa	July 12, 2006	November 12, 2008	See Pages 6-9
City of Cypress	July 18, 2007	November 12, 2008	See Pages 6-9
City of Dana Point	July 18, 2007	November 12, 2008	See Pages 6-9
City of Fountain Valley	November 20, 2006	November 12, 2008	See Pages 6-9
City of Fullerton	July 18, 2007	November 12, 2008	See Pages 6-9
City of Garden Grove	November 20, 2006	November 12, 2008	See Pages 6-9
City of Huntington Beach	March 8, 2006	July 8, 2009	See Pages 6-9
City of Irvine	October 12, 2005	November 12, 2008	See Pages 6-9
City of La Habra	July 18, 2007	November 12, 2008	See Pages 6-9
City of La Palma	July 18, 2007	November 12, 2008	See Pages 6-9
City of Laguna Beach	July 18, 2007	November 12, 2008	See Pages 6-9
City of Laguna Hills	July 18, 2007	November 12, 2008	See Pages 6-9
City of Laguna Niguel	April 13, 2005	November 12, 2008	See Pages 6-9
City of Laguna Woods	July 18, 2007	November 12, 2008	See Pages 6-9
City of Lake Forest	July 18, 2007	November 12, 2008	See Pages 6-9
City of Los Alamitos	March 9, 2005	May 13,2009	See Pages 6-9
City of Mission Viejo	March 8, 2006	November 12, 2008	See Pages 6-9
City of Newport Beach	July 12, 2006	November 12, 2008	See Pages 6-9

Cities	1 <sup>st</sup> MSR Cycle (Adopted MSR Determinations)	2 <sup>nd</sup> MSR Cycle (Adopted MSR Determinations)	3 <sup>rd</sup> Round of MSRs (Proposed MSR Determinations)
City of Orange	March 9, 2005	June 17, 2009	See Pages 6-9
City of Placentia	July 18, 2007	November 12, 2008	See Pages 6-9
City of Rancho Santa Margarita	March 8, 2006	June 9, 2010	See Pages 6-9
City of San Clemente	March 8, 2006	November 12, 2008	See Pages 6-9
City of San Juan Capistrano	March 8, 2006	November 12, 2008	See Pages 6-9
City of Santa Ana	November 20, 2006	November 12, 2008	See Pages 6-9
City of Seal Beach	March 9, 2005	November 12, 2008	See Pages 6-9
City of Stanton	November 20, 2006	November 12, 2008	See Pages 6-9
City of Tustin	July 18, 2007	June 17, 2009	See Pages 6-9
City of Villa Park	March 9, 2005	November 12, 2008	See Pages 6-9
City of Westminster	November 20, 2006	November 12, 2008	See Pages 6-9
City of Yorba Linda	May 10, 2006	November 12, 2008	See Page 6-9

Special Districts	1 <sup>st</sup> MSR Cycle (Adopted MSR Determinations)	2 <sup>nd</sup> MSR Cycle (Adopted MSR Determinations)	3 <sup>rd</sup> MSR Cycle (Proposed MSR Determinations)
Buena Park Library District	November 9, 2005	November 12, 2008	See Pages 6-9
Capistrano Bay Community Services District	July 18, 2007	November 12, 2008	See Pages 6-9
*County Service Area 13 (La Mirada)	See note below	See note below	See Pages 6-9
*County Service Area 20 (La Habra)	See note below	See note below	See Pages 6-9
*County Service Area 22 (East Yorba Linda)	See note below	See note below	See Pages 6-9
County Service Area 26 (OC Parks)	February 8, 2006	November 12, 2008	See Pages 6-9
Costa Mesa Sanitary District	June 20, 2007	November 12, 2008	See Pages 6-9
Cypress Recreation & Park District	September 10, 2008	November 12, 2008	See Pages 6-9
East Orange County Water District	April 13, 2005	November 12, 2008	See Pages 6-9
Emerald Bay Community Services District	July 18, 2007	November 12, 2008	See Pages 6-9
El Toro Water District	July 18, 2007	November 12, 2008	See Pages 6-9
Garden Grove Sanitary District	November 20, 2006	November 12, 2008	See Pages 6-9
Irvine Ranch Water District	April 13, 2005	November 12, 2008	See Pages 6-9
Laguna Beach County Water District	July 18, 2007	November 12, 2008	See Pages 6-9
Midway City Sanitary District	November 20, 2006	November 12, 2008	See Pages 6-9
Mesa Consolidated Water District	June 20, 2007	November 12, 2008	See Pages 6-9
Moulton Niguel Water District	July 18, 2007	November 12, 2008	See Pages 6-9
Municipal Water District of Orange County	November 14, 2007	November 12, 2008	See Pages 6-9
Orange County Cemetery District	November 9, 2005	November 12, 2008	See Pages 6-9
Orange County Sanitation District	May 9, 2007	November 12, 2008	See Pages 6-9
Orange County Vector Control District	November 9, 2005	November 12, 2008	See Pages 6-9

Special Districts	1 <sup>st</sup> MSR Cycle (Adopted MSR Determinations)	2 <sup>nd</sup> MSR Cycle (Adopted MSR Determinations)	3 <sup>rd</sup> MSR Cycle (Proposed MSR Determinations)
<b>Orange County Water District</b>	October 11, 2006	November 12, 2008	See Pages 6-9
Placentia Library District	November 9, 2005	November 12, 2008	See Pages 6-9
Rossmoor Community Services District	April 13, 2005	November 12, 2008	See Pages 6-9
Rossmoor/Los Alamitos Sewer District	April 13, 2005	November 12, 2008	See Pages 6-9
Santa Margarita Water District	March 8, 2006	November 12, 2008	See Pages 6-9
Serrano Water District	April 13, 2005	November 12, 2008	See Pages 6-9
Silverado-Modjeska Recreation & Park District	April 13, 2005	November 12, 2008	See Pages 6-9
<b>South Coast Water District</b>	July 18, 2007	November 12, 2008	See Pages 6-9
Sunset Beach Sanitary District	April 13, 2005	July 8, 2009	See Pages 6-9
Surfside Colony Community Services Tax District	September 14, 2005	November 12, 2008	See Pages 6-9
Surfside Colony Stormwater Protection District	September 14, 2005	November 12, 2008	See Pages 6-9
Three Arch Bay Community Services District	July 18, 2007	November 12, 2008	See Pages 6-9
Trabuco Canyon Water District	March 8, 2006	November 12, 2008	See Pages 6-9
Yorba Linda Water District	May 10, 2006	November 12, 2008	See Pages 6-9

<sup>\*</sup>Note – The Commission analyzed all the County Service Areas (CSAs) in Orange County on December 17, 2008 and directed staff to include all CSAs in the third round of MSRs.

# MSR DETERMINATIONS FOR ORANGE COUNTY CITIES AND SPECIAL DISTRICTS (2013-2018 CYCLE)

MSRs are generally considered "receive and file" reports to LAFCO; however they do require (per Government Code Section 56430) Commission adoption of seven determinations. **Below is a single set of determinations proposed for each of Orange County's 34 cities and 35 special districts.** The determinations describe the approach and methodology developed to address each of the determinations on an ongoing basis.

Based on the Commission's special studies on infrastructure and governance and the ongoing web-based monitoring programs, staff has not identified any significant issues with Orange County's cities and special districts. Applying the same set of determinations to each agency is a departure from previous MSR cycles where determinations were developed individually for each agency. With the implementation of a primarily web-based monitoring system now in place, LAFCO, member agencies and the public now have the ability to use these tools to monitor the financial health, demographic trends, shared service opportunities and other factors on an ongoing basis. Should any service-related issues be identified, LAFCO can direct staff to provide additional analysis at any time.

The following are the proposed MSR determinations for each of Orange County's cities and special districts for the 2013-2018 MSR cycle:

#### (1) Growth and population projections for the affected area.

Orange County LAFCO is a Contributing Partner of the California State University, Fullerton Center for Demographic Research (CDR) and participates on the Center's Technical Advisory and Management Oversight Committees.

Recently, CDR provided LAFCO with updated demographic data for each of the County's unincorporated islands based on "block level" 2010 Census data. OC LAFCO's Demographic Web Program has incorporated this data and now provides all local agencies and the public with an interactive user interface for determining existing and projected population estimates and the preparation for additional service provisions for Orange County cities and special districts. The new web-based program will also identify the location of any disadvantaged unincorporated communities (DUCs) within or contiguous to a city's sphere of influence.

## (2) <u>Location and characteristics of any disadvantaged unincorporated communities within</u> or contiguous to the sphere of influence.

In December 2011, LAFCO staff, in concert with the Center for Demographic Research, analyzed the location of disadvantaged unincorporated communities (as defined by Government Code Section 56033.5) within Orange County. Relative to other counties in California, Orange County has little unincorporated developed land, and disadvantaged unincorporated communities (DUCs) were found in only two of the County's unincorporated islands: Southwest Anaheim and Katella/Rustic. Both are identified on OC LAFCO's Demographic Web Program.

Within the Southwest Anaheim Island, there are four non-contiguous neighborhoods that qualify as DUCs: La Colonia, Harcourt, Sherwood Forest, and Thistle. The majority of these neighborhoods consist of single family residential homes. Located in the Anaheim and Garden Grove Sanitary District spheres of influence, Southwest Anaheim has undergone two attempts at annexation by the City of Anaheim within the past six years. Both annexation attempts were terminated due to resident protest.

The Katella/Rustic Island consists of 29 single family homes and a small commercial shopping center. Approximately 10.5 acres in size, Katella/Rustic is home to approximately 144 residents. The Katella/Rustic Island is located with the City of Stanton's sphere of influence. The City has expressed no interest in pursuing annexation of Katella/Rustic.

# (3) Present and planned capacity of public facility, 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 sphere of influence.

In August 2010, OC LAFCO directed staff to partner with California State University, Fullerton's Center for Sustainability to prepare a countywide analysis of sewer and water

infrastructure and the projected impacts that expected population growth may have on existing systems. Key findings of the report, completed in October 2011, included:

- Legislative and regulatory actions are proactively reducing water and sewer demands on the existing infrastructure.
- OC agencies are using innovative approaches to water supply management and are actively pursuing a reduction of reliance on imported water supplies.
- OC water and sewer infrastructure are ready for the projected population growth and resulting increases in net demand projected for the next 20-year period between 2010 and 2030.

Orange County has two disadvantaged unincorporated communities, the Katella/Rustic Island and the Southwest Anaheim Island. Both are fully developed, and no new development is anticipated in the near future.

Katella/Rustic is provided water through the Golden State Water Company, a private water purveyor. The Garden Grove Sanitary District provides sewer service to the island. No septic tanks are located within the Katella/Rustic Island according to the *OC LAFCO Sewer and Water Infrastructure Report (October 2011)*. Fire protection services are provided through the County's regional fire provider, the Orange County Fire Authority. Police service is provided by the Orange County Sheriff Department. No significant infrastructure needs have been identified.

The Southwest Anaheim Island is provided water service through the City of Anaheim. Sewer service is provided by both the City of Anaheim and the Garden Grove Sanitary District. According to the *OC LAFCO Sewer and Water Infrastructure Report (October 2011)*, there are two septic tanks within the Southwest Anaheim Island. Fire protection services are provided through the Orange County Fire Authority. Police service is provided by the Orange County Sheriff's Department. Past discussions with residents and the County have identified code enforcement as an ongoing issue within the unincorporated Southwest Anaheim area.

#### (4) Financial ability of agencies to provide services.

In the summer of 2011, Orange County LAFCO launched its "Fiscal Trends Analysis" program which provides a user-friendly, web-based financial "dashboard" of an agency's financial condition. Developed through a stakeholder process with city and special district financial officers and staff, the program provides a general indication of an agency's overall fiscal health and offers insight into the financial ability of these agencies to continue providing quality services to their residents. The program is accessible through Orange County LAFCO's website. Financial "snapshots" using key economic indicators have been completed (and are routinely updated) for each city and each special district within Orange County.

#### (5) Status of, and opportunities for, shared facilities.

The LAFCO Shared Services Program website was launched in July 2011. The program focuses on highlighting opportunities for sharing services to Orange County's public agencies and to local non-profit homeowners' associations. The website provides an interactive forum for participants to view available services (e.g., public works, GIS, information technology, street sweeping, staffing, animal control, parks and recreation, code enforcement, etc.) and information to "match" interested parties.

In early 2012, a Capital Improvements Program (CIP) Map was added to the Shared Services website identifying current and future public works-related projects. This additional feature allows increased opportunities for cities and special districts to jointly bid and/or participate in public works projects which can offer operational and cost saving benefits to participating agencies. Staff continues to work with a working group of city, county and special district staff to refine and improve OC LAFCO's shared services efforts.

In late 2012, ten local agencies utilized the Shared Services Program to foster regional collaborations and formed the Fleet Maintenance Working Group. This partnership led to the development of a White Paper and an interactive fleet map, depicting the location of all fleet facilities throughout the County. The original Working Group (consisting of ten cities and special districts) has now grown to 30 participating cities and special districts, dramatically increasing the opportunities for sharing services among Orange County agencies.

# (6) Accountability for community service needs, including governmental structure and operational efficiencies.

In addition to the Fiscal Trends and Shared Services Programs, Orange County LAFCO has initiated additional studies and stakeholder-driven programs to work toward ensuring that all Orange County communities are "whole and healthy" and receive equivalent levels of municipal services. In June 2011, staff completed a comprehensive county-wide assessment of water and sewer infrastructure using population projections through 2030. A "Community Islands Task Force" was initiated in December 2011 to facilitate LAFCO staff working proactively with the County and cities to encourage logical boundaries, effective governmental structure, and efficient delivery of services throughout the County.

Recently, the Commission directed staff to develop an interactive "public feedback" link on the agency's website that would allow interested agencies and the public to post comments and suggestions for LAFCO-related issues and projects and increase the agency's overall accountability and transparency. This link is anticipated to go "live" in the fall of 2013.

At the January 9, 2013 LAFCO meeting, the Commission formed the Governance Restructuring Committee composed of three commissioners who will work with staff to develop a strategy to assist agencies facing financial, regulatory and/or organizational challenges. The approach will leverage LAFCO's resources and may include, but not be limited to, the following:

- Reactivating the Orange County Leadership Symposium to build strategic relationships among elected officials and regional agency leaders.
- Sponsoring workshops for our member agencies on alternative strategies to address fiscal stress.
- Directing staff to work with the CALAFCO Legislative Committee to update Government Code Sections pertaining to disincorporation.
- Supporting the ongoing refinement of the Shared Services and Fiscal Trends Programs.

# (7) Any other matter related to effective or efficient service delivery, as required by commission policy.

No additional issues have been specifically identified by the Commission at this time.

Table 3, below, identifies the web-based programs and special studies staff used to address the MSR determinations for Orange County's cities and special districts for the 2013 – 2018 MSR cycle.

Table 3: Web Programs and Special Reports Used to Meet MSR Determinations (2013-2018)

MSR Determinations	Report/Web-based Program used to meet MSR Determinations
Growth and Population Projections	Demographic Web Program, Sewer and Water Infrastructure Report
Location and Characteristics of Unincorporated Disadvantaged Communities	Demographic Web Program
Present and Planned Capacity of Public Facilities	Sewer and Water Infrastructure Report
Financial Ability of Agencies to Provide Services	Fiscal Trends Web Program
Opportunities for Shared Services	Shared Services Web Program
Accountability for Community Service Needs	Community Islands Task Force, Public Engagement Web Program
Other Matters as Determined by the Commission	No Issues Identified

#### **SPHERES OF INFLUENCE**

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years either concurrently or subsequently to the preparation of Municipal Service Reviews. Spheres are determined and amended solely at the discretion of the Commission. In determining the sphere of influence for

each local agency, the Commission is required by Government Code Section 56425(e) to consider certain factors, including:

- The present and planned uses in the area, including agricultural and open-space lands;
- The present and probable need for public facilities and services in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
- For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

With the exception of five agencies - Capistrano Bay Community Services District, Municipal Water District of Orange County, City of Laguna Beach, City of Garden Grove and City of Stanton (discussed below) - the remaining agency SOIs do not warrant further study at this time. Exhibit A, below, lists the spheres of influence for the 64 agencies that staff is recommending for Commission reconfirmation. No significant issues were identified during staff's review, and the data analysis included within each of the agencies' respective SOI reviews remains current. Recent sphere of influence maps were provided by staff to each agency for their review and comment. Given the lack of sphere-related issues for these agencies, staff is recommending that the Commission "reconfirm" the previous SOI determinations for each of these agencies for the 2013-2018 MSR cycle.

**Exhibit A - Spheres of Influence Proposed for Reconfirmation** 

Cities	Special Districts
City of Aliso Viejo	Buena Park Library District
City of Anaheim	*County Service Area 13 (La Mirada)
City of Brea	*County Service Area 20 (La Habra)
City of Buena Park	*County Service Area 22 (East Yorba Linda)
City of Costa Mesa	County Service Area 26 (OC Parks)
City of Cypress	Costa Mesa Sanitary District
City of Dana Point	Cypress Recreation & Park District
City of Fountain Valley	East Orange County Water District
City of Fullerton	Emerald Bay Community Services District
City of Huntington Beach	El Toro Water District
City of Irvine	Garden Grove Sanitary District
City of La Habra	Irvine Ranch Water District
City of La Palma	Laguna Beach County Water District
City of Laguna Hills	Midway City Sanitary District
City of Laguna Niguel	Mesa Consolidated Water District
City of Laguna Woods	Moulton Niguel Water District
City of Lake Forest	Orange County Cemetery District

Cities	Special Districts
City of Los Alamitos	Orange County Sanitation District
City of Mission Viejo	Orange County Vector Control District
City of Newport Beach	Orange County Water District
City of Orange	Placentia Library District
City of Placentia	Rossmoor Community Services District
City of Rancho Santa Margarita	Rossmoor/Los Alamitos Sewer District
City of San Clemente	Santa Margarita Water District
City of San Juan Capistrano	Serrano Water District
City of Santa Ana	Silverado-Modjeska Recreation & Park District
City of Seal Beach	South Coast Water District
City of Tustin	Sunset Beach Sanitary District
City of Villa Park	Surfside Colony Community Services Tax District
City of Westminster	Surfside Colony Stormwater Protection District
City of Yorba Linda	Three Arch Bay Community Services District
	Trabuco Canyon Water District
	Yorba Linda Water District
Total = 31 Cities	Total = 33 Special Districts

#### **Agencies with Outstanding Sphere of Influence Issues**

#### Capistrano Bay Community Services District

The Capistrano Bay Community Services District (CBCSD) has requested that a parcel located outside of the District sphere of influence be removed from the District's boundary. The beachfront parcel is currently undeveloped open space; staff is researching the services provided to the parcel and the agencies responsible for service provision and maintenance. Staff is recommending that the CBCSD sphere boundary be continued to give staff an opportunity to analyze this issue and bring back a sphere recommendation for Commission consideration at a future date.

#### Municipal Water District of Orange County

The Municipal Water District of Orange County (MWDOC) has requested that the District sphere be expanded to include the Fremont Canyon area. The area is currently undeveloped; however should the area develop it would need to be in the MWDOC service area to receive imported water. Staff is recommending that the MWDOC sphere boundary be continued to allow staff an opportunity to analyze this issue further and bring back a sphere recommendation for Commission consideration at a future date.

#### City of Laguna Beach

The City of Laguna Beach has requested that their sphere of influence be increased to include both the El Morro Elementary School and the El Morro Campground at Crystal Cove State Park. Water and sewer service to the area is presently provided by special districts (Irvine Ranch Water District and Laguna Beach County Water District respectively). However, the City has indicated established communities of interest with the El Morro Elementary School serving as one of two schools available for Laguna Beach residents. The City has asked LAFCO consider a

sphere of influence amendment to allow for increased service provision to the area. Additional time is needed for staff to adequately analyze this request. Staff recommends that the Commission continue the Laguna Beach sphere and have staff return with a sphere recommendation at a future date.

#### Cities of Garden Grove and Stanton

Property owners of the Carmel/Lampson small island, currently located with the City of Stanton sphere of influence, are working with the City of Garden Grove on potential annexation. (See "Bordering Five Islands" Section, below.) Until all issues are resolved, staff is recommending that no action be taken on either the City of Stanton or City of Garden Grove sphere of influence.

#### "Bordering Five" Islands

In 2012, the Commission directed staff to review the SOIs of five unincorporated islands located between two cities to determine if sphere of influence changes were warranted or if the "status quo" best supported OC LAFCO's long-term service provision plan for these islands. The following islands were identified for review:

- Beach/McFadden (currently within the Westminster SOI)
- Carmel/Lampson (currently within the Stanton SOI)
- Lincoln/Glassell (currently within the Orange SOI)
- Santiago Creek (currently within the Orange SOI)
- Santa Ana Country Club/South Mesa (currently within the Costa Mesa SOI)

Over the past several months, LAFCO staff participated in discussions with city managers and staff on the "Bordering 5" Islands. None requested any change to their City's sphere of influence at this time. All four affected cities provided updates to staff regarding ongoing governance efforts:

- The City of Westminster continues to work cooperatively with the County to provide specific services through contract to unincorporated residents within their sphere. The County recently renewed several cooperative agreements with the City of Westminster to provide graffiti removal, street sweeping, landscape maintenance and emergency repair services for the unincorporated islands within the City's sphere.
- The City of Orange current provides several municipal services, including water and sewer, to
  four unincorporated islands within its sphere, including the Santiago Creek and Lincoln/Glassell
  Islands. LAFCO staff met with City staff and they continue to support the City's current sphere
  boundary. Staff recommends reconfirming the Orange sphere.
- The City of Costa Mesa also supports maintaining its current sphere of influence. The City has previously expressed interest in annexing its remaining islands, including the Santa Ana Country Club/South Mesa Island. However, the Santa Ana County Club, a privately owned golf course located within the Costa Mesa sphere, has long favored eventual annexation to the City of

Newport Beach. The Commission has historically identified Costa Mesa as the most logical service provider for this area. Staff recommends reconfirming the City's current sphere of influence.

• The Carmel/Lampson Island has been in Stanton's SOI since 1974. The sphere was reviewed and reaffirmed by the Commission in 1984, 2006, and 2008. In April 2012, the Carmel/Lampson Island was considered for annexation to the City of Stanton by LAFCO but was continued to allow the property owners an opportunity to discuss their governance options with the bordering City of Garden Grove.

Since the April 2012 hearing, the property owners of the Carmel/Lampson Island have continued discussions with the City of Garden Grove to annex the island. The Garden Grove City Council has recently expressed support in the property owner's annexation efforts. In May 2012, the property owners filed an annexation application with LAFCO. The City of Garden Grove continues to work with the property owners to move the annexation process forward.

Consideration of the annexation application (and respective SOI changes) by LAFCO is tentatively scheduled for summer 2013. Based on the current progress, staff recommends the Commission take no action on the sphere of influence for either the City of Garden Grove or the City of Stanton until the joint efforts between the landowners, Garden Grove, and LAFCO are complete.

As previously stated, staff has met with those cities located adjacent to the "Bordering Five" islands that have been identified by the Commission (through the adoption of spheres of influence) as logical, long-term service providers for those unincorporated areas. Two of the cities (Westminster & Orange) currently provide some level of city services to their islands through cooperative agreements or directly by the cities. None of the cities requested a change in their sphere of influences at this time. Staff will continue communication with the affected cities and monitor any service-related issues to these islands.

#### **South County Governance**

As the Rancho Mission Viejo Company prepares to open the initial neighborhoods of the Ranch Plan (approved in 2004 by the Board of Supervisors) in the summer of 2013, the development of viable, long-term governance options for this unincorporated community will remain an ongoing priority for the landowner, the County, and LAFCO. Approved for up to 14,000 homes and a mix of commercial, retail and open space uses, the Ranch Plan represents one of the last, large-scale master-planned communities to be developed in Orange County. This master-planned community is expected to develop through six phases over the next 10 to 20 years. The initial phase, Sendero, has already broken ground, and model homes are expected to be open for public view in spring 2013.

Over the next year, LAFCO will engage in discussions with the landowner, the County, the surrounding cities of, San Juan Capistrano and San Clemente, and other service providers – including, but not limited to, the Santa Margarita Water District, Orange County Fire Authority, and the South Orange County Wastewater Authority - to facilitate a comprehensive, long-term

approach to municipal service delivery for this area. Pending completion of these discussions and a comprehensive analysis of governance and service alternatives, staff is recommending that the existing spheres of influence for the Cities of San Juan Capistrano and San Clemente be reconfirmed at this time.

In close proximity to the developing Rancho Mission Viejo property, the developed unincorporated communities of Coto de Caza, Las Flores, Wagon Wheel and Stonecliffe were placed within the City of Rancho Santa Margarita's sphere of influence by the Commission in May 2010. These communities will also play an integral role in planning for long-term service provision within the South County area. The unincorporated community of Ladera Ranch is located between the City of Mission Viejo and planning areas of the Ranch Plan, but is not in a city sphere. Staff is recommending that the existing spheres of influence for the Cities of Rancho Santa Margarita and Mission Viejo be reconfirmed at this time.



January 10, 2013



LOCAL AGENCY FORMATION COMMISSION

Carolyn Emery
Interim Executive Officer
OC LAFCO
12 Civic Center Plaza, Room 235
Santa Ana, CA 92701

SUBJECT: Municipal Service Review and Sphere of Influence Update

Dear Ms. Emery,

Thank you for your letter dated January 2, 2013, asking input on our City's sphere of influence. I would request that the City of Laguna Beach's sphere of influence boundaries be amended to include El Morro Elementary School and the El Moro Campground at Crystal Cove State Park. This recommendation is supported by Policy 11.4 of the City's Land Use Element which has been certified by the California Coastal Commission. I've attached a copy of this policy for your information.

Should you have any questions please contact John Montgomery, Director of Community Development at (949) 497-0361. Thank you again for seeking our input and I look forward to working with you.

Sincerely,

John Pietig City Manager

CC: City Council

Community Development Director

## GOAL 11: <u>Proactively participate in the planning activities of regional and adjacent</u> jurisdictions.

<u>Intent</u> – Throughout the years, Laguna Beach has been impacted by the decisions of regional and adjacent jurisdictions. By actively participating in regional and jurisdictional planning activities, the City is better able to educate the public and promote a positive outcome for Laguna Beach, such as the decision by Orange County voters to deny the construction of a commercial airport at the former El Toro Marine Base. The following policies promote monitoring the planning activities of regional and surrounding jurisdictions and participating in problem-solving strategies.

- Policy 11.1 Monitor the planning activities of regional entities and adjacent jurisdictions to stay informed of potential development that may impact the quality of life in the City of Laguna Beach.
  - Action 11.1.1 Evaluate the impact of proposed changes to regional growth policies and the policies and projects of adjacent jurisdictions and address potential impacts. (Short-to-long-term implementation.)
- Policy 11.2 Oppose the establishment of offshore oil facilities along the Orange County coastline.

  (Same as Policy 7.8.)
  - Action 11.2.1 Monitor the federal government's offshore oil leasing program to ensure that the impacts of the program on the coastal environment are known and considered. (Ongoing implementation short-to-long-term.)
    (Same as Action 7.8.1.)
- Policy 11.3 Work with adjacent jurisdictions to resolve regionally based problems such as water quality, runoff and flooding, air space, and transportation/traffic congestion issues and to establish regional responses to open-space conservation and wilderness area access.
  - Action 11.3.1 Work with adjacent jurisdictions to find solutions to shared problems such as, but not limited to, traffic, air traffic, automotive noise, water quality, erosion, and slope stability. (Short-to-long-term implementation.)
  - Action 11.3.2 Work with the appropriate agencies to address and mitigate potential impacts of any proposed expansion of the toll road system. (Short-to-long-term implementation.)
- Policy 11.4 Reevaluate the City's sphere of influence to determine ultimate physical boundaries and service area and pursue amending the City sphere to include El Moro.
  - Action 11.4.1 Amend the sphere of influence to add El Moro. (Short-to-long-term implementation.)



Street Address: 18700 Ward Street Fountain Valley, California 92708

Mailing Address:
P.O. Box 20895
Fountain Valley, CA 92728-0895

(714) 963-3058 Fax: (714) 964-9389 www.mwdoc.com

> Jeffery M. Thomas President

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Kevin P. Hunt, P.E. General Manager

#### **MEMBER AGENCIES**

City of Brea City of Buena Park East Orange County Water District El Toro Water District **Emerald Bay Service District** City of Fountain Valley City of Garden Grove Golden State Water Co. City of Huntington Beach Irvine Ranch Water District Laguna Beach County Water District City of La Habra City of La Palma Mesa Water District Moulton Niguel Water District City of Newport Beach City of Orange Orange County Water District City of San Clemente City of San Juan Capistrano Santa Margarita Water District City of Seal Beach Serrano Water District South Coast Water District Trabuco Canyon Water District City of Tustin

City of Westminster

Yorba Linda Water District



January 16, 2013

**LOCAL AGENCY FORMATION COMMISSION** 

Carolyn Emery
Interim Executive Officer
Orange County Local Agency Formation Commission
12 Civic Center Plaza, Room 235
Santa Ana, CA 92701

Subject: Sphere of Influence of MWDOC

Dear Ms. Emery,

The Municipal Water District of Orange County (MWDOC) provides imported water and other services to the developed areas of Orange County, excluding the three cities of Anaheim, Fullerton and Santa Ana. In reviewing the sphere of influence (SOI) map sent by your office on Jan. 2<sup>nd</sup>, we bring to your attention an issue in an undeveloped area we will call here the "Fremont Canyon area" (see MWDOC SOI map).

MWDOC serves imported water to the Irvine Ranch Water District (IRWD). The IRWD SOI encompasses land northeast of (i.e. outside of) our existing boundary, in the "Fremont Canyon area" (see IRWD SOI map). Since IRWD has the potential to serve water within the "Fremont Canyon area", therefore MWDOC has the potential to sell imported water to IRWD to serve within this area, but not in any land that is within Anaheim's SOI (see Anaheim SOI map).

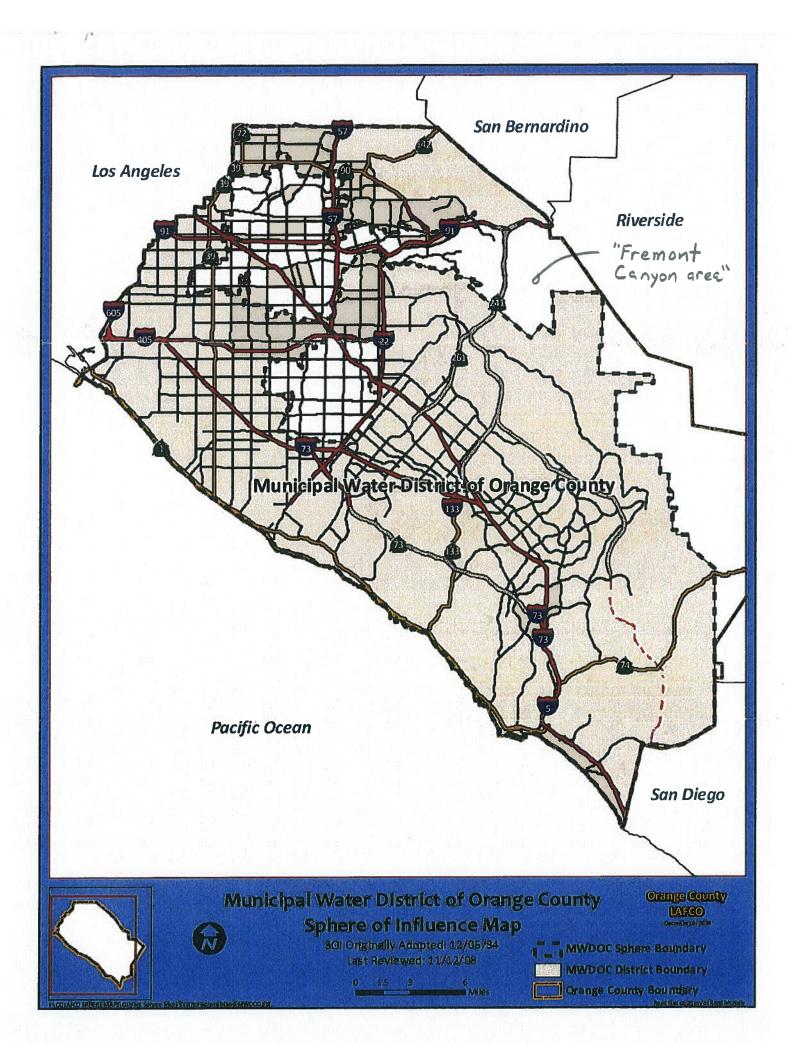
In summary: MWDOC has the potential to sell imported water for use in the "Fremont Canyon area" outside of the Anaheim SOI; however, said area is not now included in our SOI. LAFCO may want to review the MWDOC SOI boundary in said area.

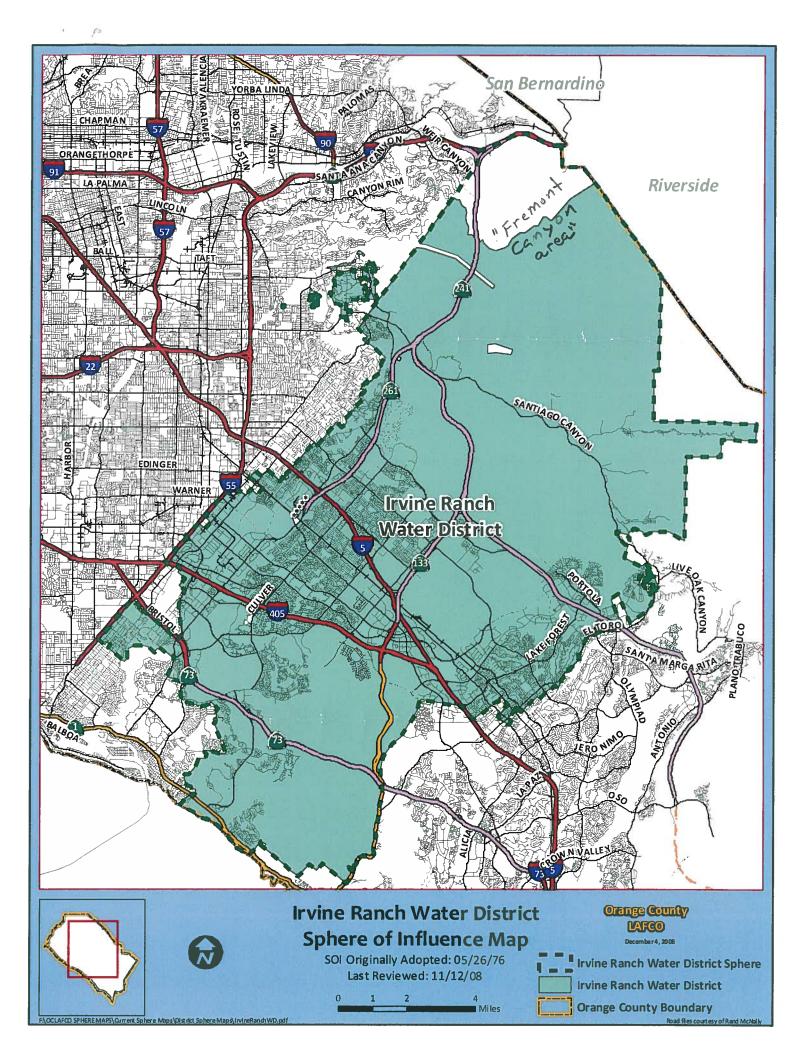
Sincerely,

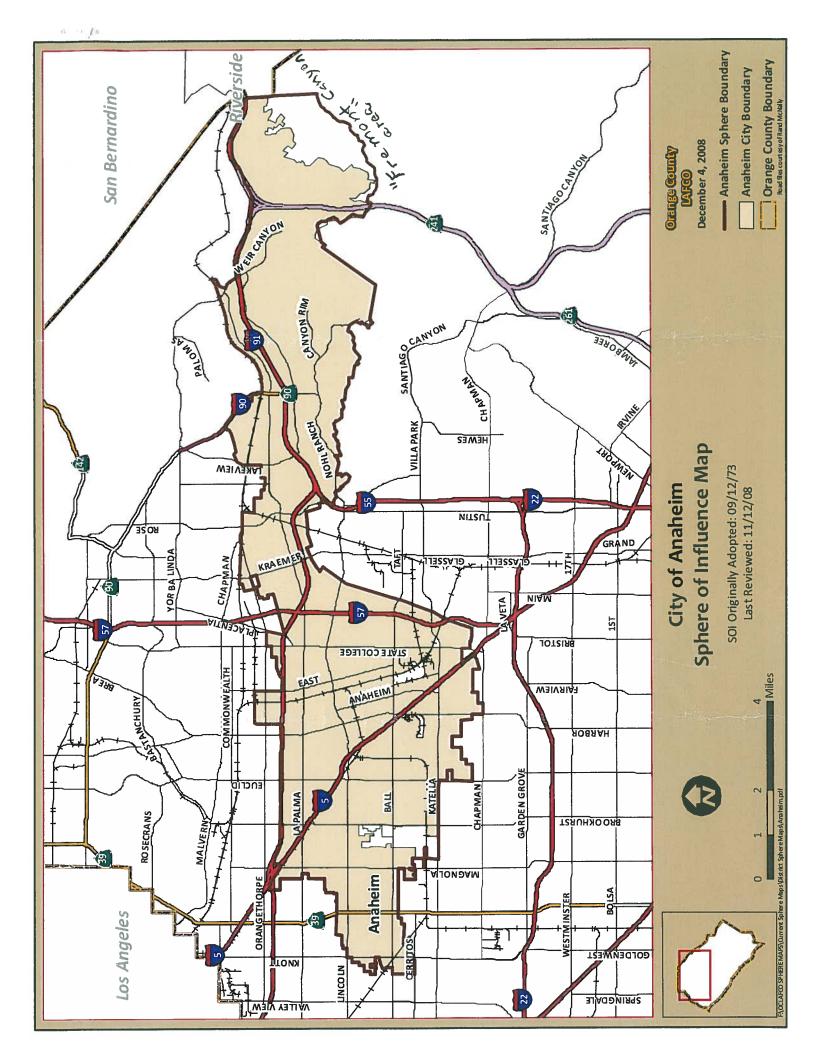
Kevin P. Hunt, PE

General Manager

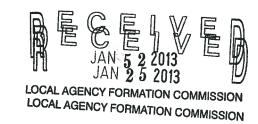
Cc Paul Cook / IRWD, Don Calkins / Anaheim











## IRVINE RANCH WATER DISTRICT 15600 Sand Canyon Ave., P.O. Box 57000, Irvine, CA 92619-7000 (949) 453-5300

January 22, 2013

Carolyn Emery Interim Executive Officer Local Agency Formation Commission, Orange County 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701

Subject: Municipal Service Review and Sphere of Influence

Dear Ms. Emery:

Irvine Ranch Water District (IRWD) received your letter dated January 2, 2013 and the attached map of IRWD's sphere of influence. IRWD staff has reviewed the map and the GIS sphere of influence data available from the LAFCO website and currently has no comments or changes. As mentioned in your letter, IRWD would like the opportunity to review the MSR/SOI staff report before it is presented at you February 13 meeting.

Should you have any questions please contact Paul Cook, IRWD's General Manager, at 949-453-5310 or the undersigned at 949-453-5553.

Sincerely,

Michael J. Hoolihan, P.E.

Principal Engineer

Master Planning and Technical Services

Cc: Paul Cook

> Barbara Mourant Greg Heiertz

#### STAFF MEMBERS

Hector Ruiz, General Manager Michael Perea, District Secretary Cindy Navaroli, District Treasurer Robert Anslow, District Legal Counsel



**BOARD OF DIRECTORS** 

Edward Mandich, President James Haselton, Vice President Michael Safranski, Director Glenn Acosta, Director Stephen Dopudja, Director

January 22, 2013

Carolyn Emery
Interim Executive Officer
Local Agency Formation Commission
12 Civic Center Plaza, Room 325
Santa Ana, CA 92701

Subject: Municipal Service Review and Sphere of Influence Update

Dear Ms. Emery,

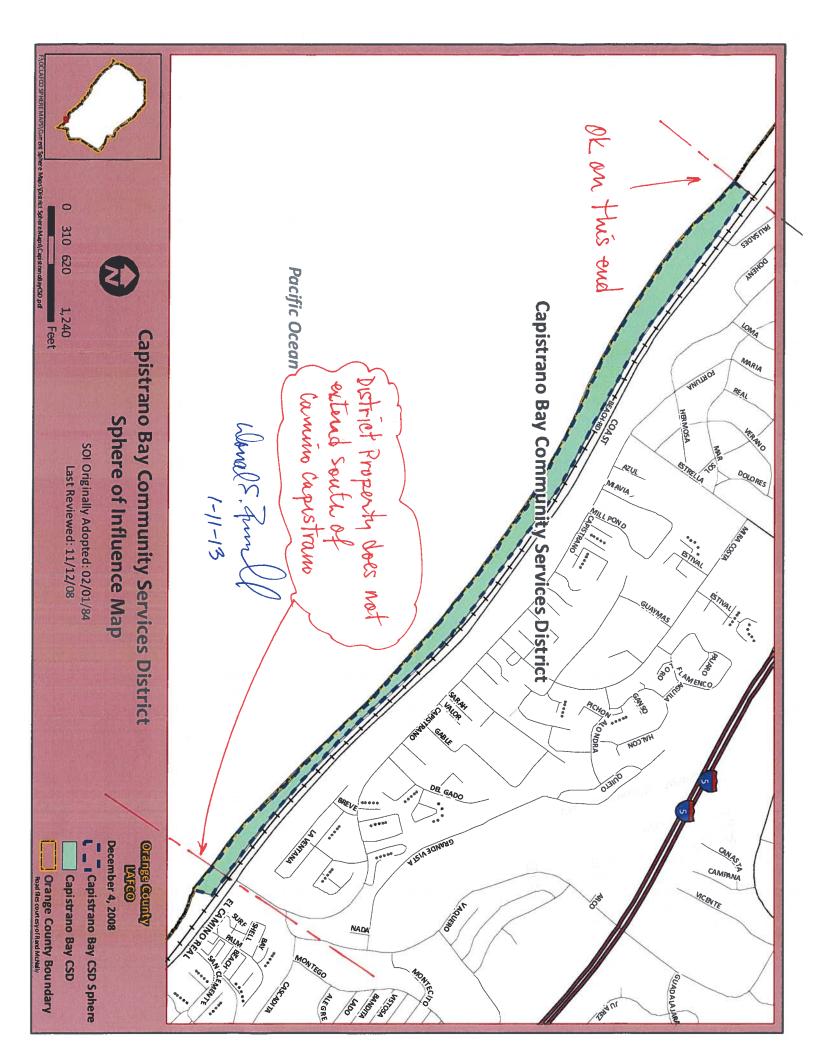
The Trabuco Canyon Water District (District) is in receipt of your letter regarding the upcoming Municipal Services Reviews (MSRs) and Sphere of Influence (SOI) Updates. In consideration of the upcoming updates, the District continues to provide water, wastewater, and recycled water service to its customers in an efficient and cost-effective manner. The District has also planned for meeting future growth and development within its service area.

At this time, the District does not have any issues, modifications, or updates to its sphere boundary and looks forward to reviewing the upcoming MSR/SOI staff report. In addition, I welcome LAFCO and your staff to visit the District and tour its facilities and to contact me with any questions.

Sincerely,

Hector Ruiz, P.E. General Manager

(949) 858-0277 ext. 117





## CITY OF RANCHO SANTA MARGARITA



LOCAL AGENCY FORMATION COMMISSION

Mayor
L. Anthony Beall

Mayor Pro Tempore
Carol Gamble

Council Members
Steven Baric
Bradley McGirr
Jesse Petrilla

City Manager
Jennifer M. Cervantez

January 18, 2013

Carolyn Emery
Interim Executive Officer
Orange County Local Agency Formation Commission
12 Civic Center Plaza, Room 235
Santa Ana, CA 92701

RE: Comments on Municipal Service Review and Sphere of Influence Update

Dear Ms. Emery:

Thank you for the opportunity to review and comment on the Municipal Service Review (MSR) and Sphere of Influence (SOI) Update. As you are aware, the City currently has a SOI that extends north of the City limits for an area of approximately 261 acres of unincorporated territory with a potential of development for approximately 612 residential units (according to the City of Rancho Santa Margarita General Plan). In 2010, the City's SOI was updated to include the communities of Coto de Caza, Las Flores, Wagon Wheel and Stonecliffe. This update increased the number of housing units in the City's Sphere by more than 500 percent and contained nearly the same land area as the City. At that time, the City Council opposed the SOI amendment; but modified its position and requested that the item be tabled in order to provide additional time for the Council to review the proposal and potential impacts on the community. The Local Agency Formation Commission (LAFCO) denied the City's request and instead unanimously approved the SOI amendment.

That being stated, when LAFCO reviews the SOIs, in addition to updating their MSRs, at the February 13, 2013 meeting, the City is requesting clarification on the following item:

1) The fiscal analysis that accompanied MSR 09-05 (which resulted in the SOI Amedment) did not include costs for maintenance of Oso Parkway, the Oso/O'Neil Park bridge or Tesoro High School. The proposed SOI map for the City appears to include the bridge and portions of Oso Parkway within the boundaries of



Ms. Carolyn Emery January 18, 2013 Page 2

the SOI. Has a new Fiscal Analysis been completed that would address these fiscal impacts? If not, please remove these areas from the map and the SOI.

As the City has stated in the past, we believe that the change that was made to our SOI in June 2010 would eventually lead to possible annexation which would result in a change in what makes our City unique. Consistent with our General Plan vision to maintain a City with a "small town village character" the City opposes any further modification to its SOI.

With respect to municipal services, the City has previously expressed a willingness to engage in such discussions regarding service delivery options. As such, we continue to be open to the possibility of providing additional traffic enforcement and other services within our sphere where there could be mutual benefits, cost savings and efficiencies.

Once again, the City appreciates the opportunity to express its concerns and looks forward to continued dialogue in this regard. If you have any questions, please contact Kathleen Haton, Development Services Director, at (949) 635-1816 or by e-mail at khaton@cityofrsm.org.

Sincerely,

Jennifer M. Cervantez

City Manager

cc: City Council

Greg Simonian, City Attorney

Kathleen Haton, Development Services Director



January 24, 2013

Ms. Carolyn Emery Interim Executive Officer OC LAFCO 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701

Dear Ms. Emery:

I am writing in response to your letter of January 2, 2013 regarding LAFCO's pending Municipal Services Review and Sphere Of Influence (SOI) update. I apologize for the delayed response; it's our hope that the City of Brea's comments might still be made a part of your dialog.

The City of Brea supports our current SOI boundaries and appreciates our longstanding and cooperative relationship with LAFCO. It remains our goal to provide for annexation opportunities for all lands within our SOI. In fact, the City is open and very willing to advance such annexation at the earliest practical time. Land use control should be placed with the City of Brea at the earliest opportunity especially for property abutting existing residential development. We appreciate and understand that annexation options must also include property owner interests and we are currently awaiting response from several landowners in our Sphere to discuss annexation possibilities.

In summary, Brea stands prepared to advance annexation of SOI lands into our City at the earliest practical opportunity. Should LAFCO's five year Municipal Review and Sphere of Influence Update provide for such opportunity, we welcome those discussions. Please feel free to reach me at (714) 671-4421 if you should have any questions.

Sincerely,

Community Development Director

CC Honorable Mayor and City Council Tim O'Donnell, City Manager

David Crabtree, Community Development Deputy Director

DMCs/LAFCO/12413LAFCOltr

DANIEL R. FERONS



## Santa Margarita Water District

January 8, 2013

Carolyn Emery Interim Executive Officer OC LAFCO 12 Civic Center Plaza, Rm 235 Santa Ana, California 92701

SUBJECT: Municipal Service Review and Sphere of Influence Update

Dear Ms. Emery,

Thank you for the opportunity to comment on the upcoming MSR/SOI review. The District does not anticipate any changes in its SOI for the next five (5) years.

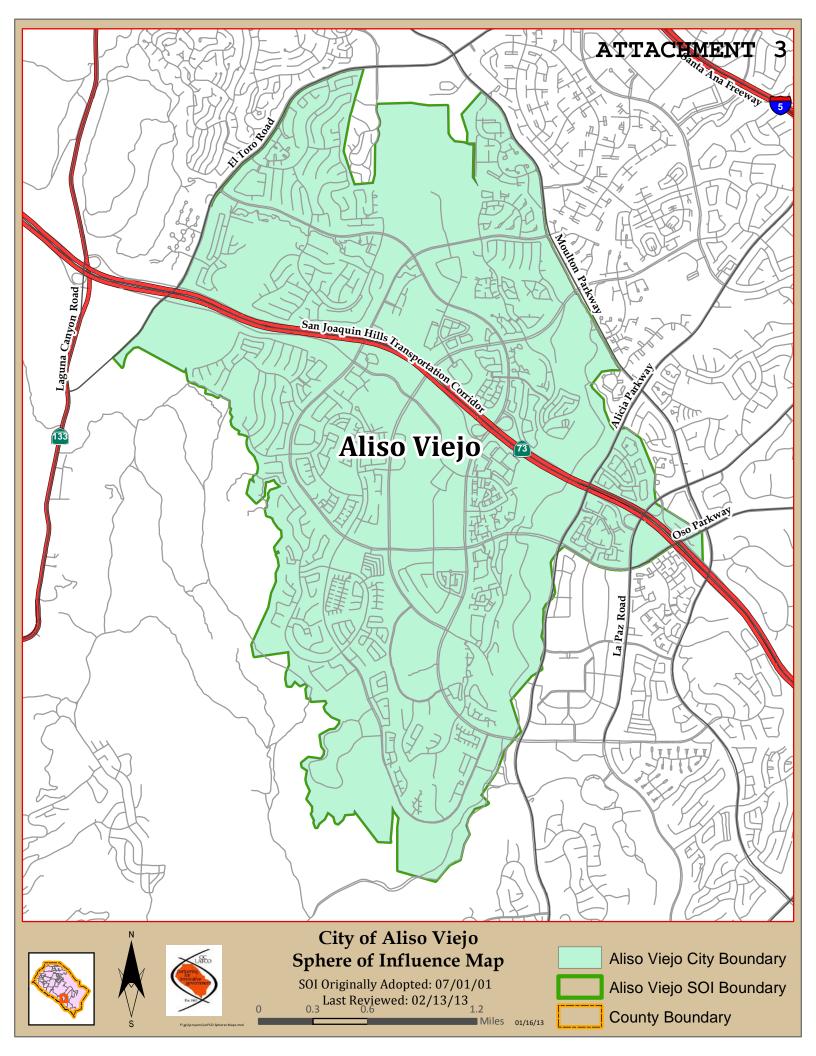
However, we would like to invite you and your staff to come to the District for a tour of our facilities and a briefing on our major strategic initiatives before the February 13 Commission meeting.

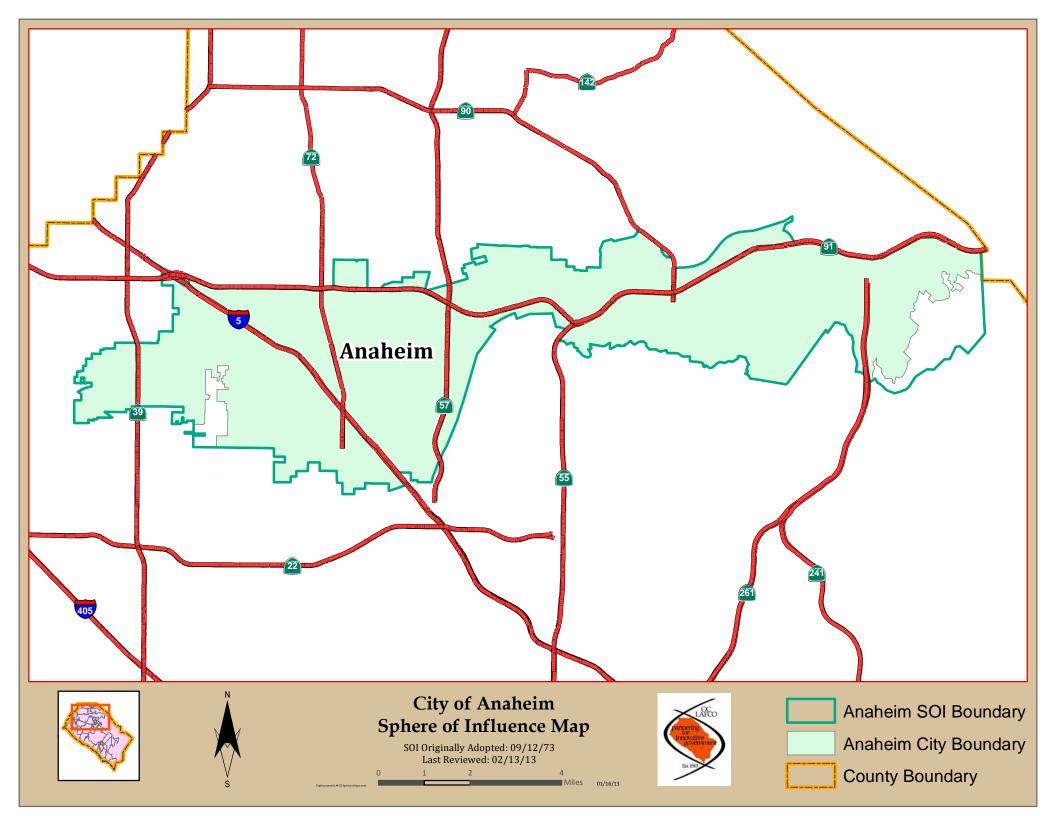
Please call Joyce Crosthwaite at 949-459-6507 to arrange the tour and briefing.

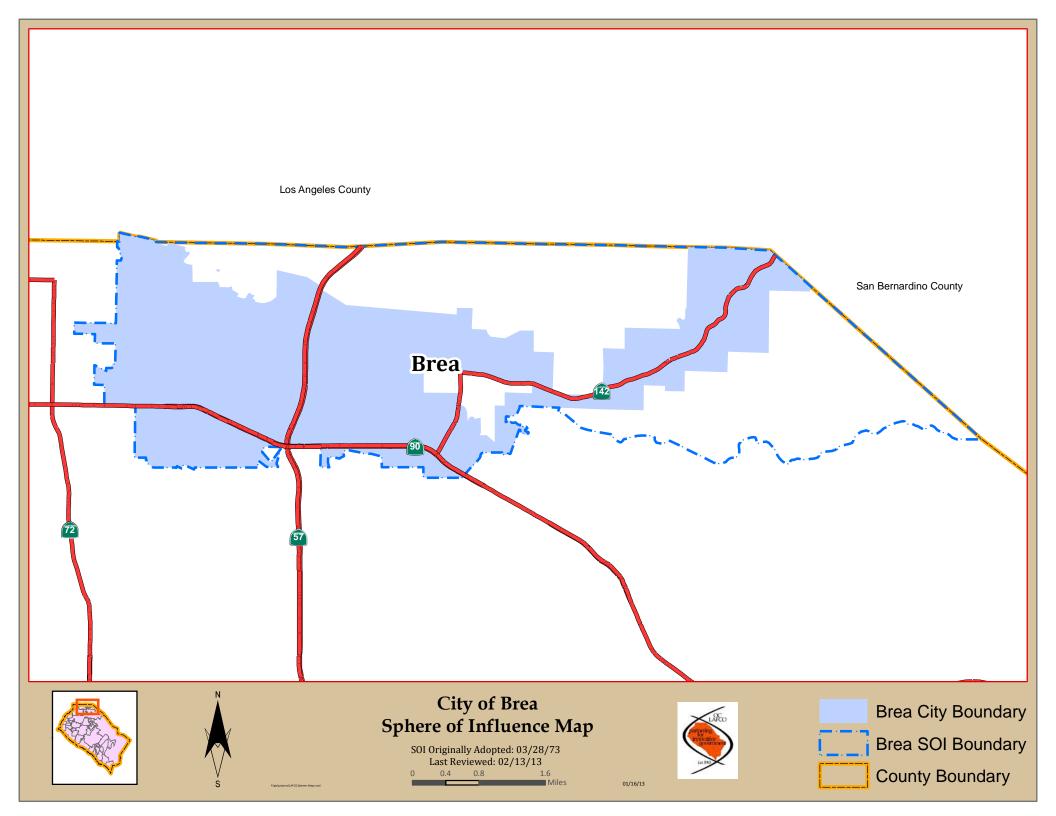
Sincerely,

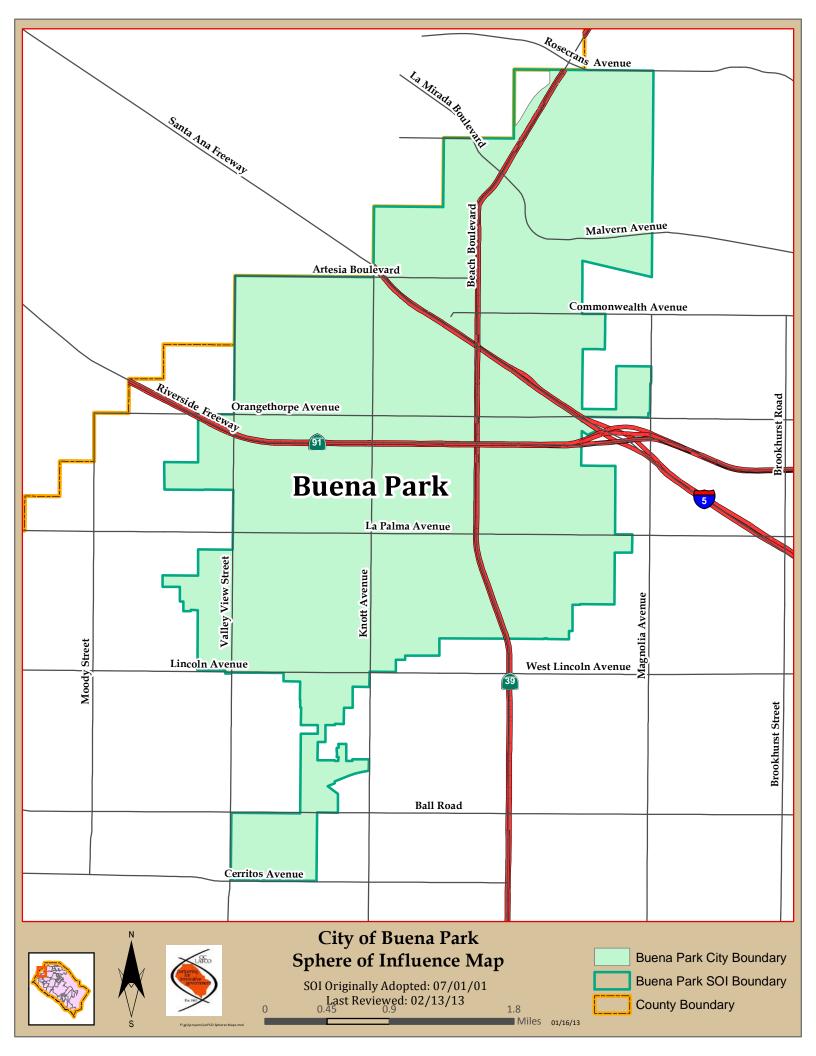
Dan Ferons

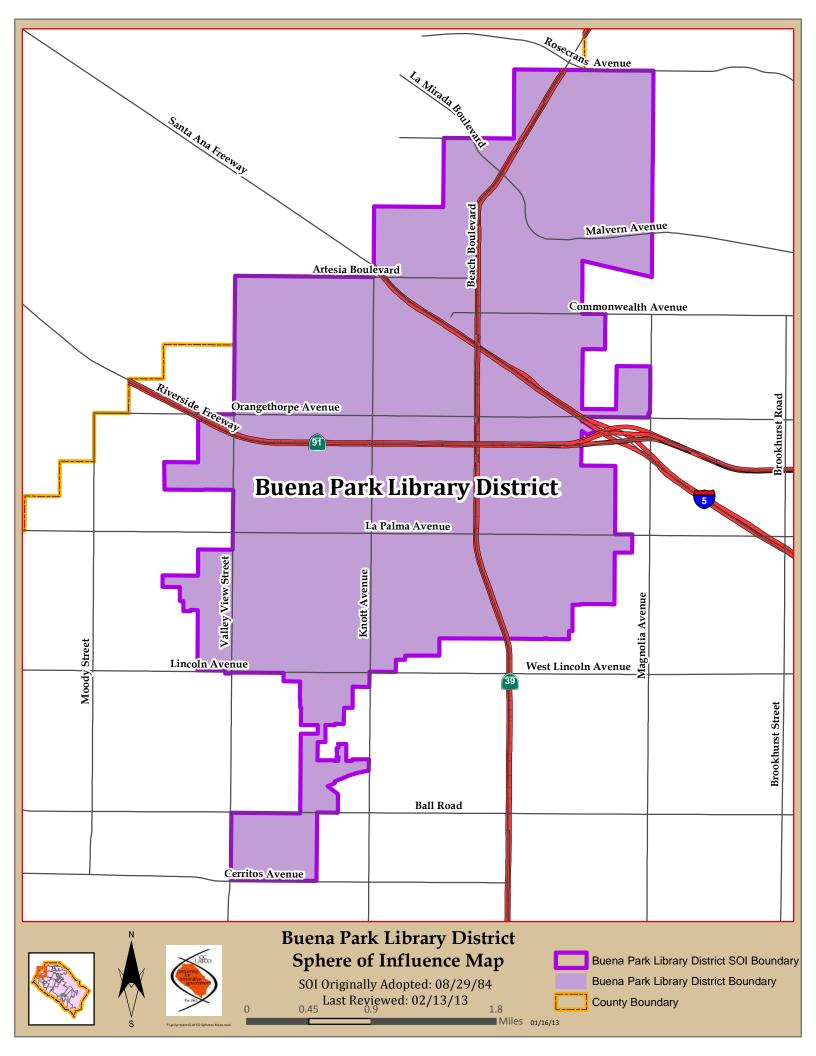
General Manager



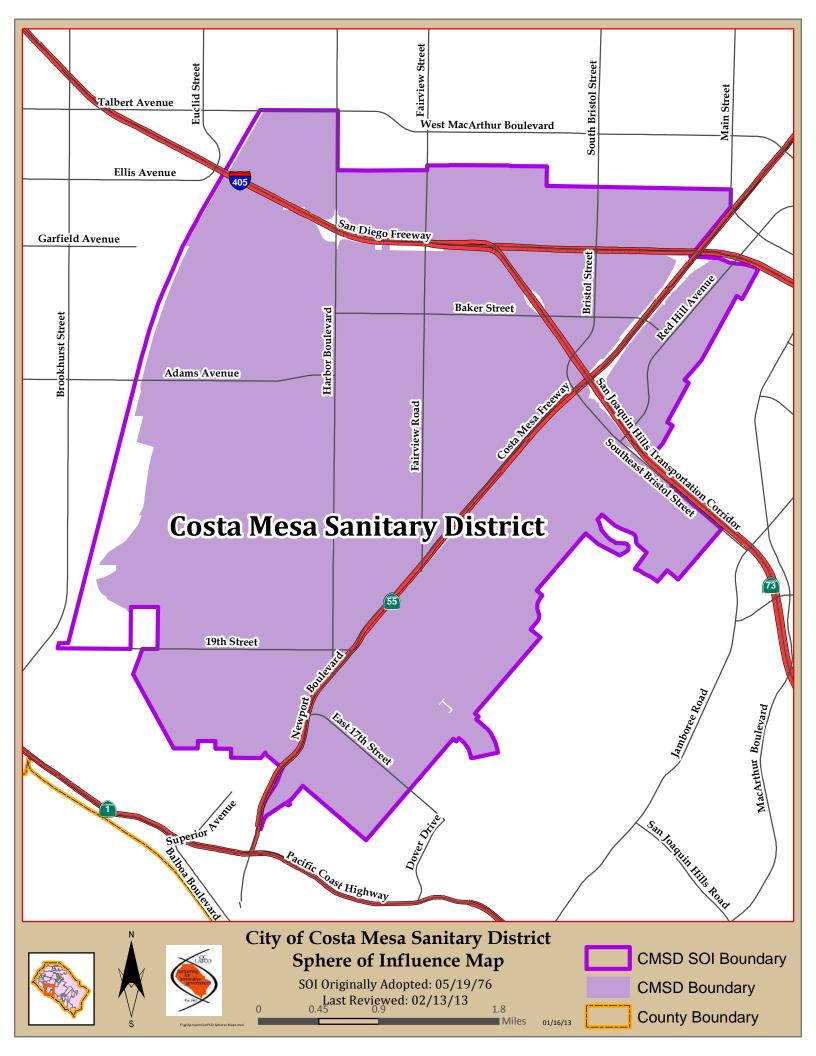


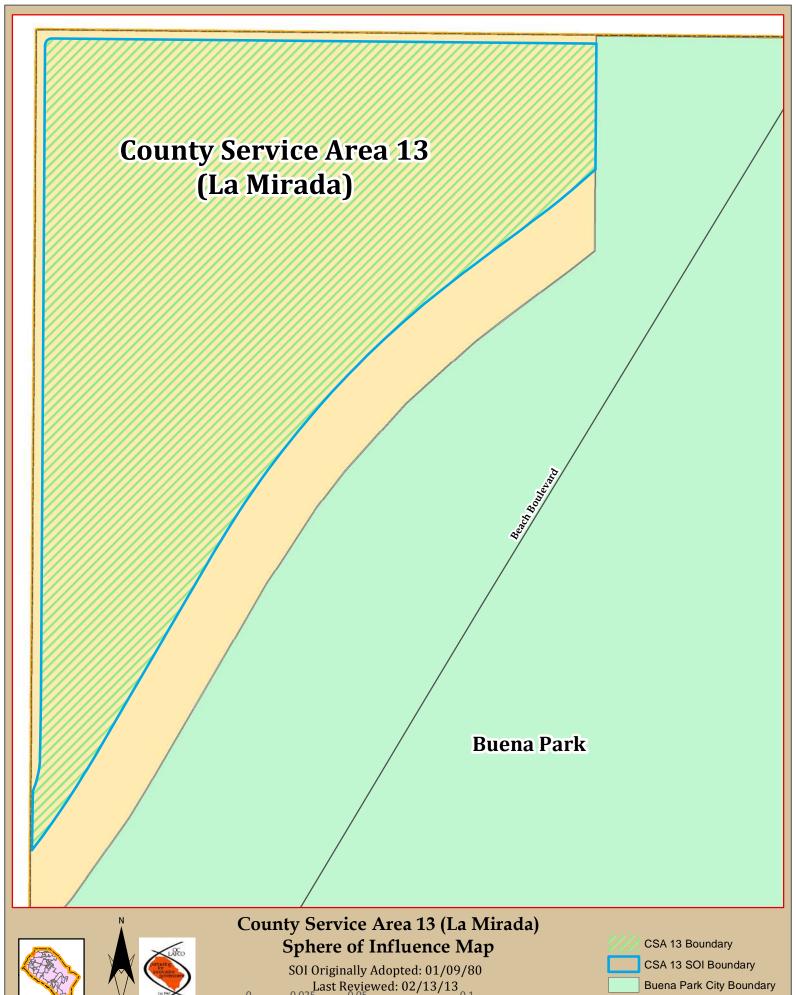














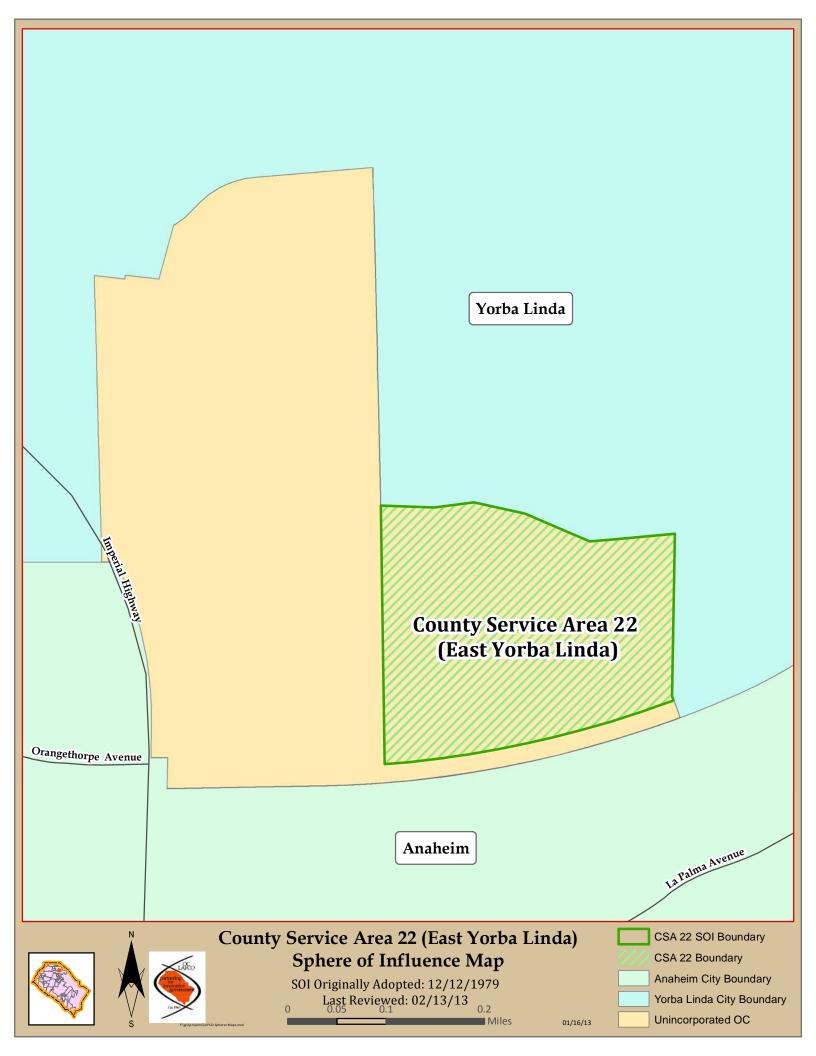


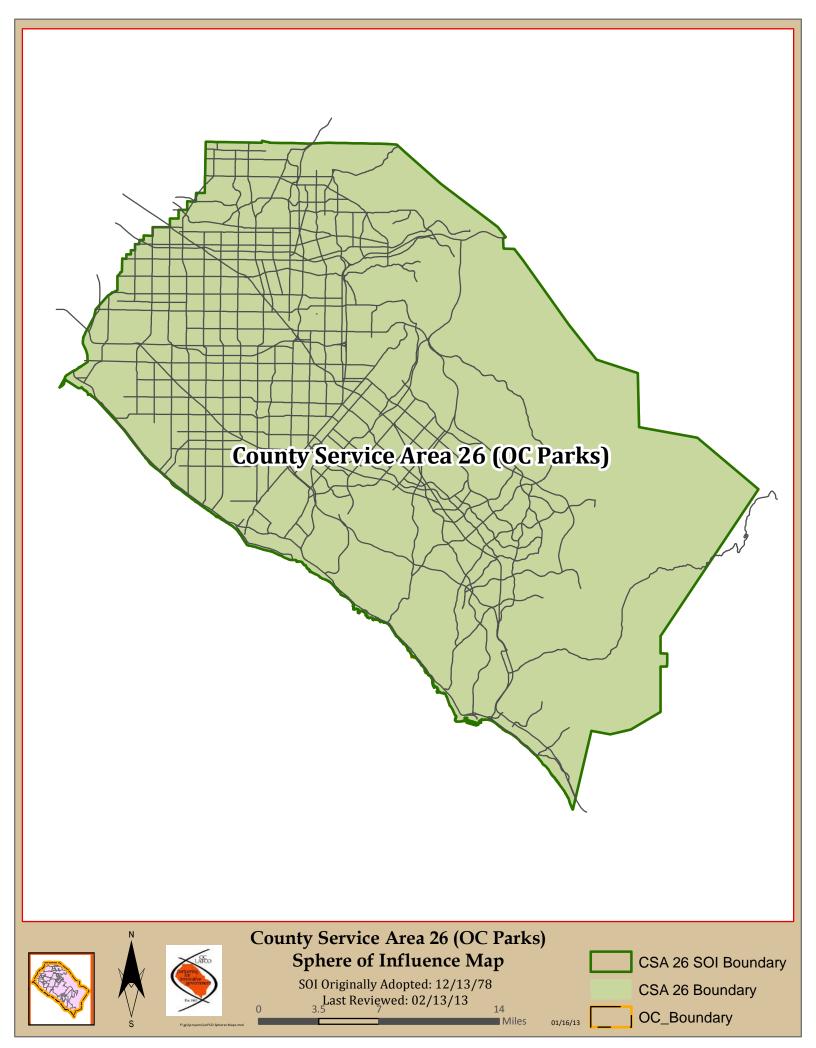
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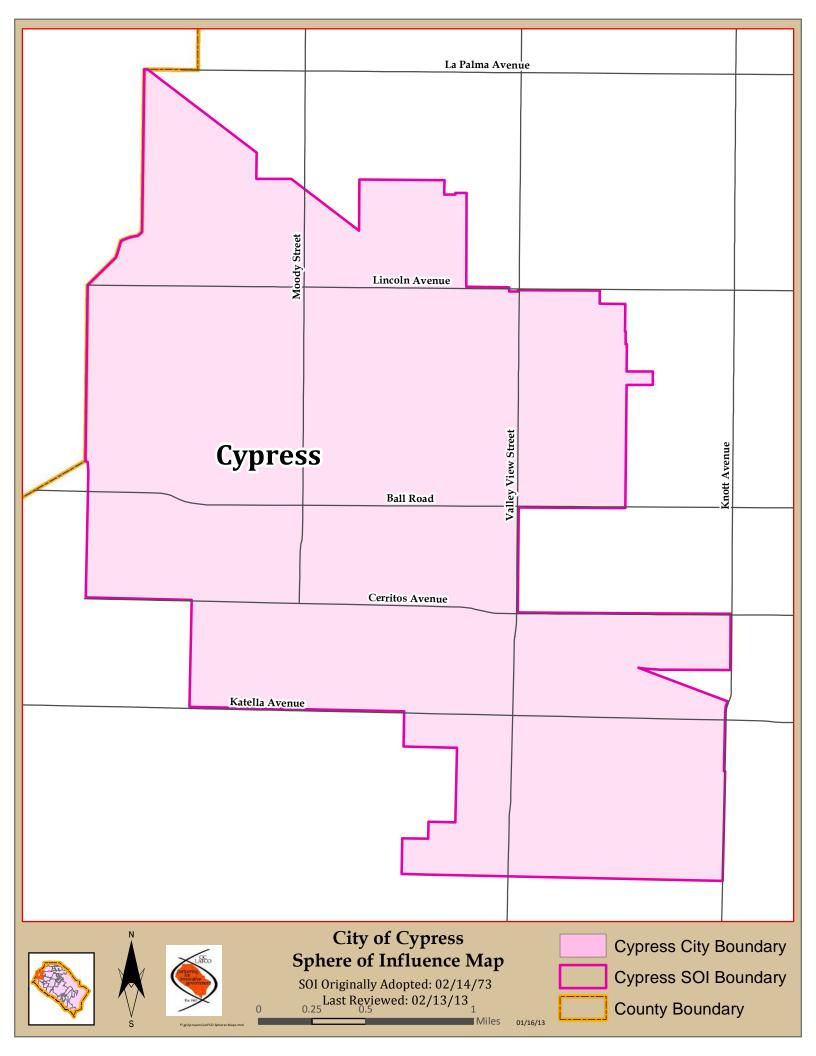
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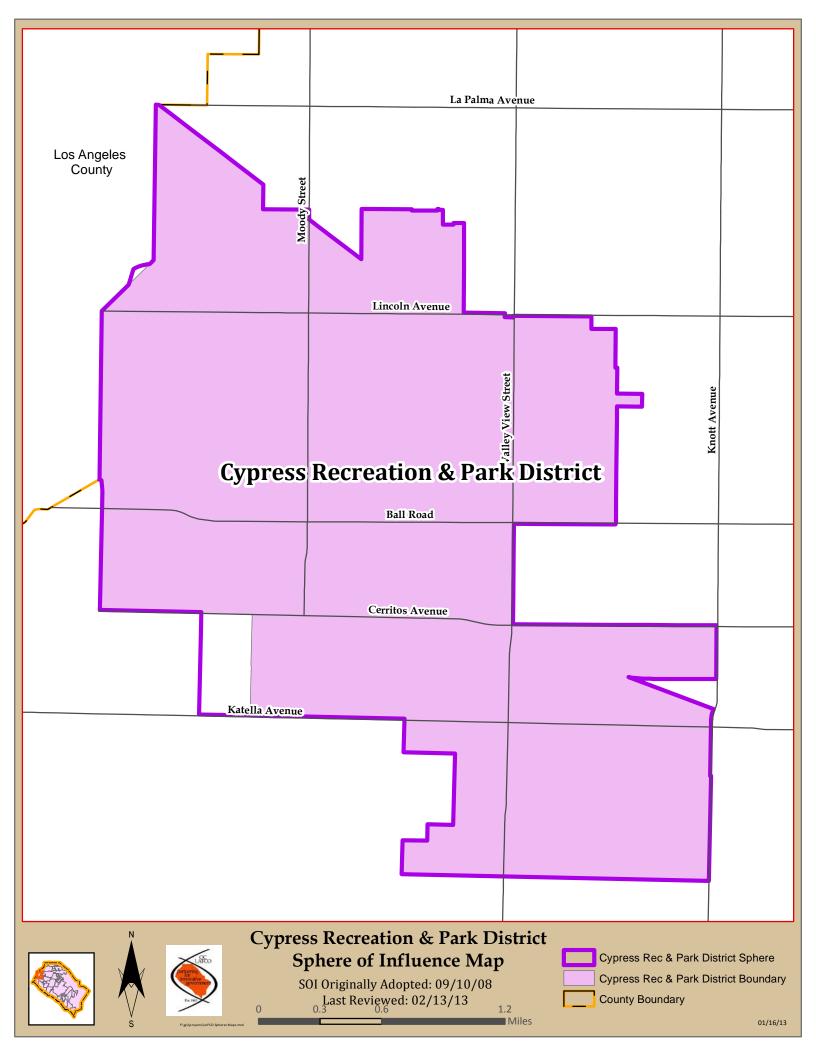
Unincorporated OC

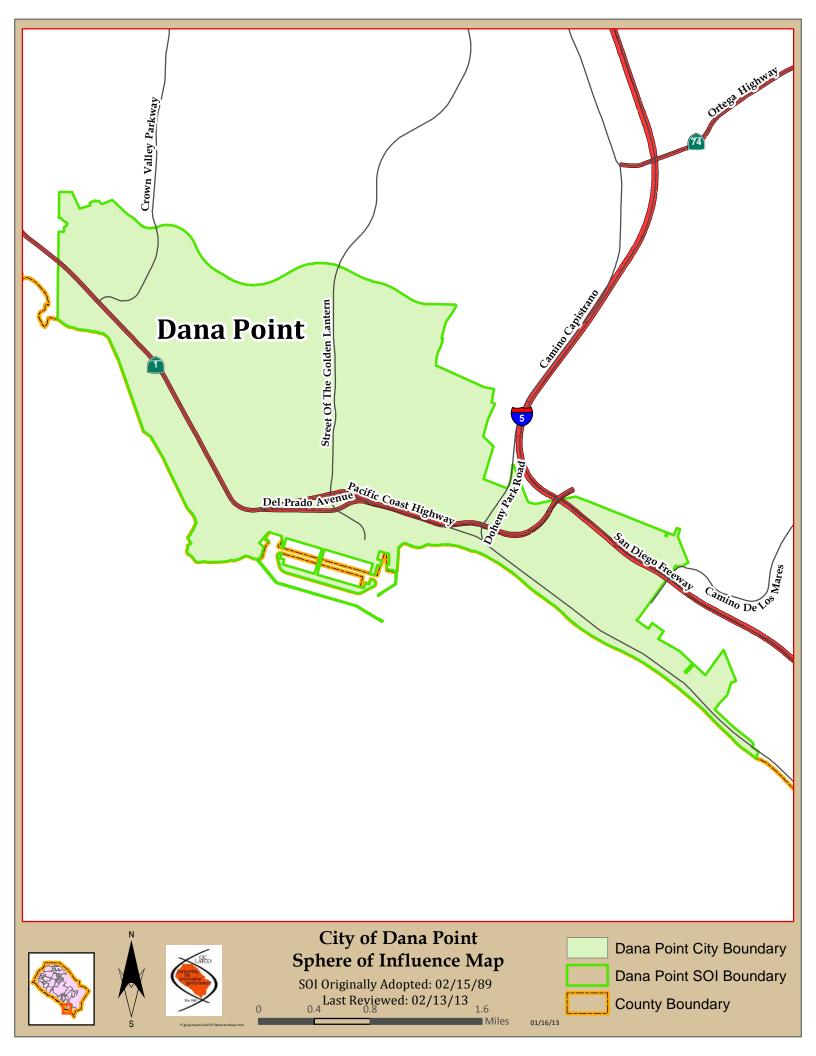


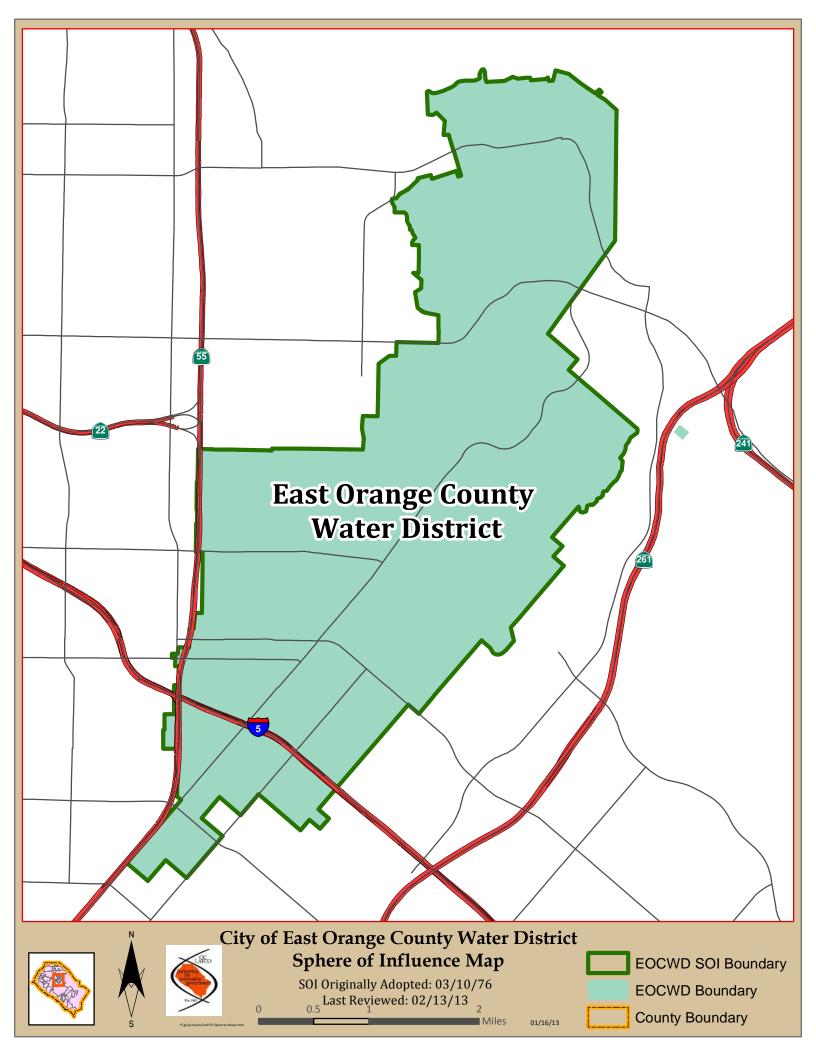


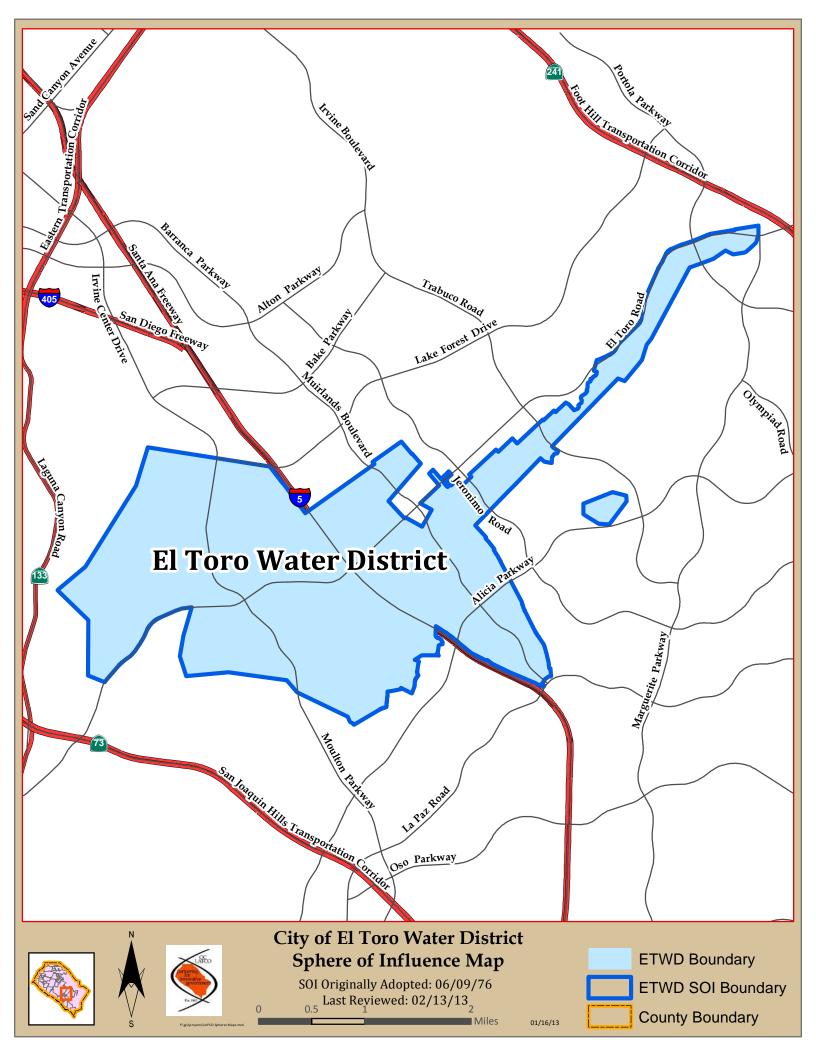


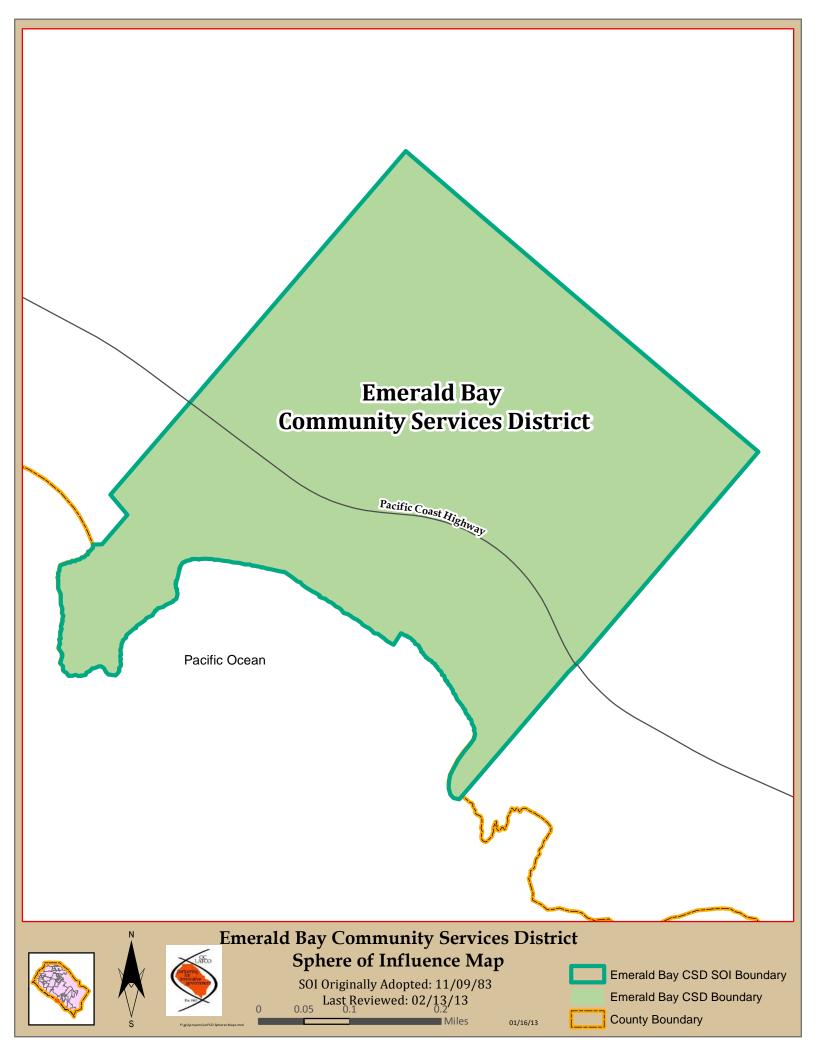


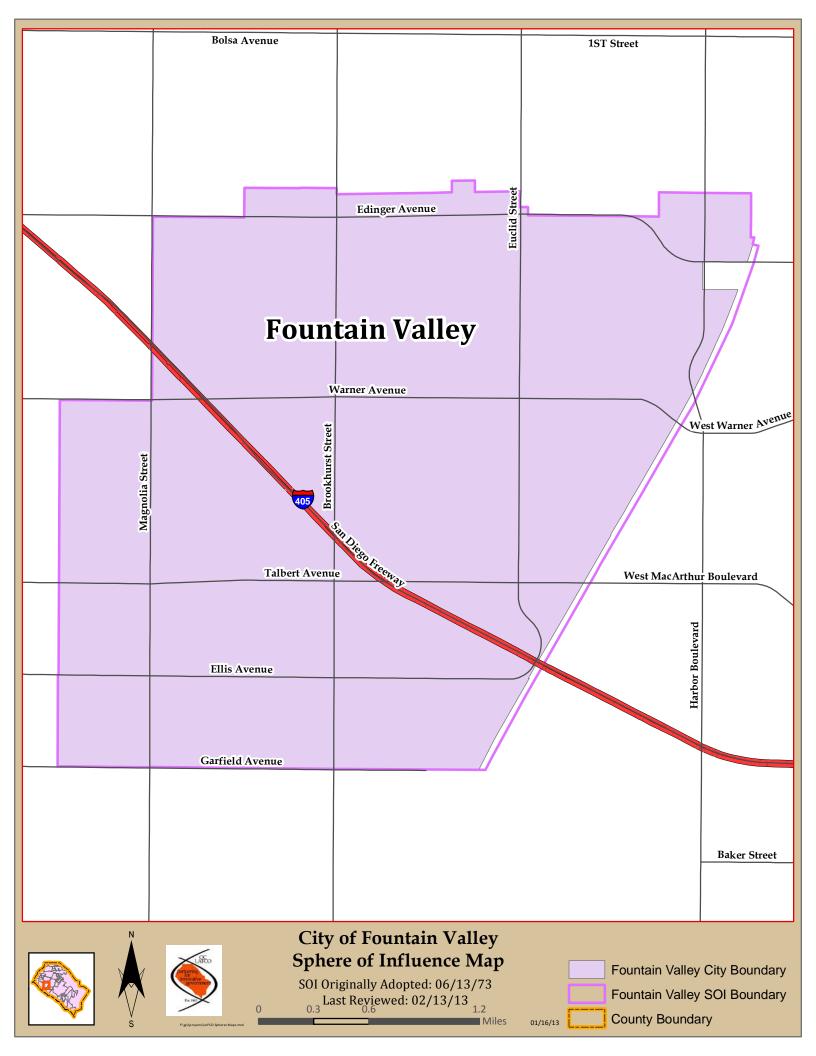


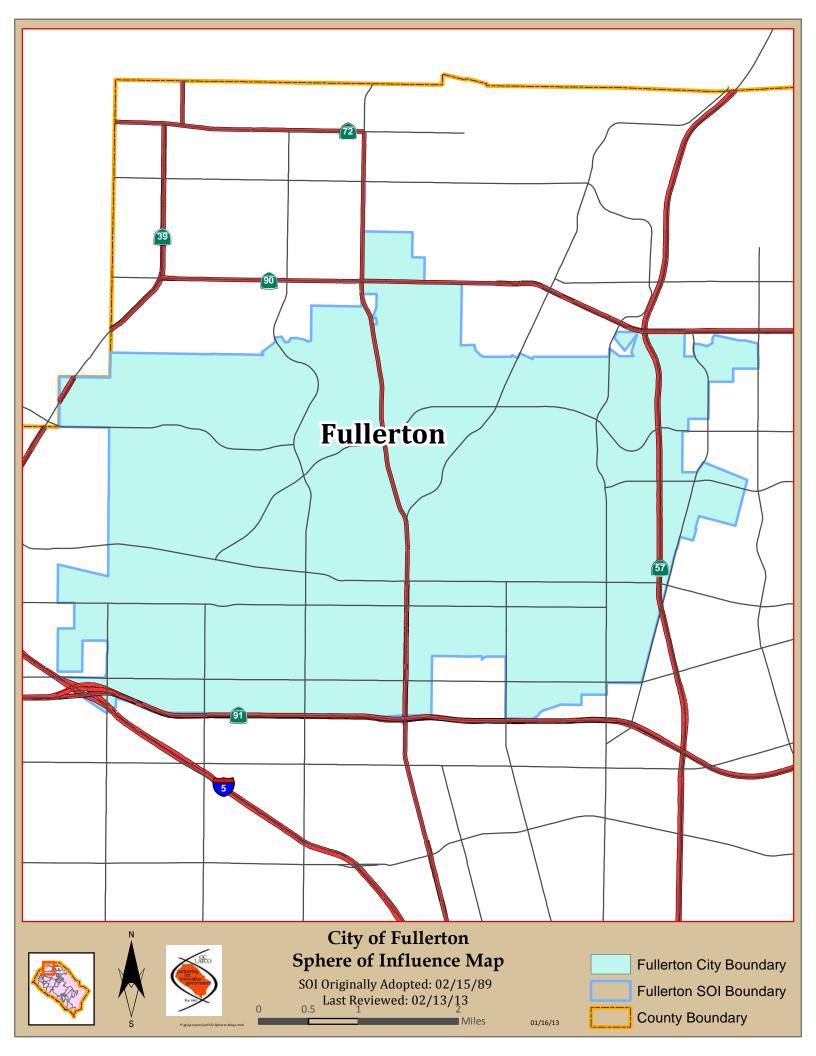


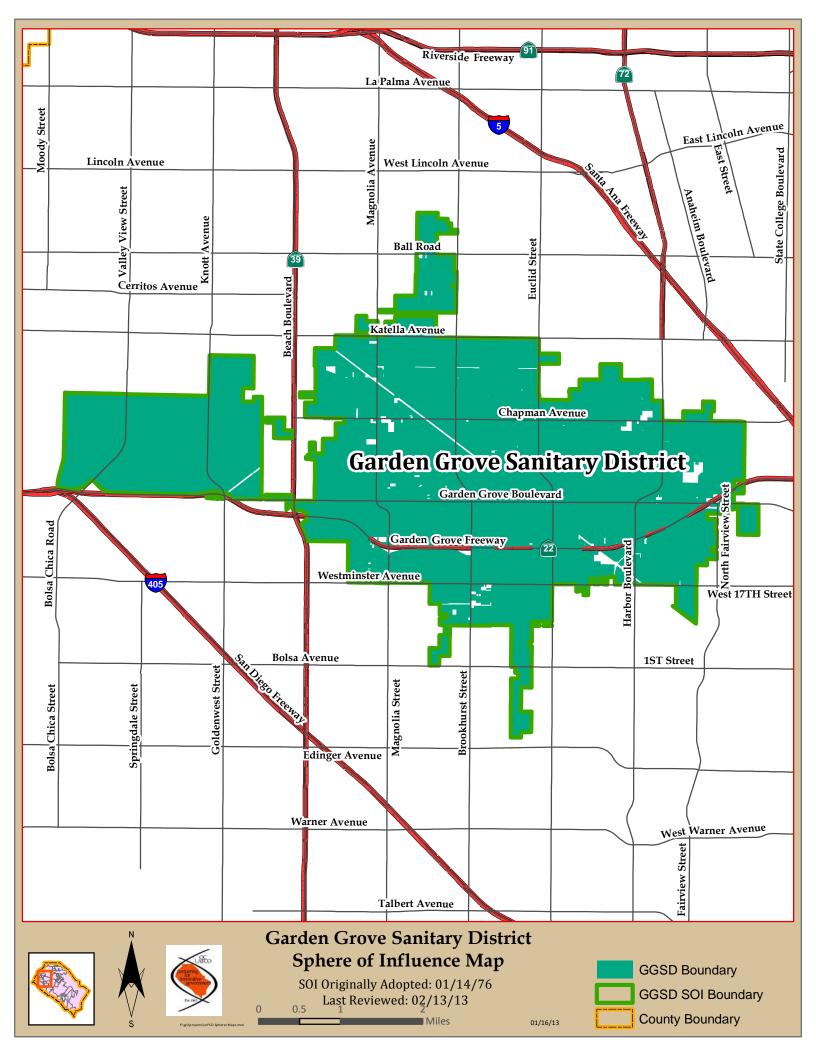


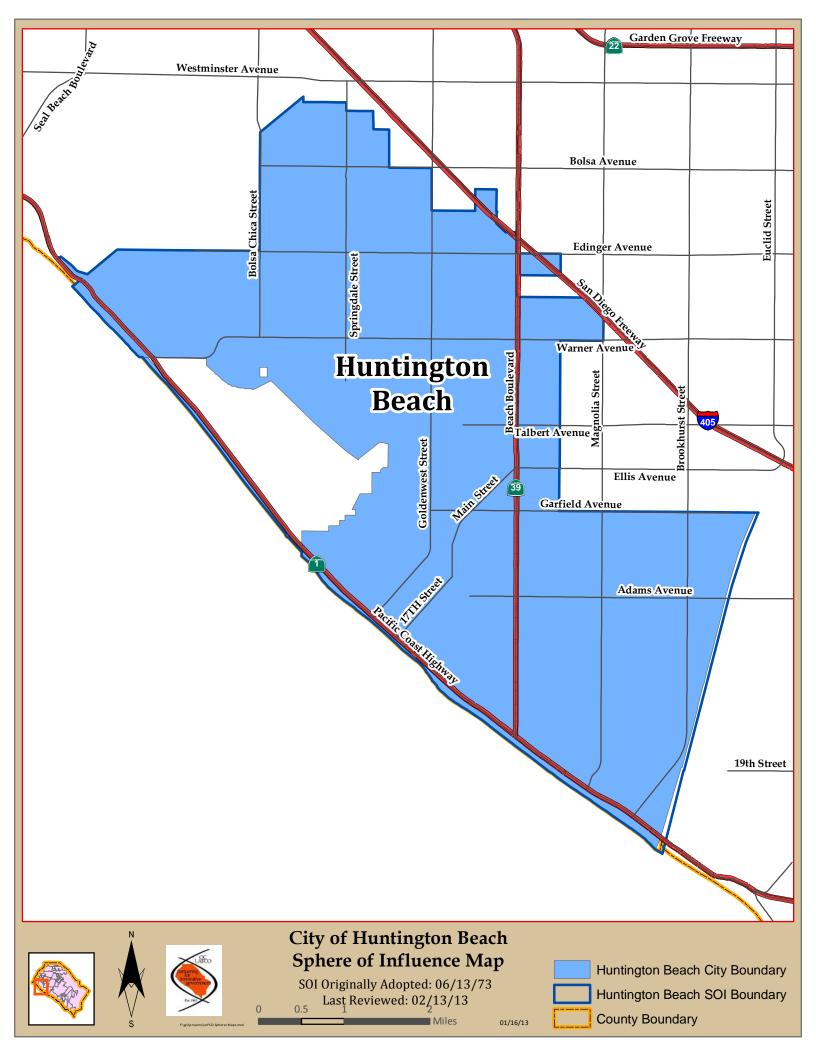


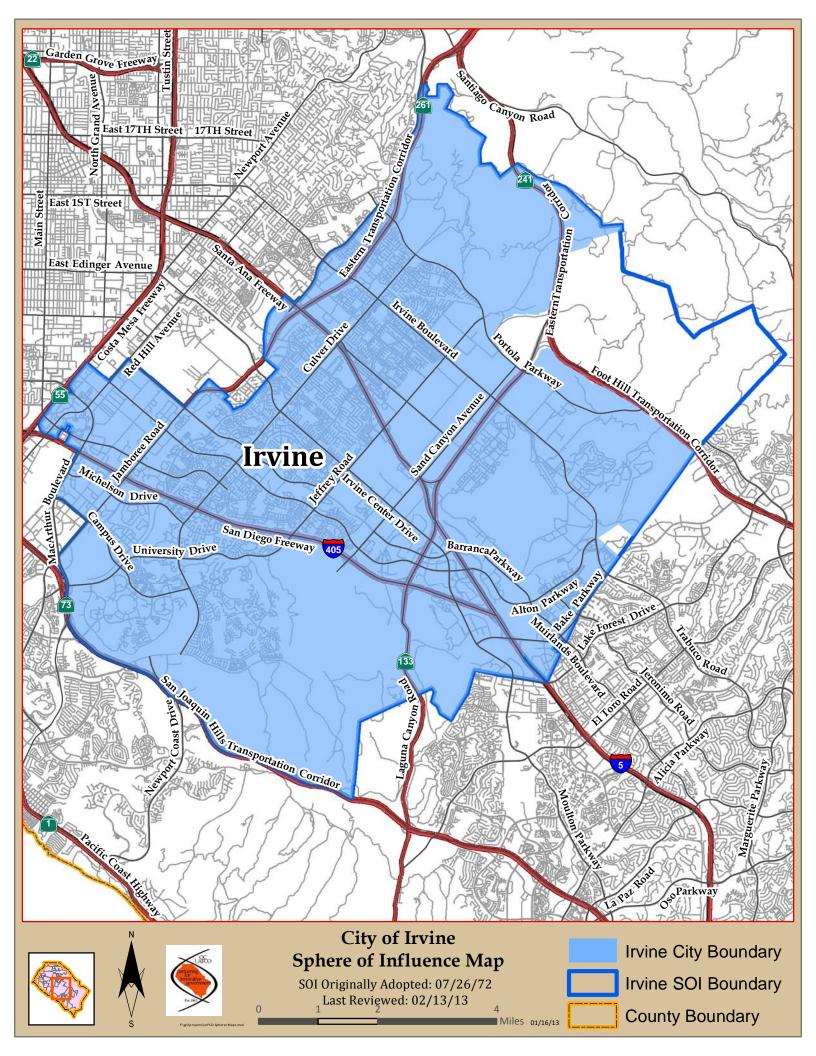


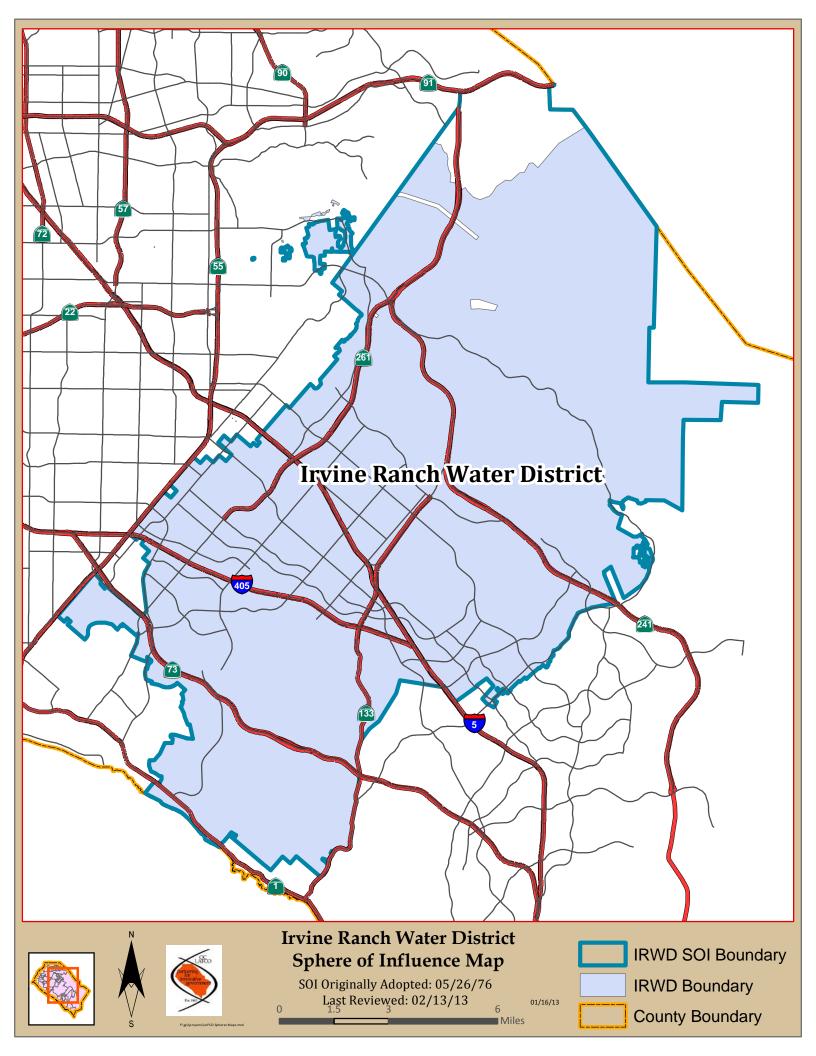


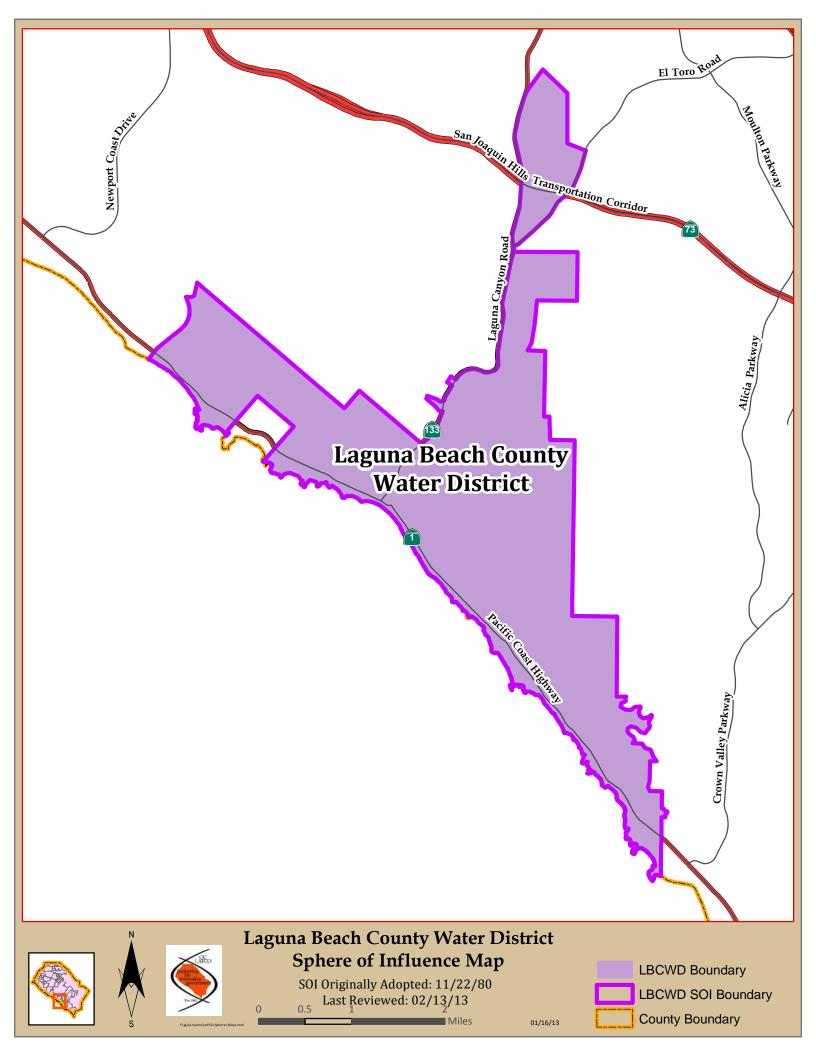


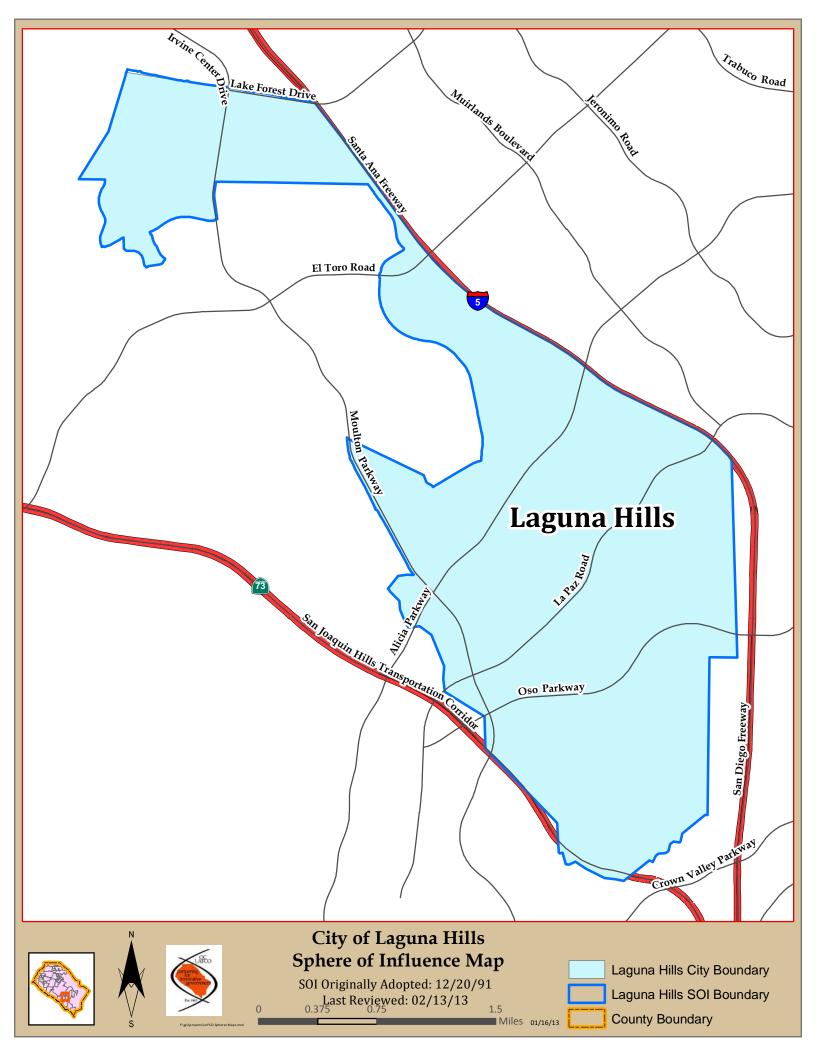


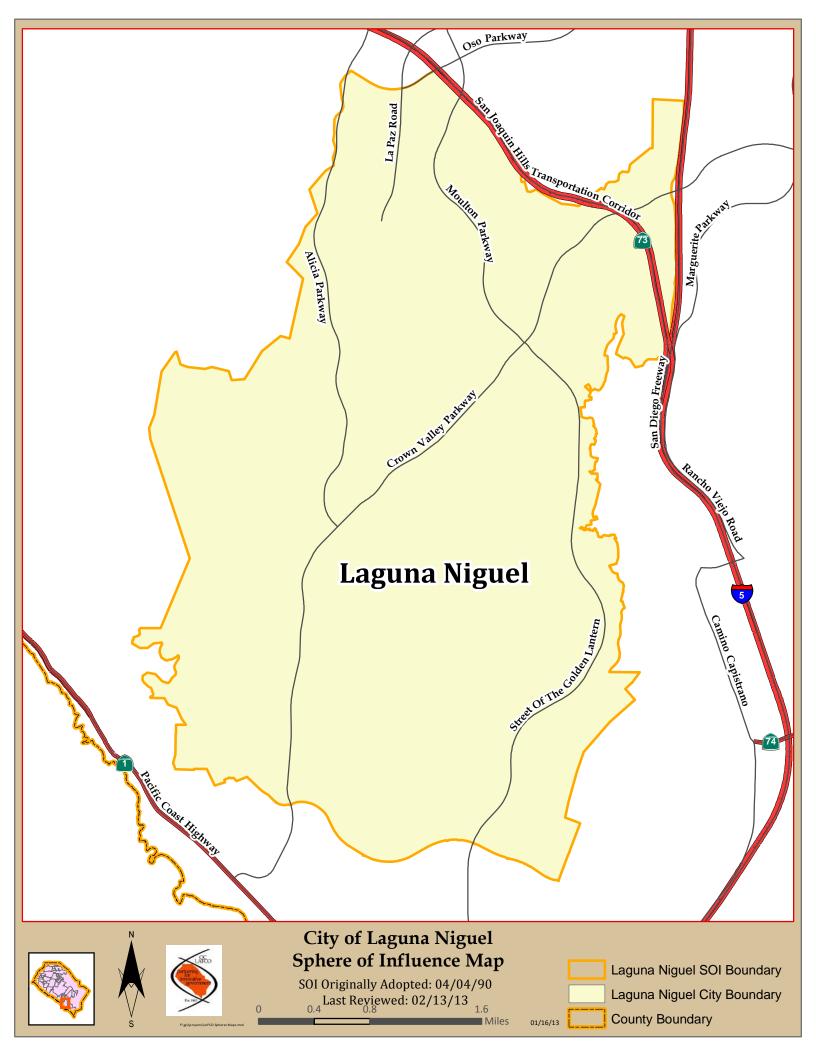




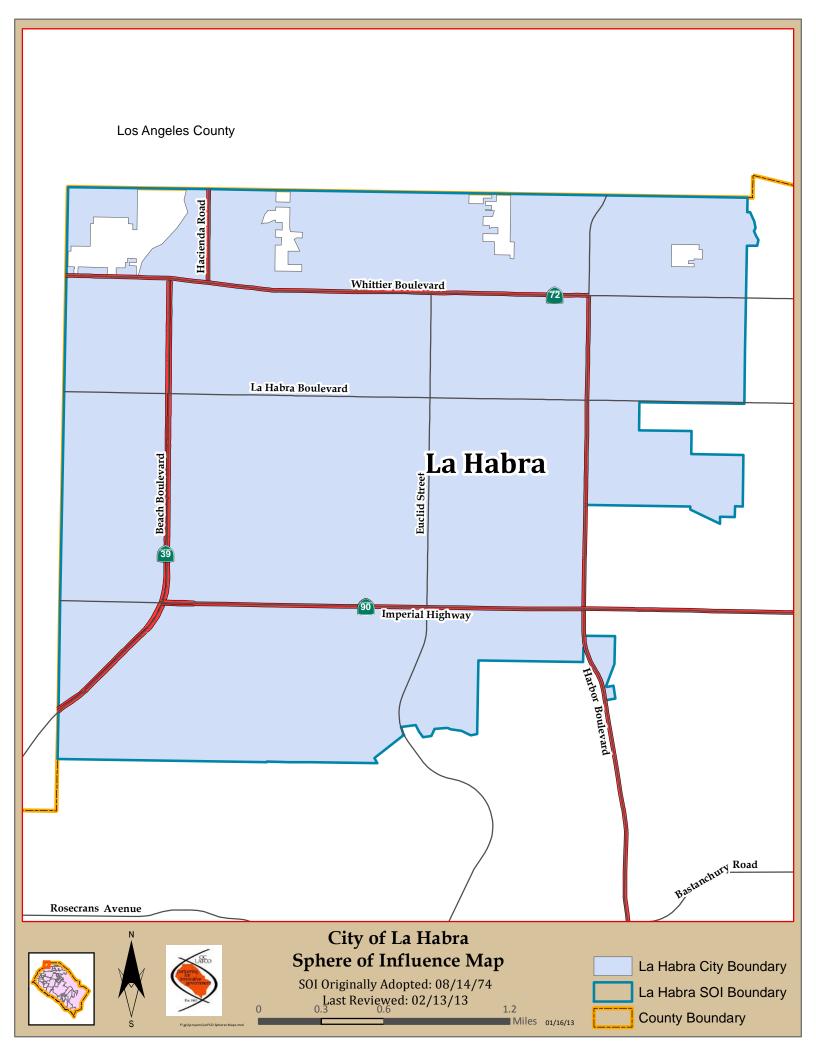


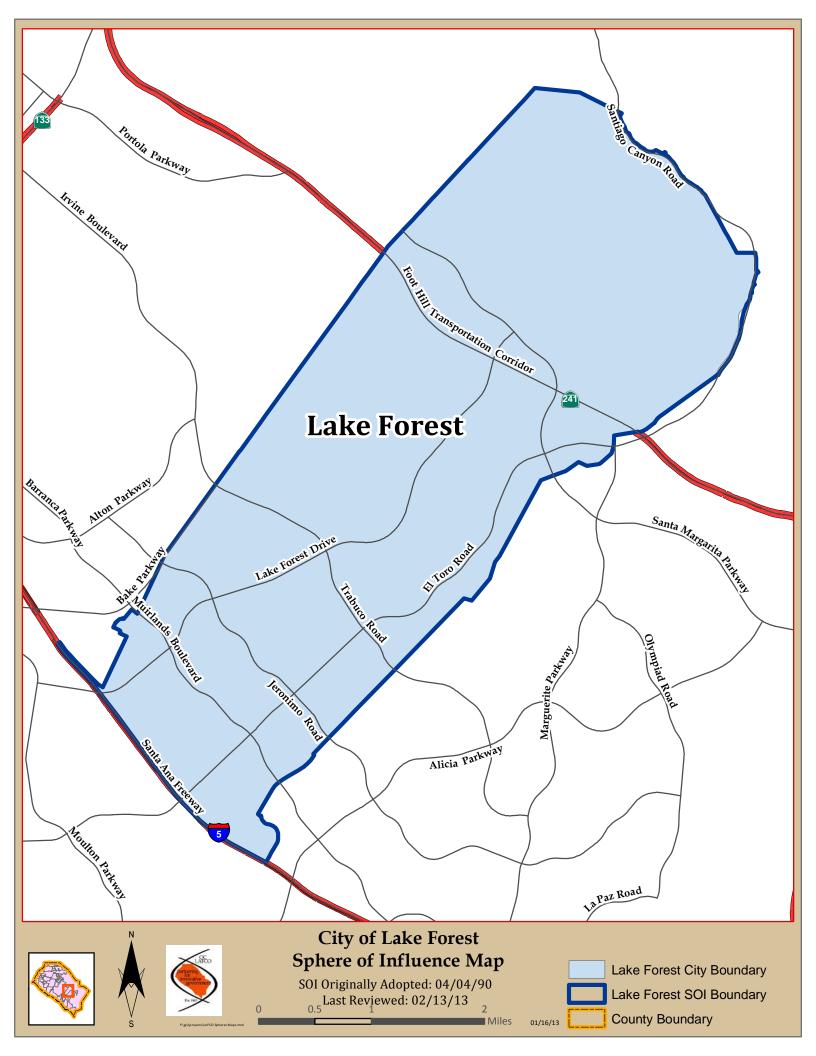


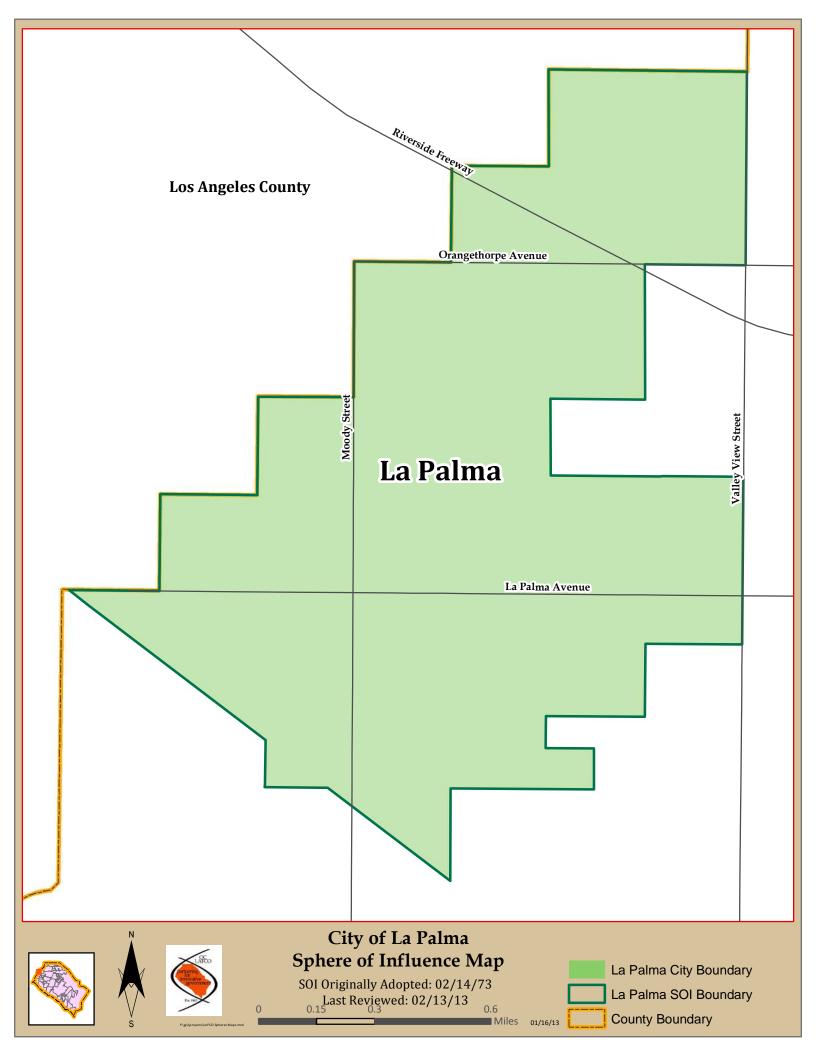


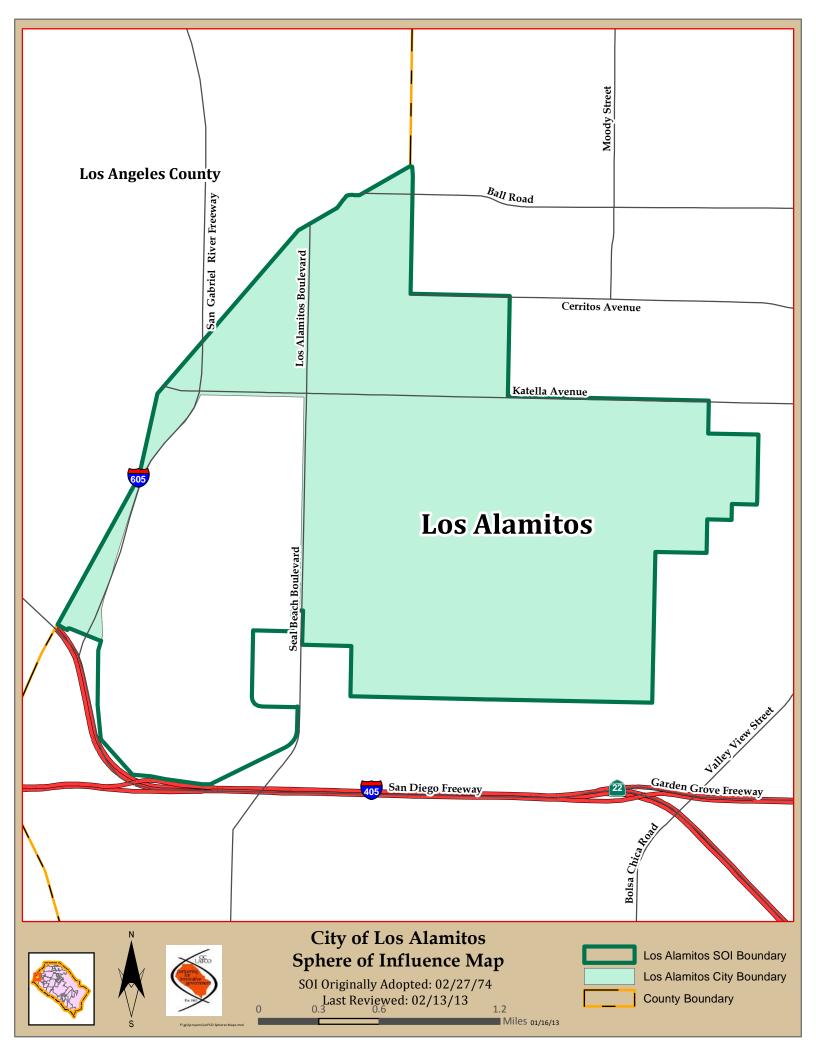


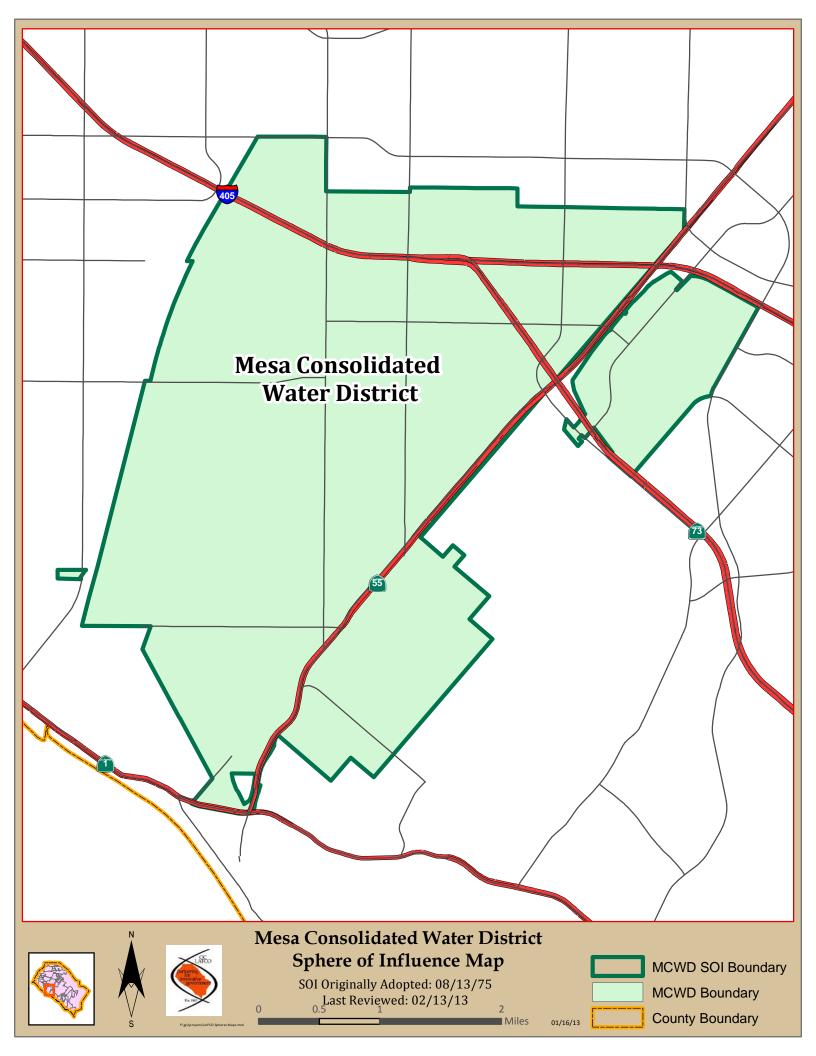


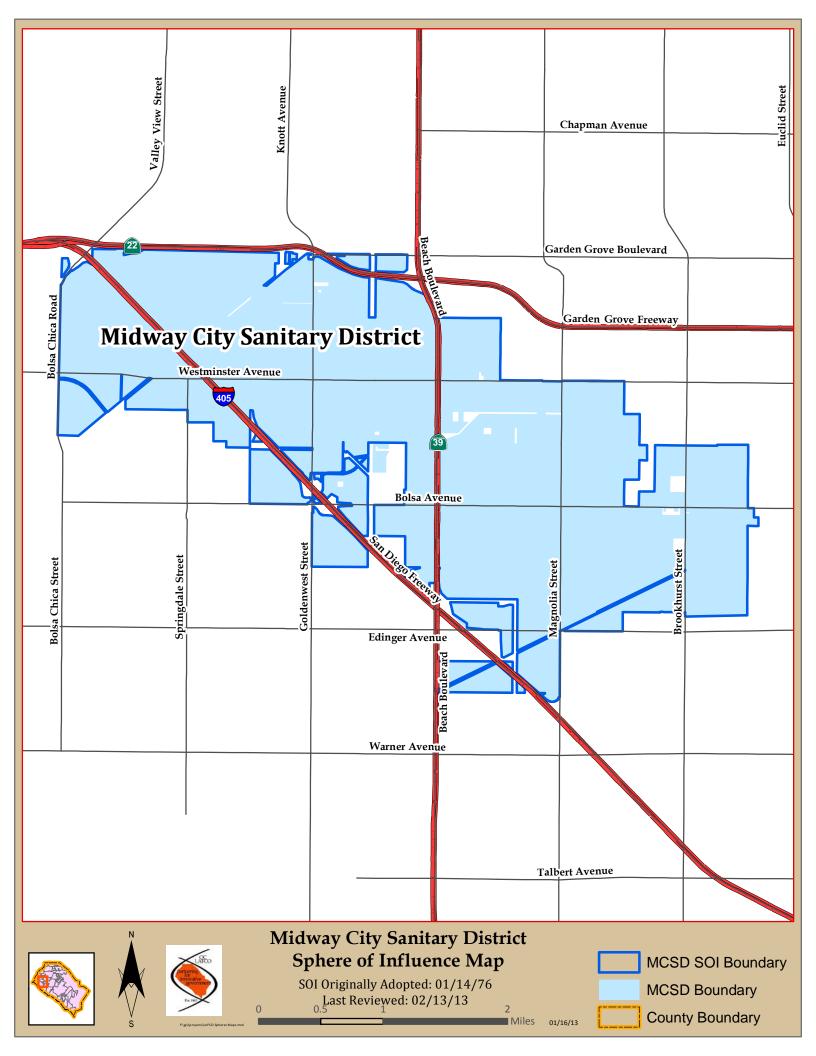


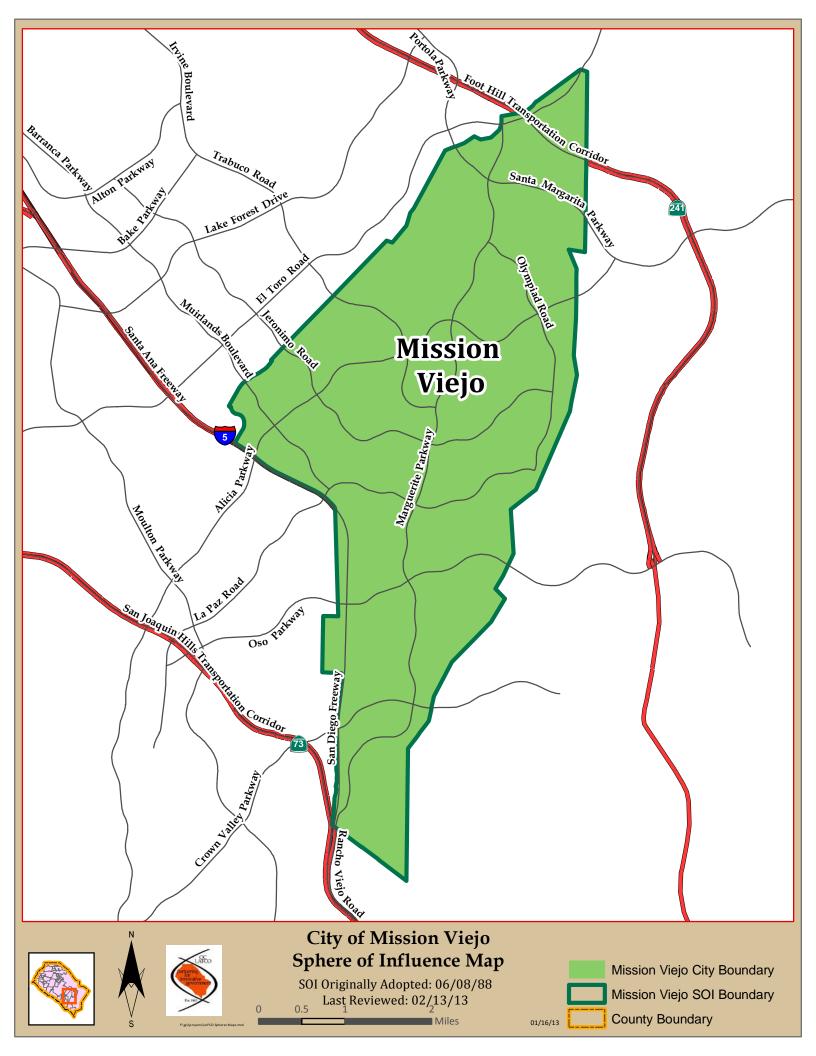


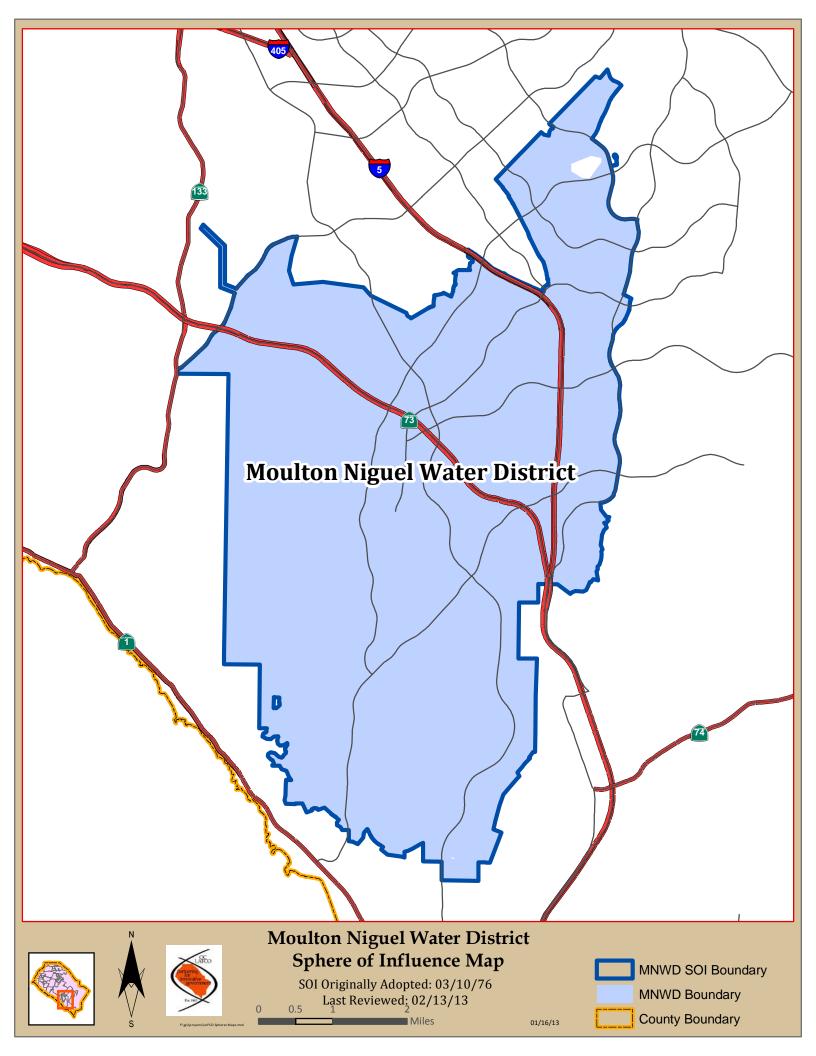


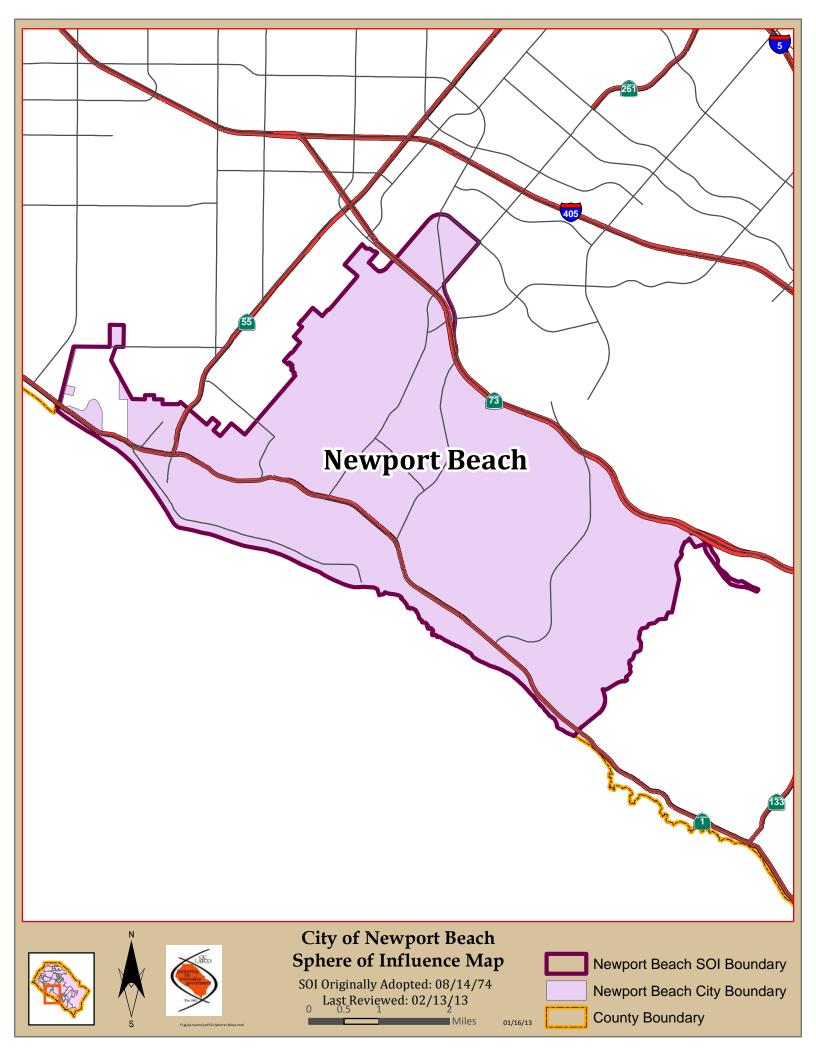


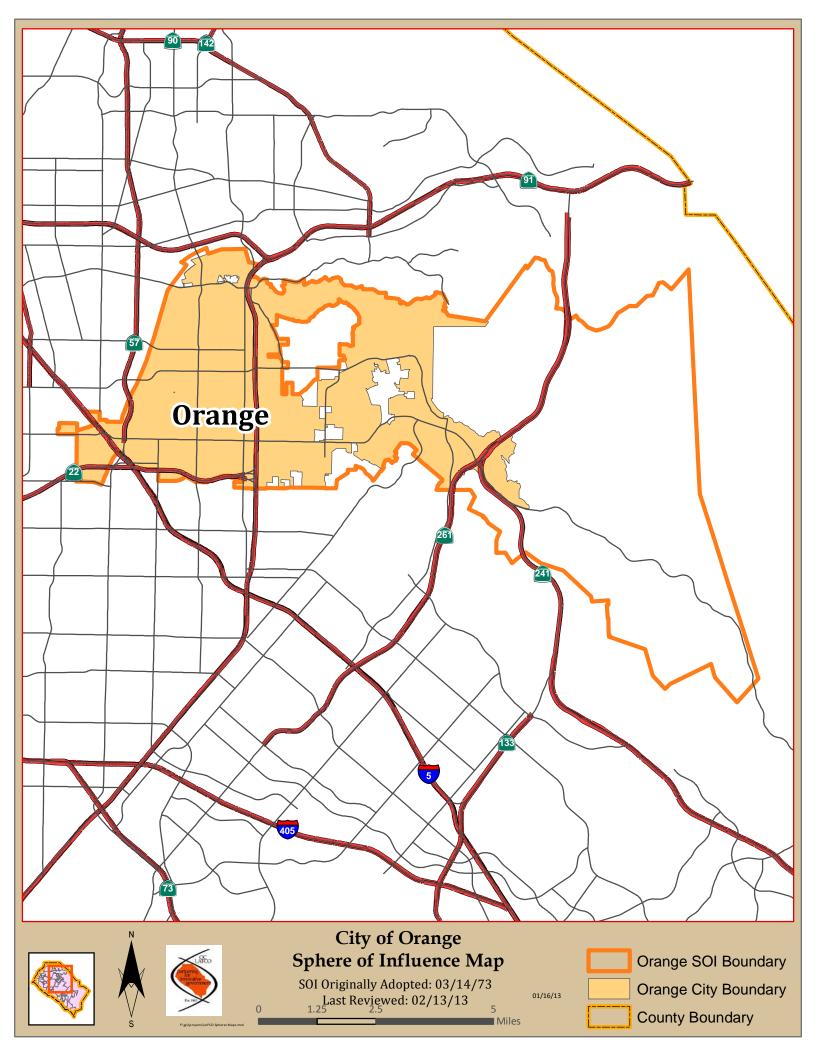


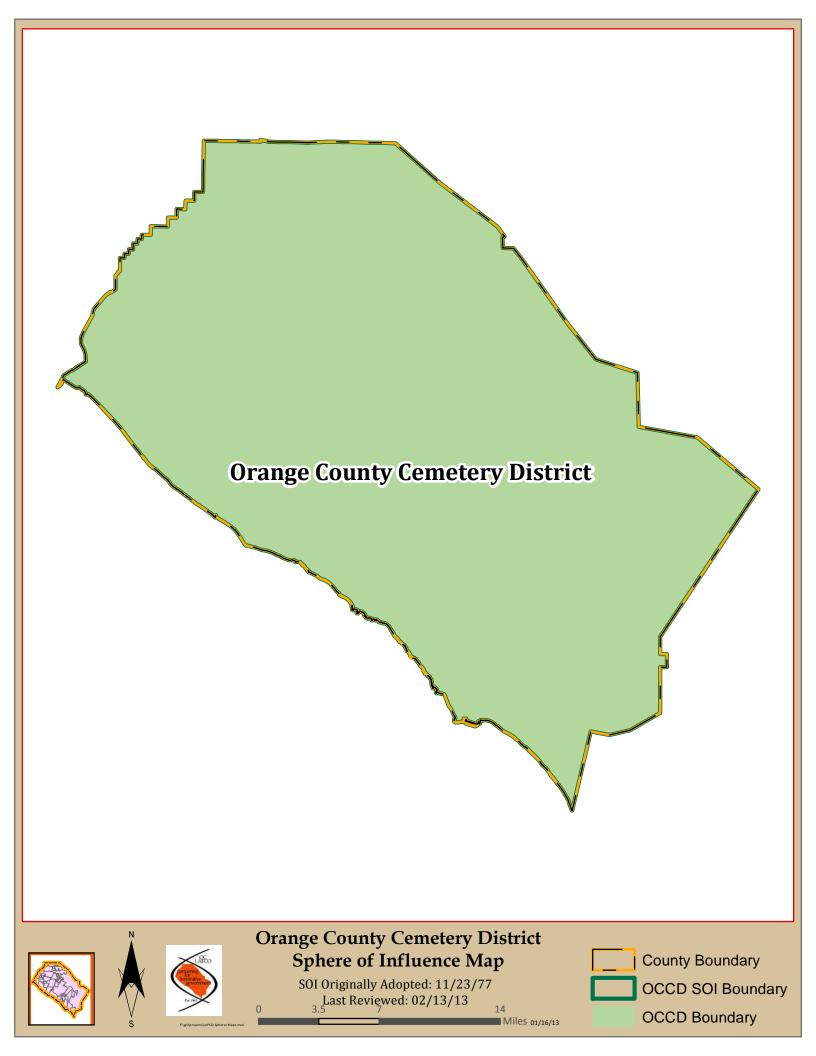


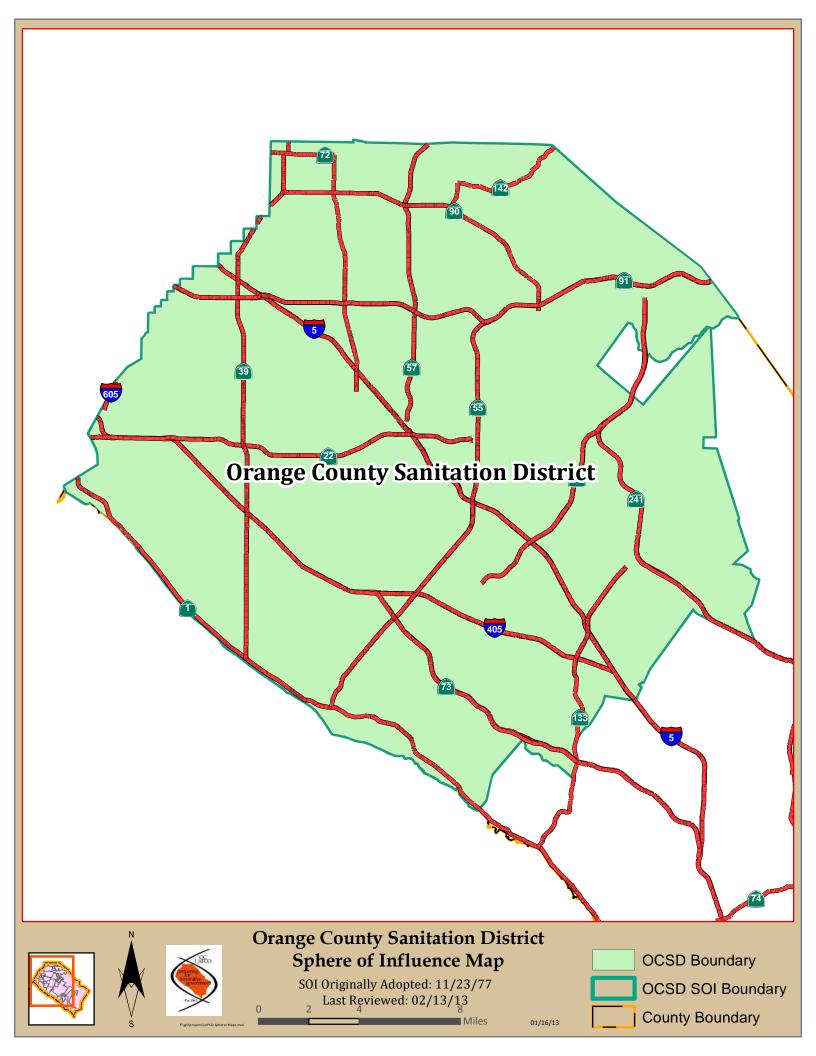


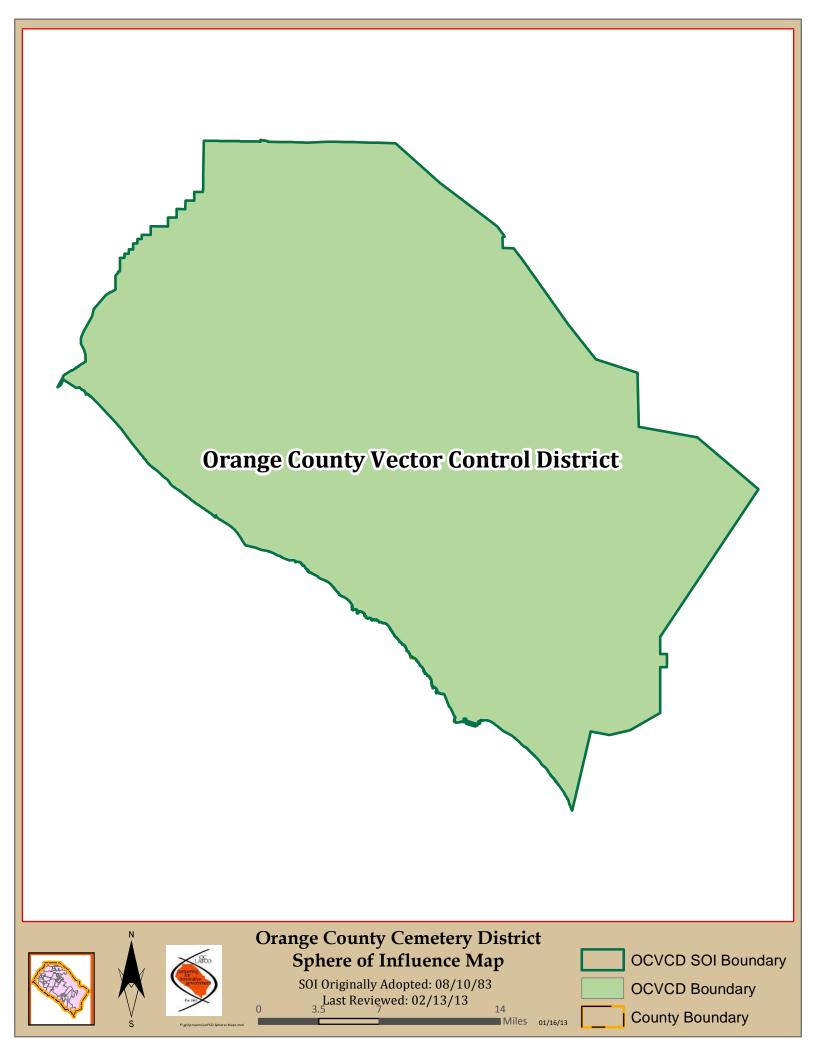


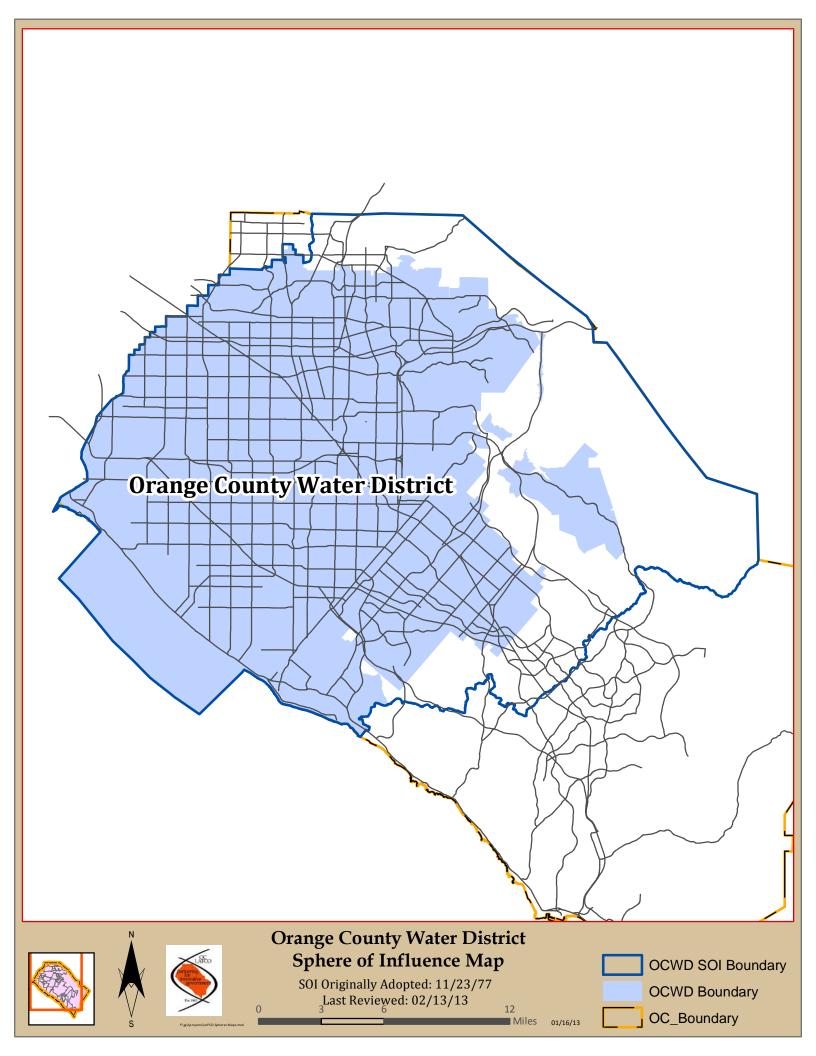


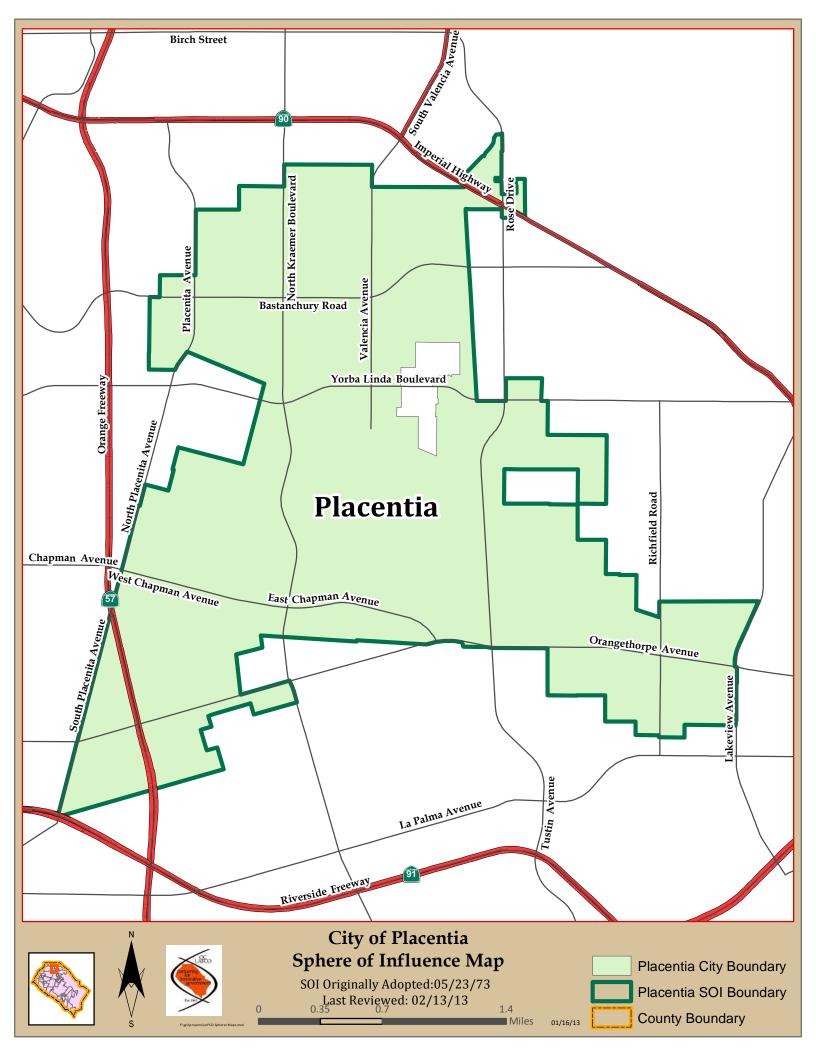


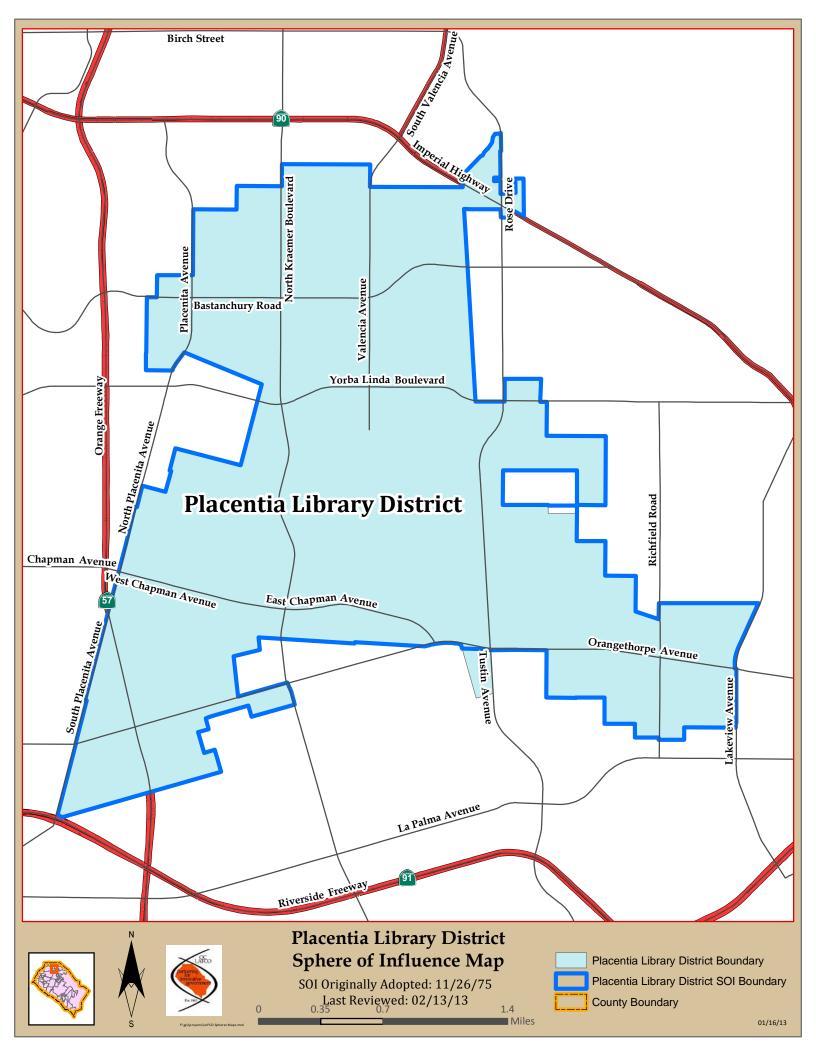


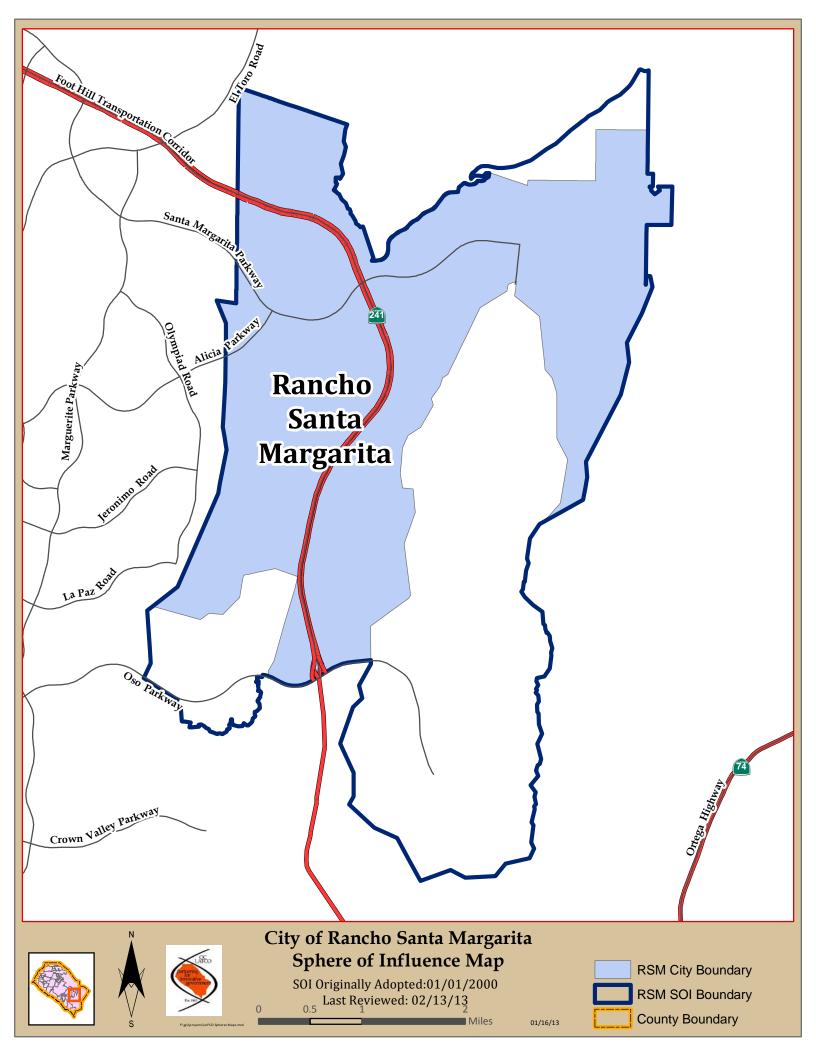


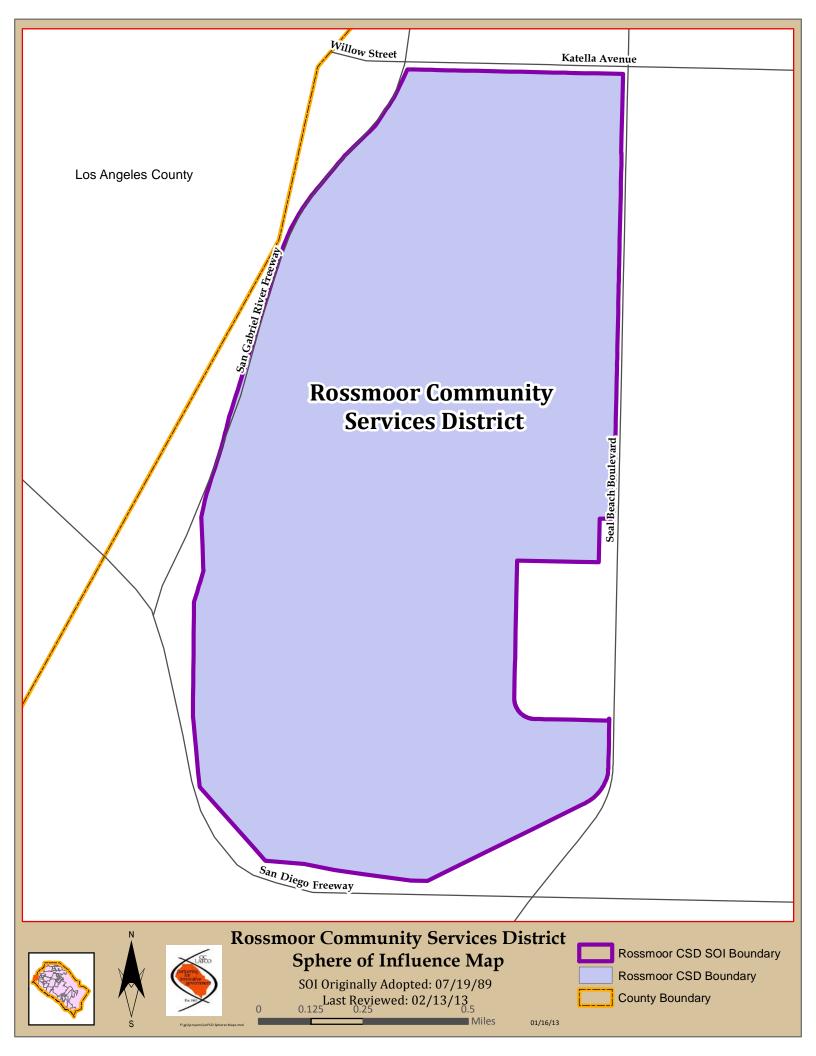


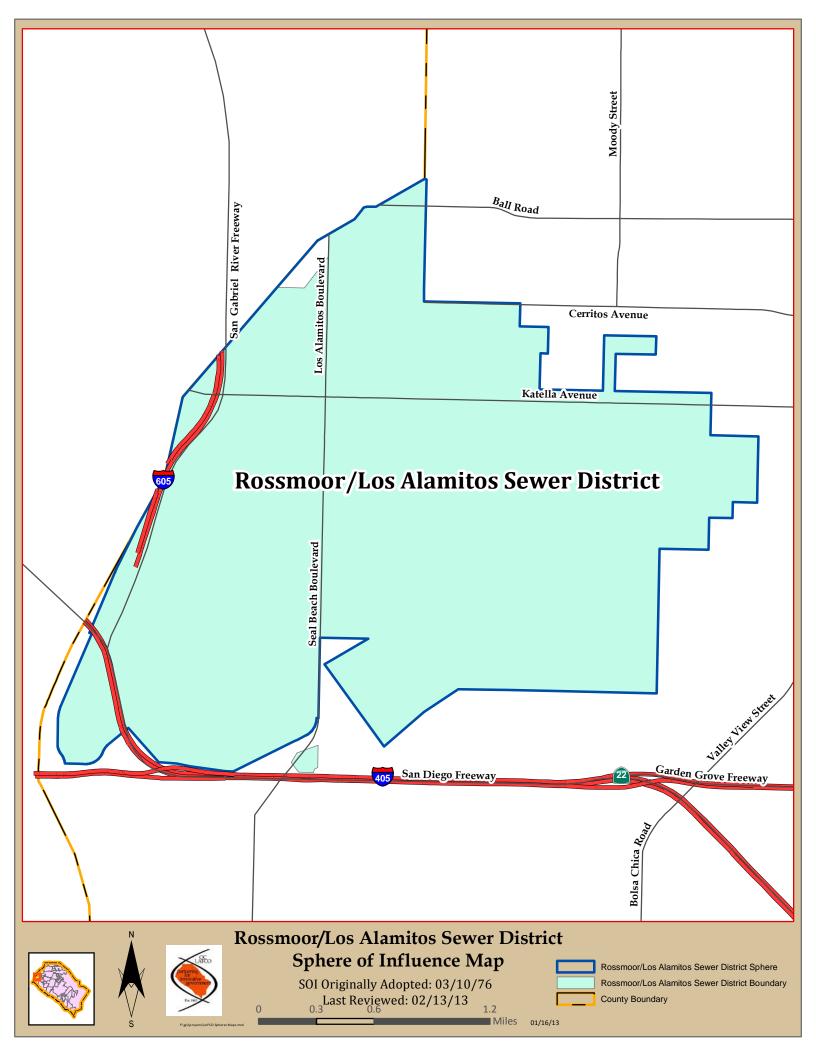


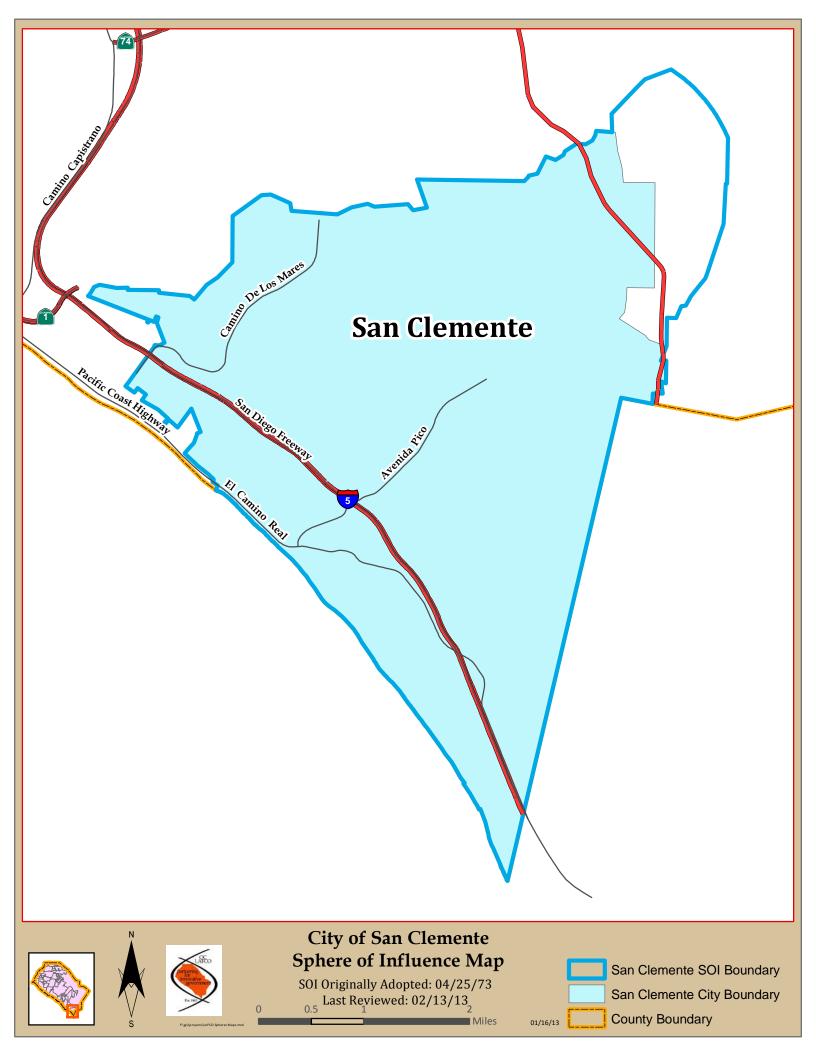


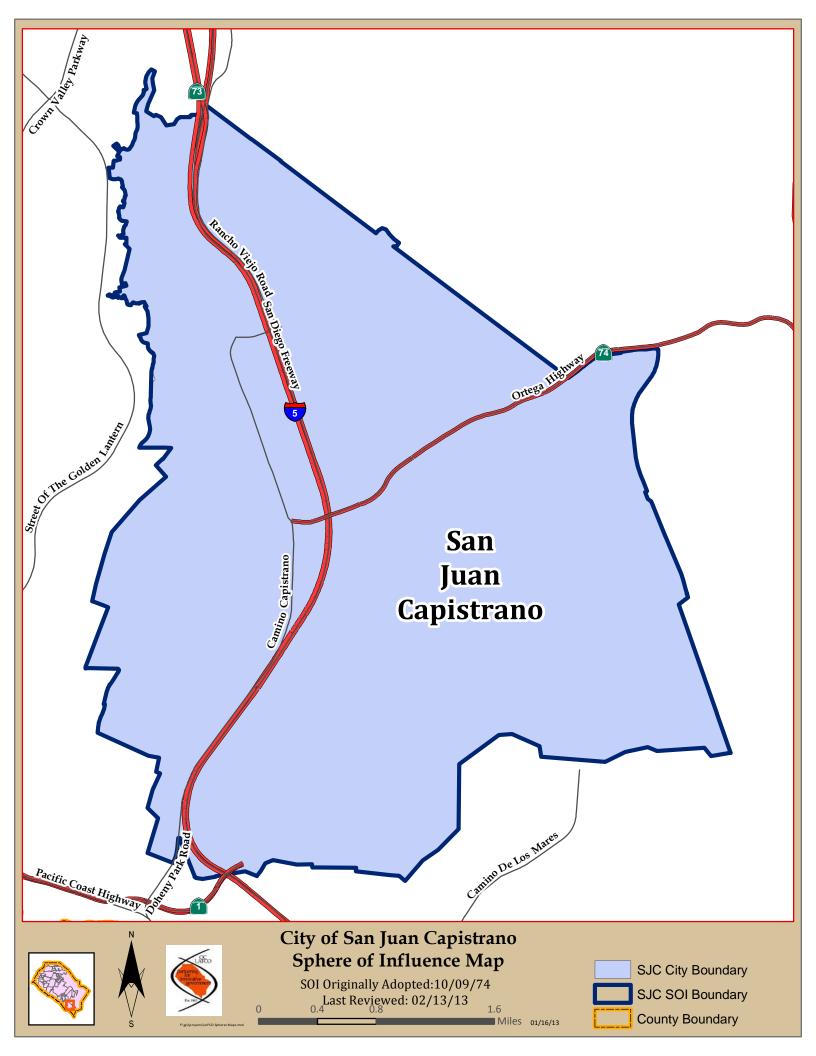


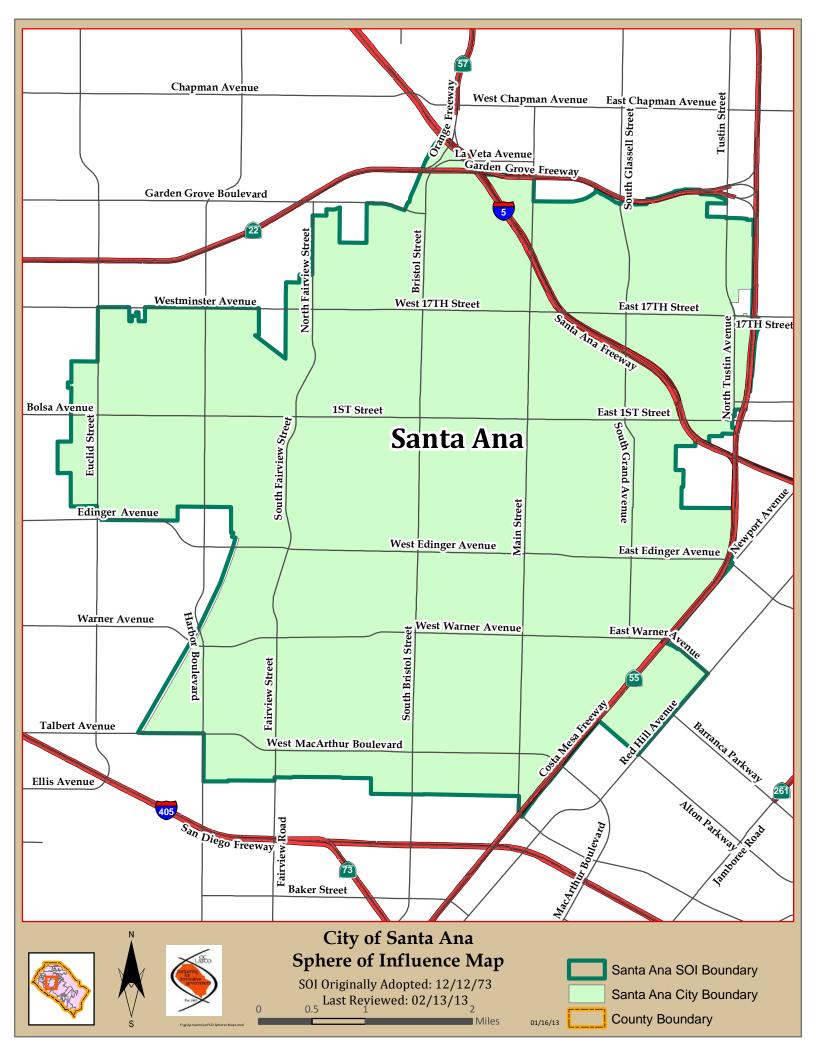


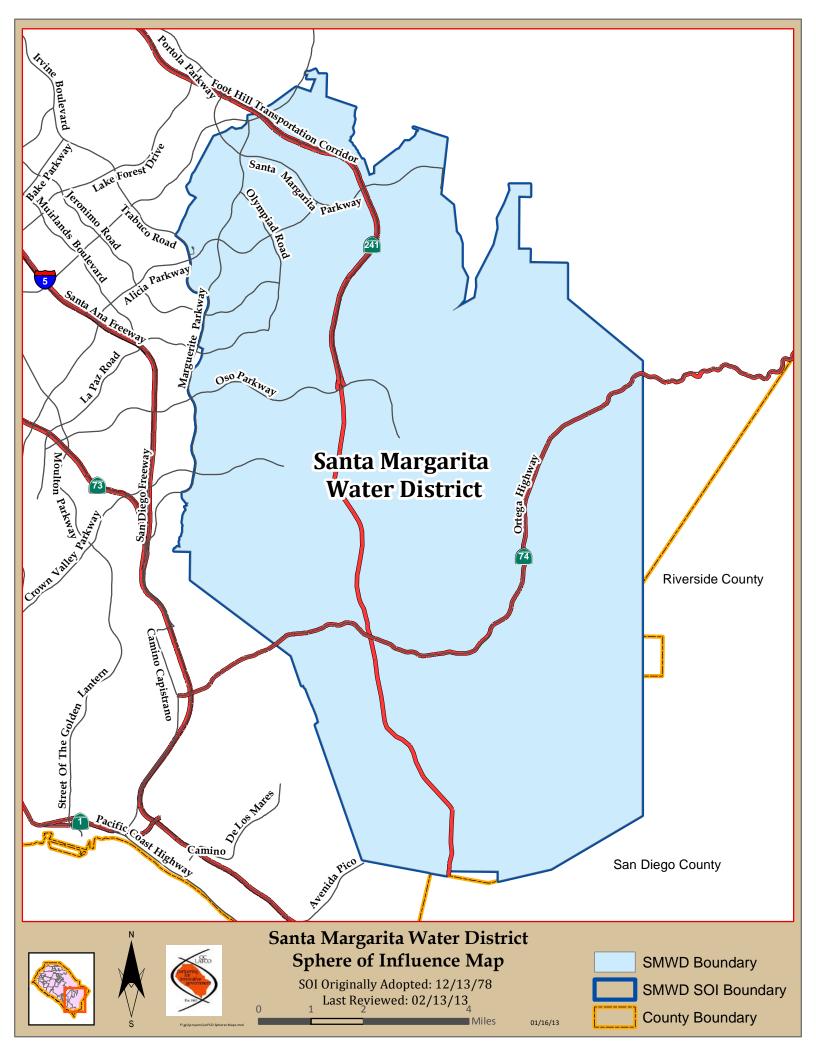


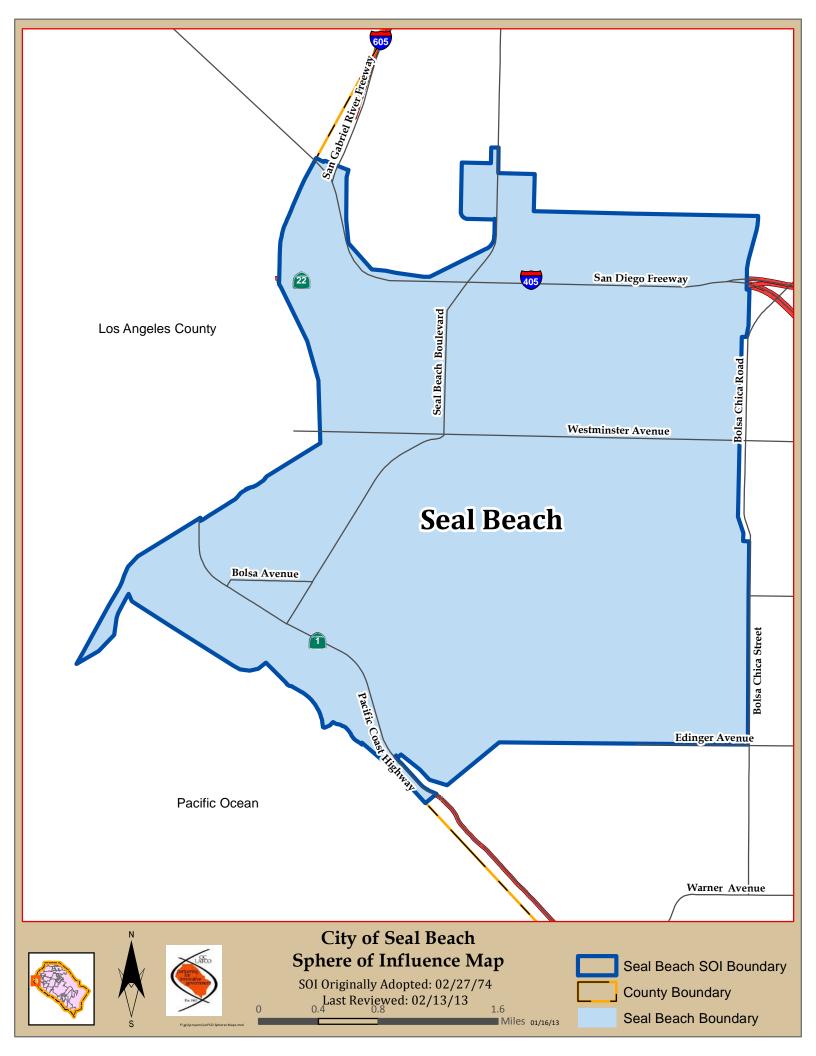


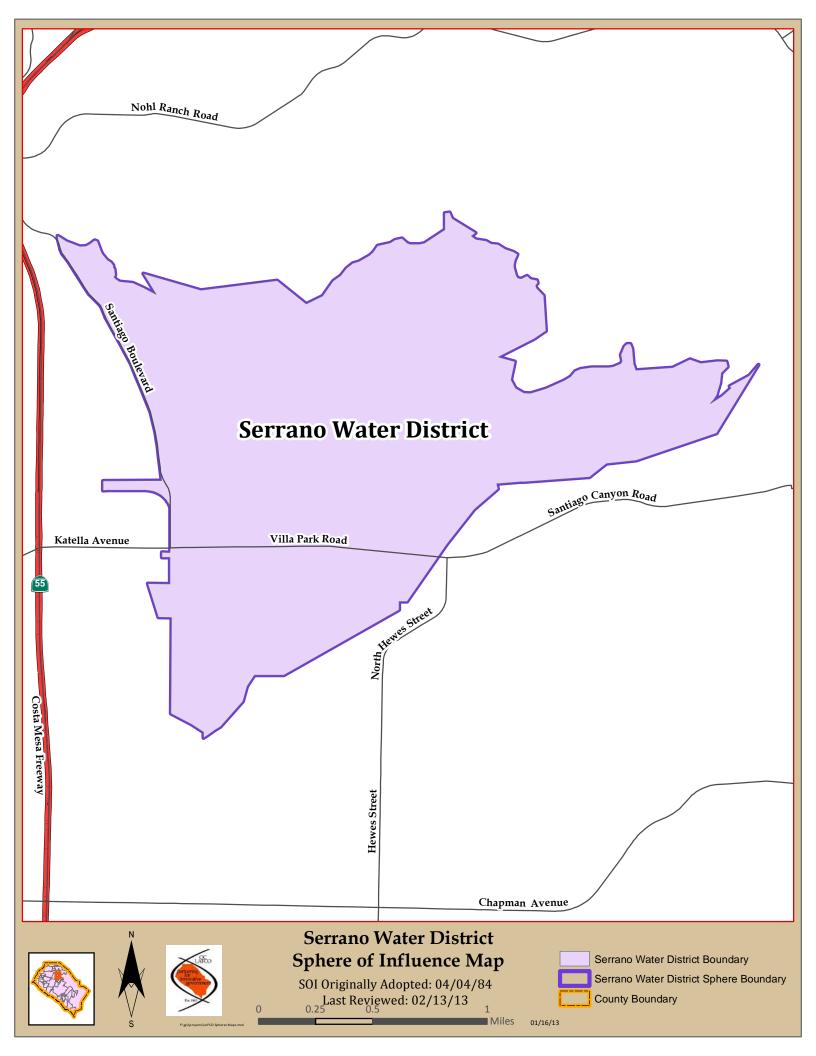


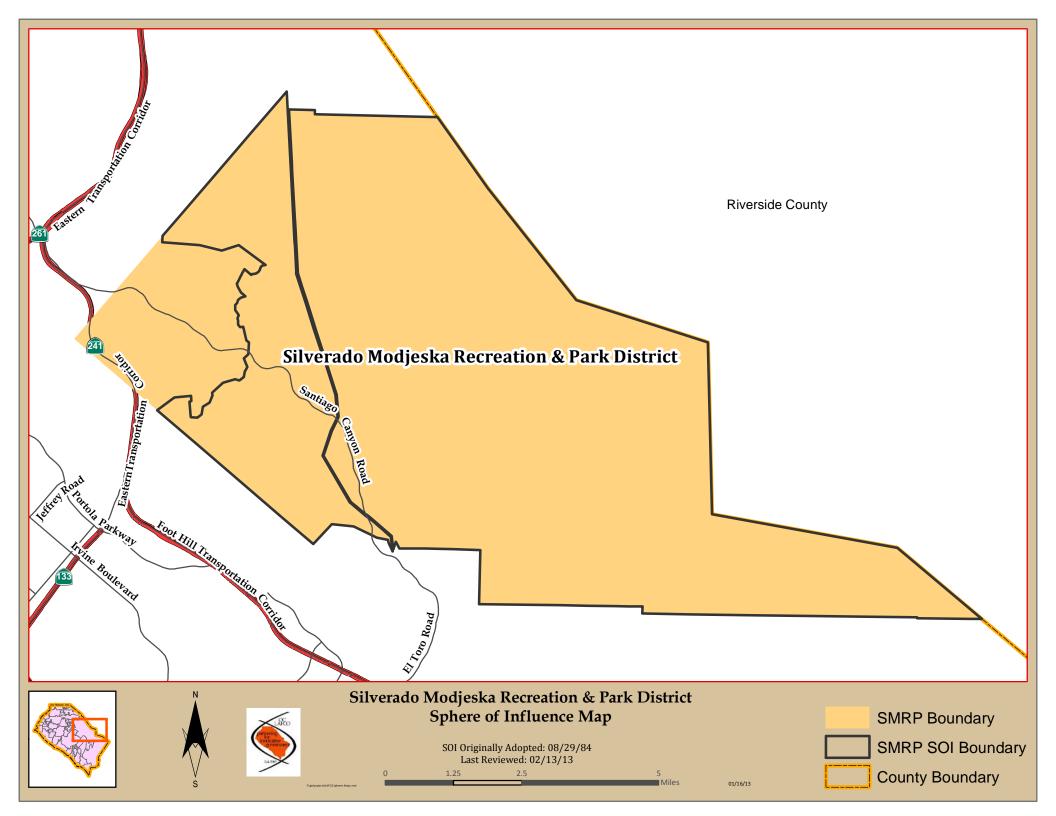


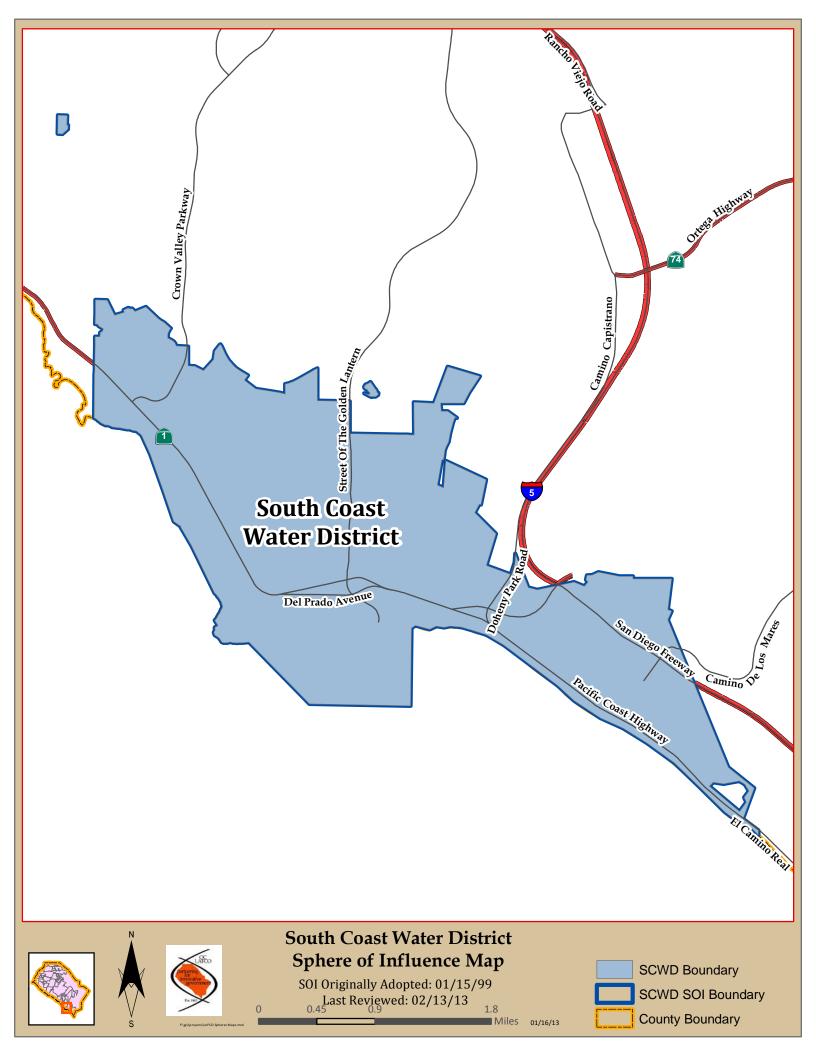


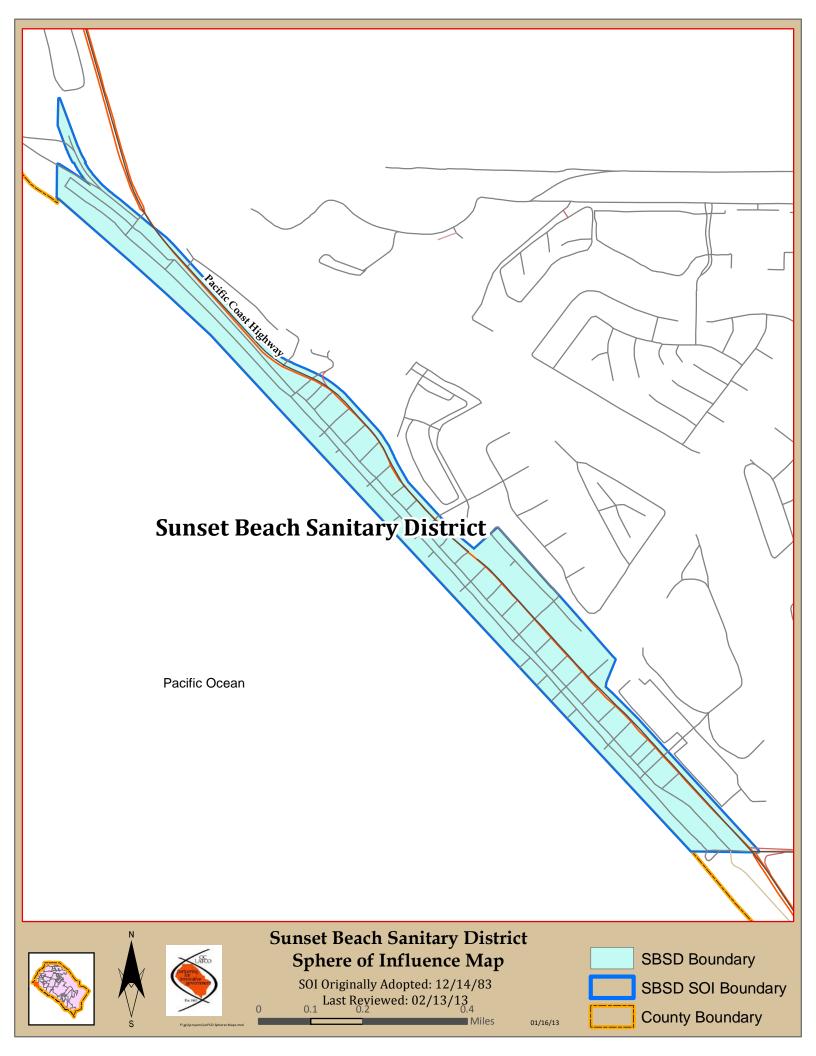


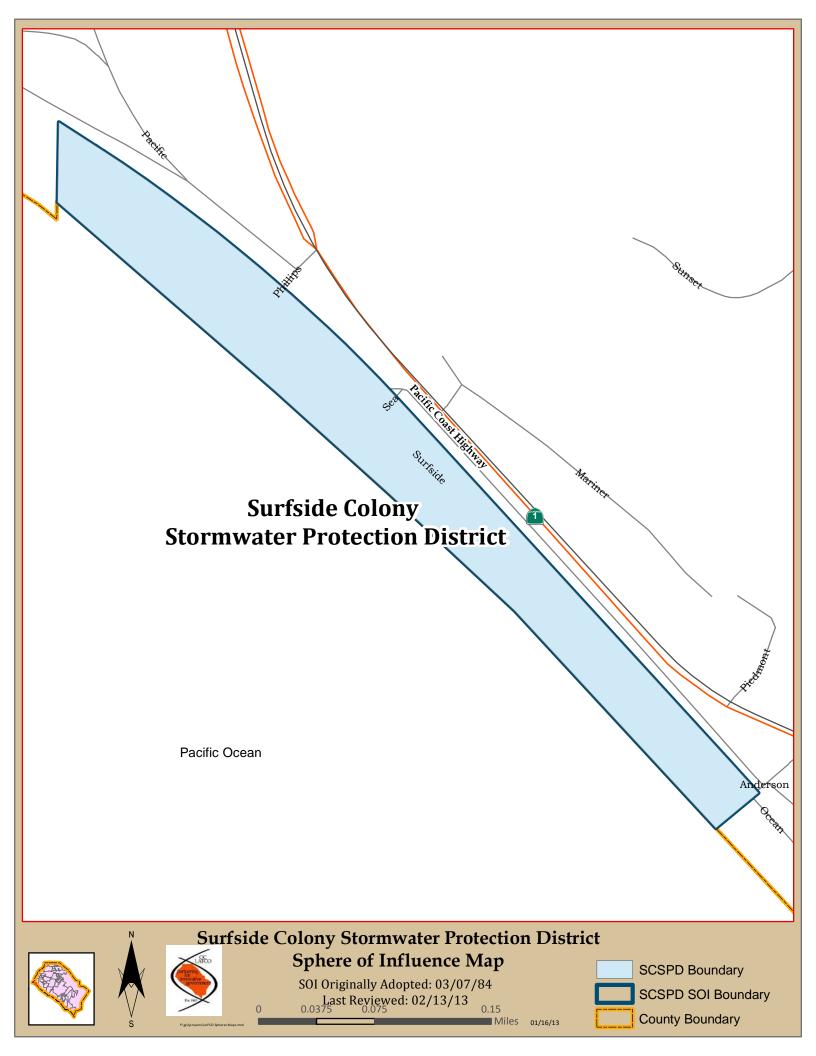


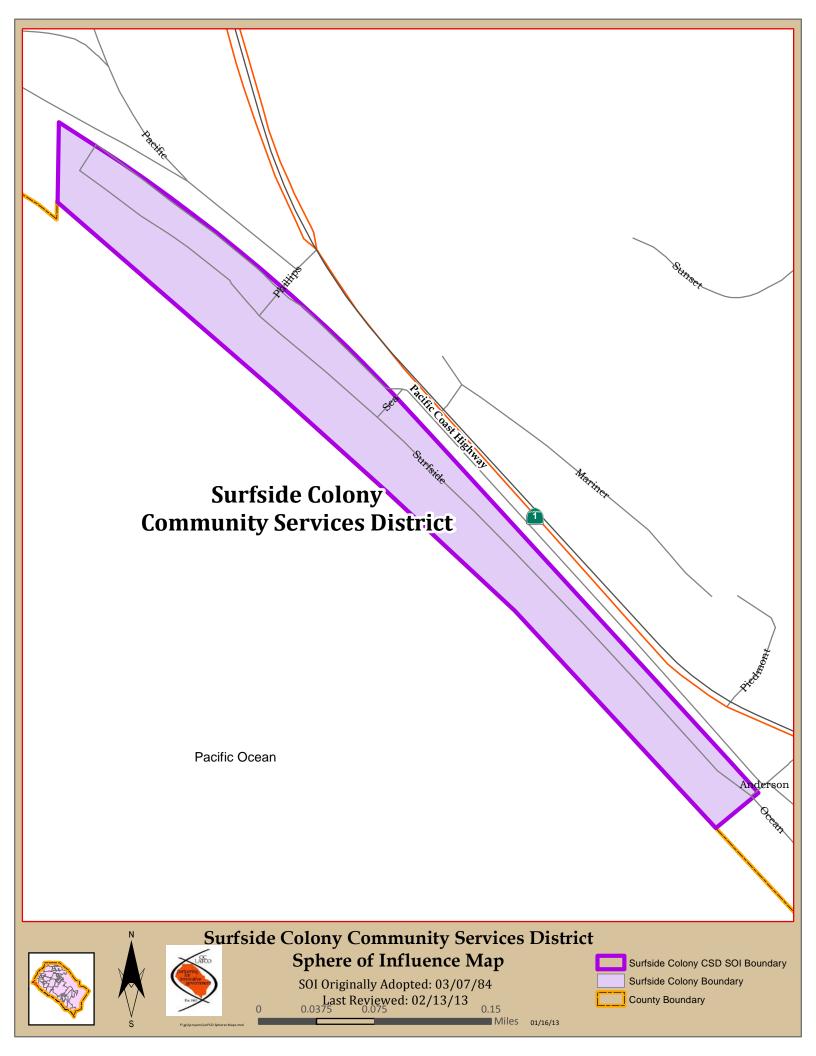


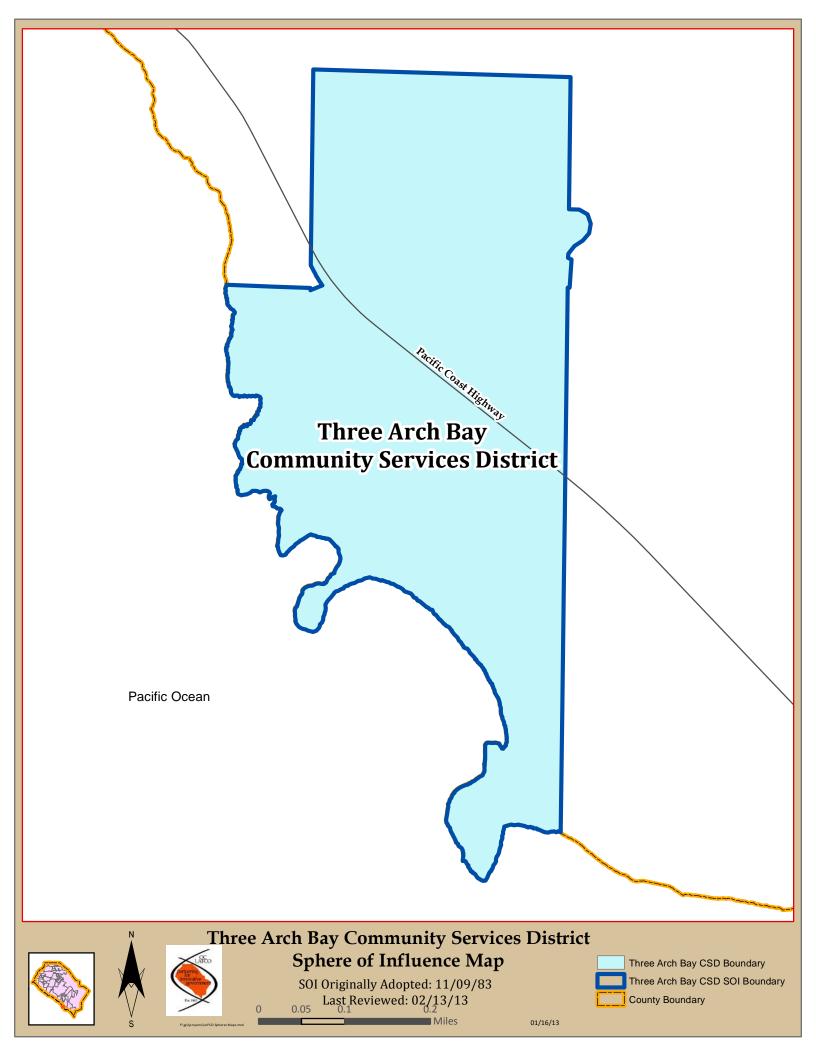


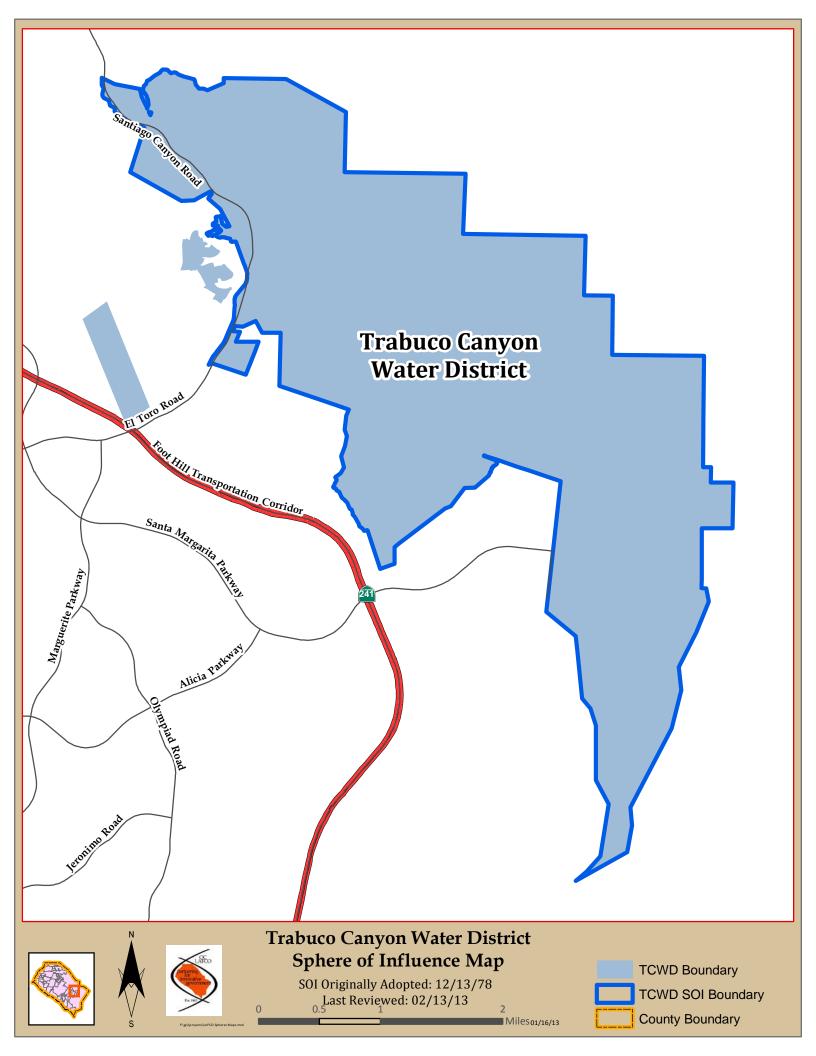


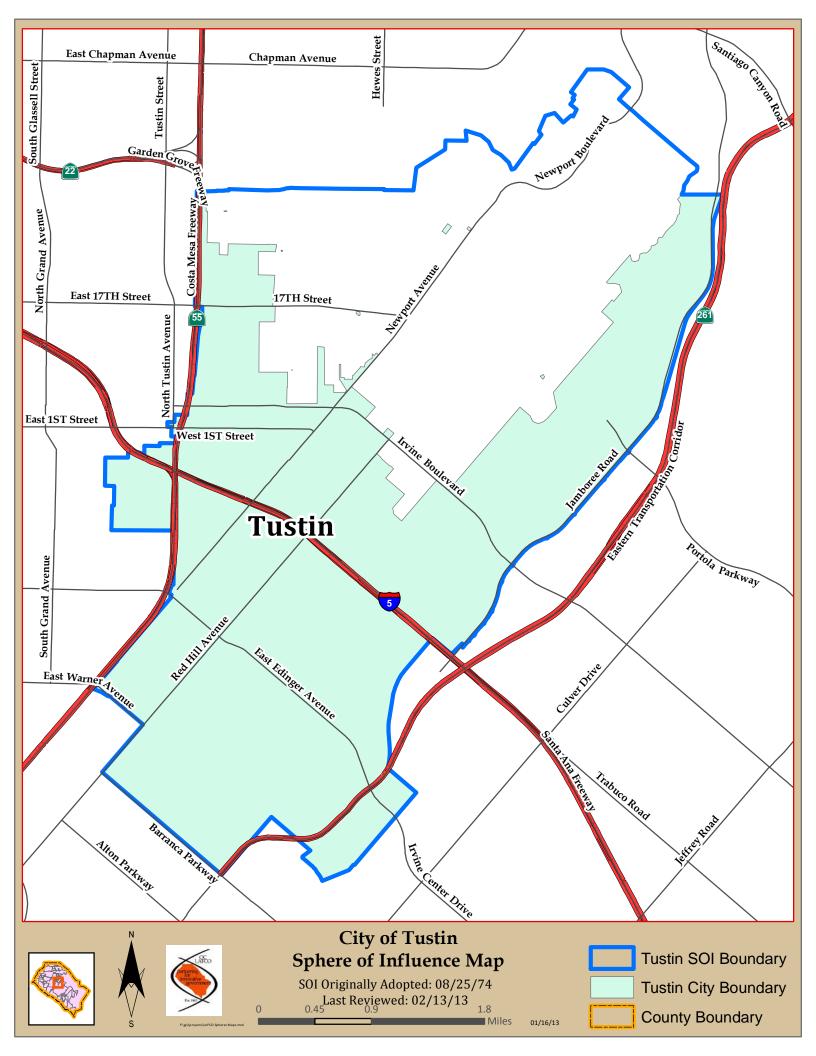


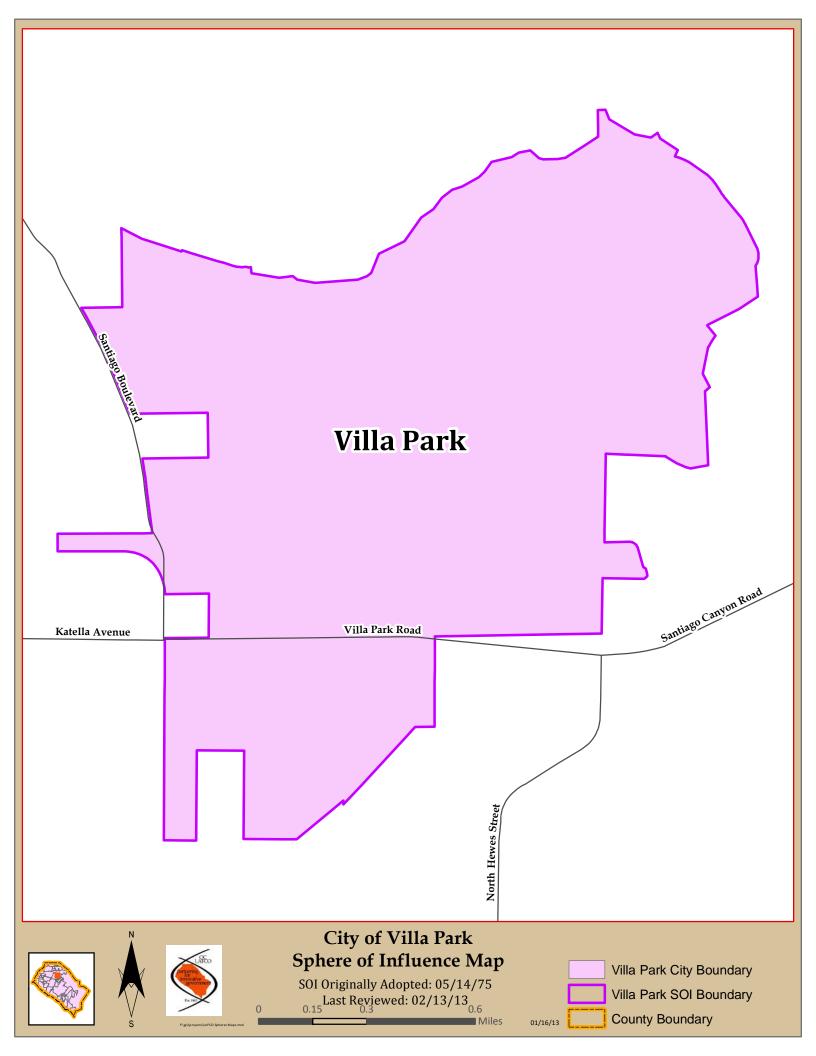


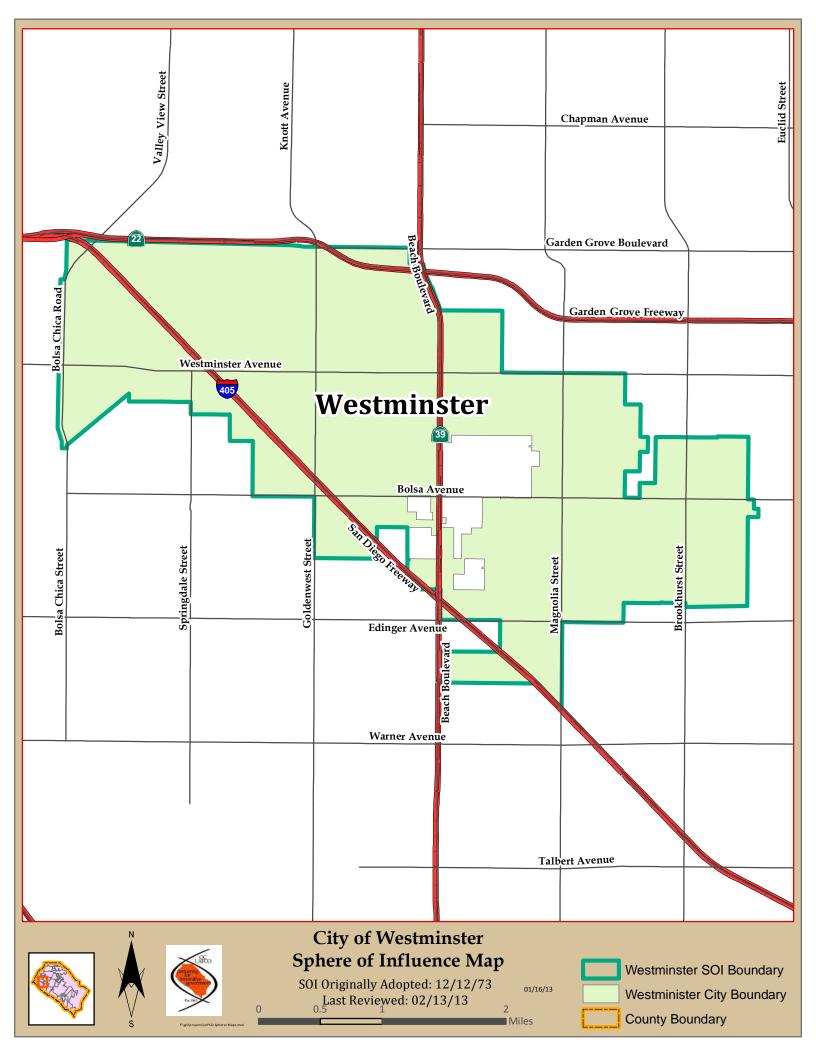


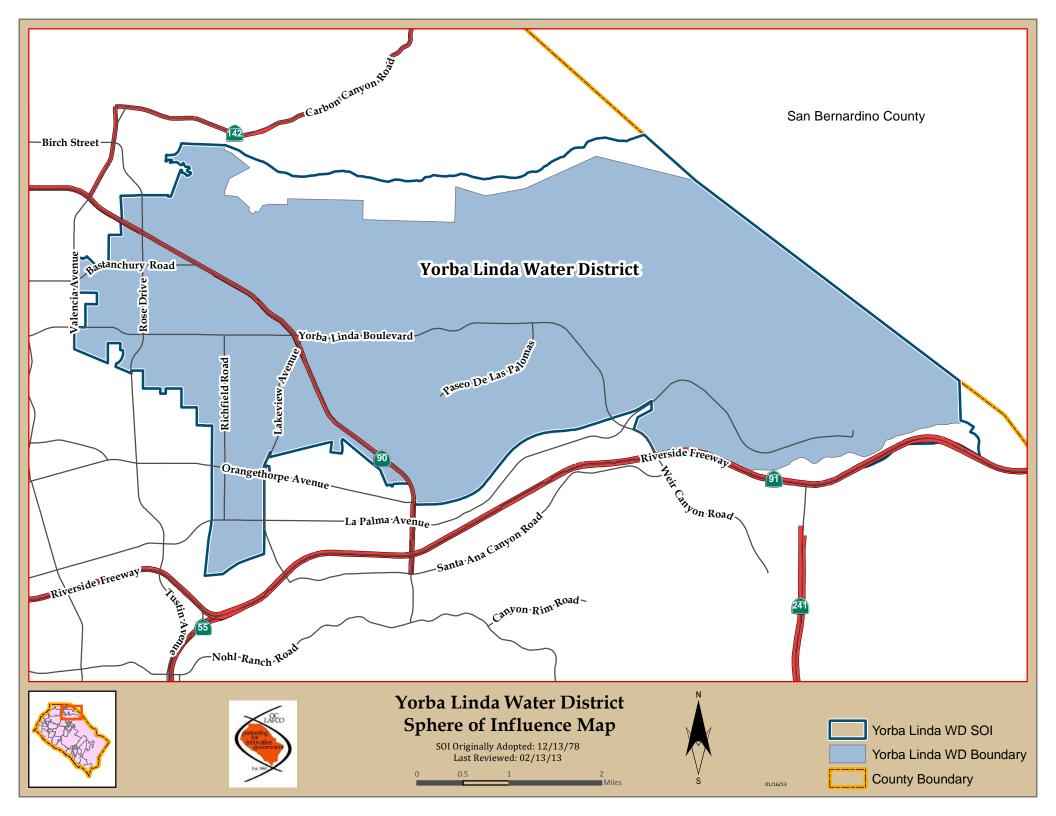


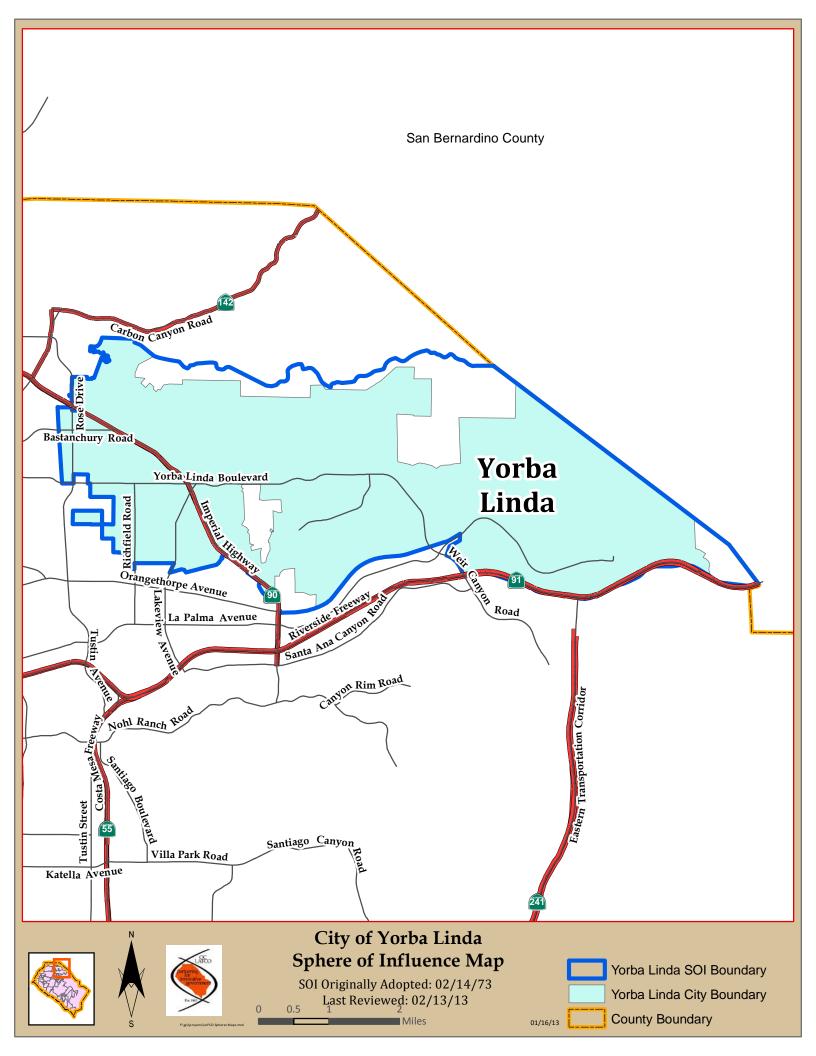












# PRELIMINARY EXEMPTION ASSESSMENT

(Certificate of Determination When Attached to Notice of Exemption)

1.	Name or descrip	otion of project:	2013-2018 Municipal Service Review for Orange County Cities and Special Districts (MSR 13-01)		
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):		oject site (preferably a 1/2' topographical map	(Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda and 35 special districts (Buena Park Library District, Capistrano Bay Community Services District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).		
3.	Entity or person	undertaking project:	A. Orange County Local Agency Formation Commission (LAFCO)		
			B. Other (Private)		
			(1) Name		
			(2) Address		
4.	the Commission	n's Staff, having undertak 's "Local Guidelines for I	ten and completed a preliminary review of this project in accordance with mplementing the California Environmental Quality Act (CEQA)" has re further environmental assessment because:		
	a. 🗌	The proposed action do	es not constitute a project under CEQA.		
	b.	The project is a Ministe	rial Project.		
	c.	The project is an Emerg	gency Project.		
	d.	The project constitutes	a feasibility or planning study.		
	e.	The project is categoric	ally exempt.		
		Applicable Exemption	Class:		

f.	The project is statutorily exempt.	
	Applicable Exemption:	
g.	The project is otherwise exempt on the following basis:	
h.	The project involves another public agency which constitutes the Lead Agency.	
	Name of Lead Agency:	

Date:	Staff:
Date.	Stall.



### **NOTICE OF EXEMPTION**

TO:		Clerk of the Board of Supervisors or County Clerk County of: Orange	FROM:	Orange County Local Agency Formation Commission 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701
1.	Project T	Title:		Municipal Service Review for Orange County pecial Districts (MSR 13-01)
2.	cross stre (preferal map ider	Location – Identify street address and eets or attach a map showing project site oly a USGS 15' or 7 1/2' topographical ntified by quadrangle name):	34 cities (Al Mesa, Cypre Garden Grov Laguna Hills Lake Forest, Newport Be Margarita, S Seal Beach, Yorba Linda District, Cap Costa Mesa Mirada), Co Service Area 26, (OC Parl Orange Cour Emerald Bay Sanitary Dis Beach Coun District, Mic Water District County, Ora Sanitation D Orange Cour Rossmoor C Alamitos Se Serrano Water District Sanitary Dis District, Sur Three Arch Canyon Water Canyon Wa	include 69 public agencies in Orange County—liso Viejo, Anaheim, Brea, Buena Park, Costa ess, Dana Point, Fountain Valley, Fullerton, es, Laguna Niguel, Laguna Woods, La Habra, La Palma, Los Alamitos, Mission Viejo, ach, Orange, Placentia, Rancho Santa an Clemente, San Juan Capistrano, Santa Ana, Stanton, Tustin, Villa Park, Westminster, and and 35 special districts (Buena Park Library bistrano Bay Community Services District, Sanitary District, County Service Area 13 (Launty Service Area 20 (La Habra), County at 22 (East Yorba Linda), County Service Area ks), Cypress Recreation & Park District, East thy Water District, El Toro Water District, y Community Services District, Garden Grove trict, Irvine Ranch Water District, Laguna ty Water District, Mesa Consolidated Water dway City Sanitary District, Moulton Niguel ct, Municipal Water District, Orange County Pistrict, Orange County Vector Control District, nty Water District, Placentia Library District, ommunity Services District, Rossmoor/Los wer District, Santa Margarita Water District, ter District, Silverado-Modjeska Recreation & trict, Surfside Colony Stormwater Protection fiside Colony Community Services Tax District, Bay Community Services District, Trabuco ter District, and Yorba Linda Water District).
3.	(a)	Project Location – City:	County citie	area includes the boundaries of the 34 Orange s and the service boundaries of 35 special ies and special districts listed above.
	(b)	Project Location – County:	Orange	
4.	Descript	ion of nature, purpose, and beneficiaries	Adopt Muni	cipal Service Review (MSR) determinations for

the 69 public agencies identified above.

Orange County Local Agency Formation Commission

of Project:

Name of Public Agency approving project:

5.

6.	project, including activity that receive Public Agency as receiving a lease,	or Agency undertaking the any person undertaking an wes financial assistance from the part of the activity or the person permit, license, certificate, or of use from the Public Agency wity:	Orange County Local Agency Formation Commission
7.	Exempt status: (c	heck one)	
	(a)	Ministerial project.	
	(b)	Not a project.	
	(c)	Emergency Project.	
	(d)	Categorical Exemption.	
		State type and class number:	
	(e)	Declared Emergency.	
	(f) 🔀	Statutory Exemption. State Code section number:	CEQA Guidelines §15262 (Feasibility and Planning Studies)
	(g)	Other. Explanation:	
8.	Reason why proje	ect was exempt:	The Municipal Service Review determinations are exempt from CEQA under CEQA Guidelines Section 15626: 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.
9.	Contact Person:		Carolyn Emery, Interim Executive Officer
	Telephone:		(714) 834-2556
10.	Attach Preliminar	y Exemption Assessment (Form "	'A'') before filing.
Date Re	eceived for Filing:		Signature (Lead Agency Representative)
(Clerk S	Stamp Here)	▼	Title

(Certificate of Determination When Attached to Notice of Exemption)

1.	Name or descrip	otion of project:	2013-2018 and Sphere of Influence Updates for Orange County Cities and Special Districts (SOI 13-02)
2.	2. 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 include 64 public agencies in Orange County — 31 cities (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Huntington Beach, Irvine, Laguna Beach, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda and 33 special districts (Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Sulverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).
3.	Entity or person undertaking project:		A. Orange County Local Agency Formation Commission (LAFCO)
			B. Other (Private)
			(1) Name
			(2) Address
4.	the Commission	n's Staff, having undertak 's "Local Guidelines for I	ken and completed a preliminary review of this project in accordance with Implementing the California Environmental Quality Act (CEQA)" has ire further environmental assessment because:
	a. 🗌	The proposed action do	oes not constitute a project under CEQA.
	b.	The project is a Ministe	erial Project.
	c.	The project is an Emerg	gency Project.
	d.	The project constitutes	a feasibility or planning study.
	e. 🗌	The project is categoric	cally exempt.
		Applicable Exemption	Class:
	f.	The project is statutoril	ly exempt.
		Applicable Exemption:	

g.	The project is otherwise exempt on the following basis:
h.	The project involves another public agency which constitutes the Lead Agency.
	Name of Lead Agency:
Date:	Staff:



# **NOTICE OF EXEMPTION**

TO:		Clerk of the Board of Supervisors		Orange County Local Agency Formation
		or	EDOM	Commission
	$\boxtimes$	County Clerk	FROM:	12 Civic Center Plaza, Room 235
		County of: Orange		Santa Ana, CA 92701
			I.	

1.	Projec	et Title:	2013-2018 and Sphere of Influence Updates for Orange County Cities and Special Districts (SOI 13-02)
2.	cross s (prefe	et Location – Identify street address and streets or attach a map showing project site rably a USGS 15' or 7 1/2' topographical dentified by quadrangle name):	The project include 64 public agencies in Orange County — 31 cities (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Huntington Beach, Irvine, Laguna Beach, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda and 33 special districts (Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Trabuco Canyon Water District, and Yorba Linda Water District).
3.	(a)	Project Location – City:	The project area includes the boundaries of the 31 Orange County cities and the service boundaries of 33 special districts. Cities and special districts listed above.
	(b)	Project Location – County:	Orange
4.	Descri of Pro	iption of nature, purpose, and beneficiaries ject:	Adopt Spheres of Influence (SOIs) boundaries and determinations for the 64 public agencies identified above.
5.	Name	of Public Agency approving project:	Orange County Local Agency Formation Commission

6.	project, including activity that receive Public Agency as receiving a lease,	or Agency undertaking the any person undertaking an wes financial assistance from the part of the activity or the person permit, license, certificate, or of use from the Public Agency wity:	Orange County Local Agency Formation Commission
7.	Exempt status: (c	heck one)	
	(a)	Ministerial project.	
	(b)	Not a project.	
	(c)	Emergency Project.	
	(d)	Categorical Exemption.	
		State type and class number:	
	(e)	Declared Emergency.	
	(f) 🔀	Statutory Exemption. State Code section number:	CEQA Guidelines §15262 (Feasibility and Planning Studies)
	(g)	Other. Explanation:	
8.	Reason why proje	ect was exempt:	The Spheres of Influence determinations are exempt from CEQA under CEQA Guidelines Section 15626: 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.
9.	Contact Person:		Carolyn Emery, Interim Executive Officer
	Telephone:		(714) 834-2556
10.	Attach Preliminar	y Exemption Assessment (Form "	A") before filing.
Date Re	eceived for Filing:		Signature (Lead Agency Representative)
(Clerk S	Stamp Here)	*	Title

# **California Department of Fish and Game**

## **No Effect Determination Request Form**

To: DEPARTMENT OF FISH AND GAME

> South Coast Regional Office 3883 Ruffin Road San Diego, CA 92123 Information: (858) 467-4201 FAX: (858) 467-4299

http://www.dfg.ca.gov Environmental Review and Permitting 1416 Ninth Street, Suite 1260 Sacramento, California 95814

Date Submitted:	
CEQA Lead Agency:	Orange County Local Agency Formation Commission
Lead Agency Contact Phone Number:	(714) 834-2556
Lead Agency Address:	12 Civic Center Plaza, Room 235, Santa Ana, CA 92701
SCH Number or County Filing Number and local agency project/case number:	
CEQA Document Type (the type of document prepared for your project by the CEQA Lead Agency):	Notice of Exemption
Applicant Name and Contact Phone Number (if applicable):	
Applicant Address (if applicable):	
Project Title:	2013-2018 Municipal Service Review for Orange County Cities and Special Districts (MSR 13-01)
Project Location (include the street address, lat/long, range/township/section, or other description that clearly indicates the location of the project site. Include an aerial or topographic map of the project site):	The project include 69 public agencies in Orange County – <b>34 cities</b> (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, Irvine, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda and <b>35 special districts</b> (Buena Park Library District, Capistrano Bay Community Services District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Sanitation District, Placentia Library Vector Control District, Orange County Water District, Placentia Library

	District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).
Project Description (include details such as new construction [with square footage], demolition of existing buildings, adaptive reuse of existing buildings, zoning amendments, general plan amendments, conditional use for sale of alcoholic beverages, etc.) Use additional sheets if necessary:	Amendments to the Cortese-Knox-Hertzberg Act in 2000 require that LAFCOs prepare Municipal Service Reviews (MSRs) every five years in conjunction with Sphere of Influence (SOI) updates for each city and special district. MSRs, in general, evaluate how agencies currently provide services and how they plan to deliver services in the future given changing demographic and fiscal trends.
Justification for No Effect Determination (explain how the proposed project is consistent with Title 14 Section 753.5(d) CCR):	CEQA Guidelines §15262 (Feasibility and Planning Studies)  The Municipal Service Review determinations are exempt from CEQA under CEQA Guidelines Section 15626: 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.

### Facts Supporting Fee Exemption:

- 1. An Initial Study has been prepared by the Lead Agency to evaluate the project's effects on fish and wildlife resources, if any.
- 2. The Lead Agency hereby finds that there is substantial evidence that the project will have no effect on fish or wildlife.
- 3. The project will have NO EFFECT on the following resources:
  - (A) Riparian land, rivers, streams, watercourses and wetlands;
  - (B) Native and non-native plant life and the soil required to sustain habitat for fish and wildlife;
  - (C) Rare and unique plant life and ecological communities dependant on plant life;
  - (D) Listed threatened and endangered plants and animals and the habitat in which they are believed to reside:
  - (E) All species listed as protected or identified for special management in the Fish and Game Code, the Public Resources Code, the Water Code or regulations adopted thereunder;
  - (F) All marine and terrestrial species subject to the jurisdiction of the Department of Fish and Game and the ecological communities in which they reside; and
  - (G) All air and water resources, the degradation of which will individually or cumulatively result in a loss of biological diversity among the plants and animals residing in that air and water.

### DECLARATION:

Based on the Lead Agency's evaluation of potential adverse effects on fish and wildlife resources, the Lead Agency believes the project will have no effect on fish or wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

Lead Agency Representative: Carolyn Emery

Title: Interim Executive Officer

Lead Agency: Orange County Local Agency Formation Commission

Date: February 13, 2013

### **California Department of Fish and Game**

## **No Effect Determination Request Form**

### To: DEPARTMENT OF FISH AND GAME

South Coast Regional Office 3883 Ruffin Road San Diego, CA 92123 Information: (858) 467-4201 FAX: (858) 467-4299

http://www.dfg.ca.gov Environmental Review and Permitting 1416 Ninth Street, Suite 1260 Sacramento, California 95814

Date Submitted:	
CEQA Lead Agency:	Orange County Local Agency Formation Commission
Lead Agency Contact Phone Number:	(714) 834-2556
Lead Agency Address:	12 Civic Center Plaza, Room 235, Santa Ana, CA 92701
SCH Number or County Filing Number and local agency project/case number:	
CEQA Document Type (the type of document prepared for your project by the CEQA Lead Agency):	Notice of Exemption
Applicant Name and Contact Phone Number (if applicable):	
Applicant Address (if applicable):	
Project Title:	2013-2018 and Sphere of Influence Updates for Orange County Cities and Special Districts (SOI 13-02)
Project Location (include the street address, lat/long, range/township/section, or other description that clearly indicates the location of the project site. Include an aerial or topographic map of the project site):	The project include 64 public agencies in Orange County – <b>31 cities</b> (Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Huntington Beach, Irvine, Laguna Beach, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda and <b>33 special districts</b> (Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Rossmoor Community Services District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation &

	Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District).
Project Description (include details such as new construction [with square footage], demolition of existing buildings, adaptive reuse of existing buildings, zoning amendments, general plan amendments, conditional use for sale of alcoholic beverages, etc.) Use additional sheets if necessary:	Amendments to the Cortese-Knox-Hertzberg Act in 2000 require that LAFCOs prepare Municipal Service Reviews (MSRs) every five years in conjunction with Sphere of Influence (SOI) updates for each city and special district. MSRs, in general, evaluate how agencies currently provide services and how they plan to deliver services in the future given changing demographic and fiscal trends.
Justification for No Effect Determination (explain how the proposed project is consistent with Title 14 Section 753.5(d) CCR):	CEQA Guidelines §15262 (Feasibility and Planning Studies)  The Spheres of Influence determinations are exempt from CEQA under CEQA Guidelines Section 15626: 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.

### Facts Supporting Fee Exemption:

- 1. An Initial Study has been prepared by the Lead Agency to evaluate the project's effects on fish and wildlife resources, if any.
- 2. The Lead Agency hereby finds that there is substantial evidence that the project will have no effect on fish or wildlife.
- 3. The project will have NO EFFECT on the following resources:
  - (A) Riparian land, rivers, streams, watercourses and wetlands;
  - (B) Native and non-native plant life and the soil required to sustain habitat for fish and wildlife;
  - (C) Rare and unique plant life and ecological communities dependant on plant life;
  - (D) Listed threatened and endangered plants and animals and the habitat in which they are believed to reside;
  - (E) All species listed as protected or identified for special management in the Fish and Game Code, the Public Resources Code, the Water Code or regulations adopted thereunder;
  - (F) All marine and terrestrial species subject to the jurisdiction of the Department of Fish and Game and the ecological communities in which they reside; and
  - (G) All air and water resources, the degradation of which will individually or cumulatively result in a loss of biological diversity among the plants and animals residing in that air and water.

### DECLARATION:

Based on the Lead Agency's evaluation of potential adverse effects on fish and wildlife resources, the Lead Agency believes the project will have no effect on fish or wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

Lead Agency Representative: Carolyn Emery

Title: Interim Executive Officer

Lead Agency: Orange County Local Agency Formation Commission

Date: February 13, 2013

### RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA

ADOPTING MUNICIPAL SERVICE REVIEW DETERMINATIONS FOR THE FOLLOWING CITIES AND SPECIAL DISTRICTS (MSR 13-01):

#### **CITIES**

ALISO VIEJO, ANAHEIM, BREA, BUENA PARK, COSTA MESA, CYPRESS, DANA POINT, FOUNTAIN VALLEY, FULLERTON, GARDEN GROVE, HUNTINGTON BEACH, IRVINE, LA HABRA, LA PALMA, LAGUNA BEACH, LAGUNA HILLS, LAGUNA NIGUEL, LAGUNA WOODS, LAKE FOREST, LOS ALAMITOS, MISSION VIEJO, NEWPORT BEACH, ORANGE, PLACENTIA, RANCHO SANTA MARGARITA, SAN CLEMENTE, SAN JUAN CAPISTRANO, SANTA ANA, SEAL BEACH, STANTON, TUSTIN, VILLA PARK, WESTMINSTER, AND YORBA LINDA.

#### **SPECIAL DISTRICTS**

BUENA PARK LIBRARY DISTRICT, CAPISTRANO BAY COMMUNITY SERVICES DISTRICT, COSTA MESA SANITARY DISTRICT, COUNTY SERVICE AREA 13 (LA MIRADA), COUNTY SERVICE AREA 20 (LA HABRA). COUNTY SERVICE AREA 22 (EAST YORBA LINDA). COUNTY SERVICE AREA 26, (OC PARKS), CYPRESS RECREATION & PARK DISTRICT, EAST ORANGE COUNTY WATER DISTRICT, EL TORO WATER DISTRICT. EMERALD BAY COMMUNITY SERVICES DISTRICT, GARDEN GROVE SANITARY DISTRICT, IRVINE RANCH WATER DISTRICT, LAGUNA BEACH COUNTY WATER DISTRICT, MESA CONSOLIDATED WATER DISTRICT, MIDWAY CITY SANITARY DISTRICT, MOULTON NIGUEL WATER DISTRICT, MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, ORANGE COUNTY CEMETERY DISTRICT, ORANGE COUNTY SANITATION DISTRICT, ORANGE COUNTY VECTOR CONTROL DISTRICT, ORANGE COUNTY WATER DISTRICT, PLACENTIA LIBRARY DISTRICT, ROSSMOOR COMMUNITY SERVICES DISTRICT,

ROSSMOOR/LOS ALAMITOS SEWER DISTRICT, SANTA MARGARITA WATER DISTRICT, SERRANO WATER DISTRICT, SILVERADO-MODJESKA RECREATION & PARK DISTRICT, SOUTH COAST WATER DISTRICT, SUNSET BEACH SANITARY DISTRICT, SURFSIDE COLONY STORMWATER PROTECTION DISTRICT, SURFSIDE COLONY COMMUNITY SERVICES TAX DISTRICT, THREE ARCH BAY COMMUNITY SERVICES DISTRICT, TRABUCO CANYON WATER DISTRICT, AND YORBA LINDA WATER DISTRICT

#### **FEBRUARY 13, 2013**

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 Commission has completed two previous cycles of MSRs, and has developed a new, web-based approach to address the seven MSR determinations which will provide ongoing monitoring tools for Orange County's local agencies; and

WHEREAS, the Commission is adopting a single set of MSR determinations for all of Orange County's cities and special districts;

WHEREAS, the report for the MSR identified in this Resolution (MSR 13-01) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the cities and districts; and

WHEREAS, copies of the MSR reports and statements of determination for each of the cities and special districts identified in this Resolution are available for public review in the LAFCO offices and on the LAFCO website; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set February 13, 2013 as the hearing date on this MSR proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the adoption of MSR determinations for the following cities: Aliso Viejo, Anaheim, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, La Palma, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda; and

WHEREAS, the proposal consists of the adoption of MSR determinations for the following special districts: Buena Park Library District, Capistrano Bay Community Services District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District.

WHEREAS, this Commission called for and held a public hearing on the proposal on February 13, 2013, and at the hearing this Commission heard and received all oral and written protests, 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 proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the adoption of MSR statements of determination was determined to be categorically exempt under the State CEQA Guidelines.

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

#### Section 1. Environmental Actions:

- a) The "2013-2018 Municipal Service Review for Orange County Cities and Special Districts (MSR 13-01)" together with the written statement of determination, are determined 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 as the lead agency under Section 15062.

#### Section 2. Determinations

- a) The Executive Officer's staff report and recommendations for adoption of MSR determinations for the following cities, dated February 13, 2013, are hereby adopted: Aliso Viejo, Anaheim, Brea, Buena park, Costa Mesa, Cypress, Dana Point, Fountain valley, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, La Palma, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Stanton, Tustin, Villa Park, Westminster, and Yorba Linda.
- b) The Executive Officer's report and recommendations for adoption of MSR determinations for the following special districts, dated February 13, 2013, are hereby adopted: Buena Park Library District, Capistrano Bay Community Services District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks),

Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Municipal Water District of Orange County, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District.

- Section 3. This review is assigned the following distinctive short-form designation: "2013-2018 Municipal Service Review for Orange County Cities and Special Districts (MSR 13-01);"
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:
NOES:
STATE OF CALIFORNIA )
) SS.
COUNTY OF ORANGE )

I, SUSAN WILSON, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 13<sup>th</sup> day of February, 2013. IN WITNESS WHEREOF, I have hereunto set my hand this 13<sup>th</sup> day of February, 2013.

SUSAN WILSON Chair of the Orange County Local Agency Formation Commission

By:		
•	Sugan Wilson	



## RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA RECONFIRMING THE SPHERES OF INFLUENCE FOR THE FOLLOWING CITIES AND SPECIAL DISTRICTS (SOI 13-02):

#### **CITIES**

ALISO VIEJO, ANAHEIM, BREA, BUENA PARK, COSTA MESA, CYPRESS, DANA POINT, FOUNTAIN VALLEY, FULLERTON, HUNTINGTON BEACH, IRVINE, LA HABRA, LA PALMA, LAGUNA HILLS, LAGUNA NIGUEL, LAGUNA WOODS, LAKE FOREST, LOS ALAMITOS, MISSION VIEJO, NEWPORT BEACH, ORANGE, PLACENTIA, RANCHO SANTA MARGARITA, SAN CLEMENTE, SAN JUAN CAPISTRANO, SANTA ANA, SEAL BEACH, TUSTIN, VILLA PARK, WESTMINSTER, AND YORBA LINDA.

#### SPECIAL DISTRICTS

BUENA PARK LIBRARY DISTRICT, COSTA MESA SANITARY DISTRICT, COUNTY SERVICE AREA 13 (LA MIRADA), COUNTY SERVICE AREA 20 (LA HABRA), COUNTY SERVICE AREA 22 (EAST YORBA LINDA), COUNTY SERVICE AREA 26, (OC PARKS), CYPRESS RECREATION & PARK DISTRICT, EAST ORANGE COUNTY WATER DISTRICT, EL TORO WATER DISTRICT, EMERALD BAY COMMUNITY SERVICES DISTRICT, GARDEN GROVE SANITARY DISTRICT, IRVINE RANCH WATER DISTRICT, LAGUNA BEACH COUNTY WATER DISTRICT, MESA CONSOLIDATED WATER DISTRICT, MIDWAY CITY SANITARY DISTRICT, MOULTON NIGUEL WATER DISTRICT, ORANGE COUNTY CEMETERY DISTRICT, ORANGE COUNTY SANITATION DISTRICT, ORANGE COUNTY VECTOR CONTROL DISTRICT, ORANGE COUNTY WATER DISTRICT, PLACENTIA LIBRARY DISTRICT, ROSSMOOR COMMUNITY SERVICES DISTRICT, ROSSMOOR/LOS ALAMITOS SEWER DISTRICT, SANTA MARGARITA WATER DISTRICT, SERRANO WATER DISTRICT, SILVERADO-MODJESKA

# RECREATION & PARK DISTRICT, SOUTH COAST WATER DISTRICT, SUNSET BEACH SANITARY DISTRICT, SURFSIDE COLONY STORMWATER PROTECTION DISTRICT, SURFSIDE COLONY COMMUNITY SERVICES TAX DISTRICT, THREE ARCH BAY COMMUNITY SERVICES DISTRICT, TRABUCO CANYON WATER DISTRICT, AND YORBA LINDA WATER DISTRICT

#### **FEBRUARY 13, 2013**

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

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

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

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

WHEREAS, the 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

WHERAS, Orange County LAFCO has previously reviewed and adopted Sphere of Influence updates for Orange County cities and special districts during the initial MSR/SOI update cycle as required by Government Code Section 56425, and during the second MSR/SOI cycle (2008-2013); and

WHEREAS, on February 13, 2013, Orange County LAFCO adopted new MSR determinations for Orange County's cities and special districts; and

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

WHEREAS, copies of the MSR and SOI reports, SOI maps, and statements of determination for each of the cities and special districts identified in this Resolution have been previously reviewed by the Commission and are available for public review in the LAFCO offices and on the LAFCO website; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set February 13, 2013 as the hearing date on this MSR and SOI study proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the reconfirmation of the spheres of influence for the following cities: Aliso Viejo, Anaheim, Brea, Buena park, Costa Mesa, Cypress, Dana Point, Fountain valley, Fullerton, Huntington Beach, Irvine, La Habra, La Palma, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach, Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda; and

WHEREAS, the proposal also consists of the reconfirmation of the spheres of influence for the following special districts: Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water District, Mesa Consolidated Water District, Midway City Sanitary District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District; and

WHEREAS, this Commission called for and held a public hearing on the proposal on February 13, 2013, and at the hearing this Commission heard and received all oral and written protests, 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 proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the reconfirmation of existing spheres of influence was determined to be categorically exempt under the State CEQA Guidelines.

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

#### Section 1. Environmental Actions:

- a) The "2013-2018 Sphere of Influence Update for Orange County Cities and Special Districts and (SOI 13-02)" together with the written statement of determination, are determined 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 as the lead agency under Section 15062.

#### Section 2. Determinations

a) The Executive Officer's staff report and recommendations for reconfirmation of the current spheres of influence, including the sphere of influence maps attached hereto, for the following cities, dated February 13, 2013, are hereby adopted: Aliso Viejo, Anaheim, Brea, Buena park, Costa Mesa, Cypress, Dana Point, Fountain valley, Fullerton, Huntington Beach, Irvine, La Habra, La Palma, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Los Alamitos, Mission Viejo, Newport Beach,

- Orange, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Tustin, Villa Park, Westminster, and Yorba Linda.
- b) The Executive Officer's staff report and recommendations for reconfirmation of the current spheres of influence, including the sphere of influence maps attached hereto, for the following special districts, dated February 13, 2013, are hereby adopted: Buena Park Library District, Costa Mesa Sanitary District, County Service Area 13 (La Mirada), County Service Area 20 (La Habra), County Service Area 22 (East Yorba Linda), County Service Area 26, (OC Parks), Cypress Recreation & Park District, East Orange County Water District, El Toro Water District, Emerald Bay Community Services District, Garden Grove Sanitary District, Irvine Ranch Water District, Laguna Beach County Water Mesa Consolidated Water District, Midway City Sanitary District. District, Moulton Niguel Water District, Orange County Cemetery District, Orange County Sanitation District, Orange County Vector Control District, Orange County Water District, Placentia Library District, Rossmoor Community Services District, Rossmoor/Los Alamitos Sewer District, Santa Margarita Water District, Serrano Water District, Silverado-Modjeska Recreation & Park District, South Coast Water District, Sunset Beach Sanitary District, Surfside Colony Stormwater Protection District, Surfside Colony Community Services Tax District, Three Arch Bay Community Services District, Trabuco Canyon Water District, and Yorba Linda Water District.
- Section 3. This review is assigned the following distinctive short-form designation: "2013-2018 Sphere of Influence Update for Orange County Cities and Special Districts and (SOI 13-02)."
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:	
NOES:	
STATE OF CALIFORNIA	)
	) SS.
COUNTY OF ORANGE	)

I, SUSAN WILSON, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 13<sup>th</sup> day of February, 2013. IN WITNESS WHEREOF, I have hereunto set my hand this 13<sup>th</sup> day of February, 2013.

SUSAN WILSON Chair of the Orange County Local Agency Formation Commission

3y:		
	Susan Wilson	