

**MEMORANDUM OF UNDERSTANDING
FOR EXCHANGE OF PRINCIPAL COUNTY
STATUS FOR SPHERE OF INFLUENCE CHANGES**

**LOCAL AGENCY FORMATION COMMISSION FOR THE
COUNTY OF LOS ANGELES AND
ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION**

THIS MEMORANDUM OF UNDERSTANDING (MOU) IS MADE THIS 10TH DAY OF NOVEMBER, 2011 BY AND BETWEEN THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES (hereinafter **LALAFCO**) and THE ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (hereinafter **OCLAFCO**).

RECITALS

The following recitals are a substantive part of this MOU:

1. In January 2006 in the Third Appellate District of the Court of Appeal for the State of California a decision was rendered, identified commonly as the "Truckee Decision," which applied the California Government Code Section 56066 definition of "Principal County" to determinations for spheres of influence under the provision of Government Code Section 56425 et seq.
2. Principal County is defined in the California Government Code at Section 56066 which reads as follows: "Principal County" means the county having all or the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district or districts for which a change of organization or reorganization is proposed".
3. Government Code Section 56123 and 56124 allow for the transfer of exclusive jurisdiction from the principal county to the affected county LAFCO if all of the following determinations are made:
 - a. The Commission of the principal county approves of having exclusive jurisdiction vested in another affected county;
 - b. The commission of the principal county designates the affected county to assume exclusive jurisdiction; and,
 - c. The commission of the affected county so designated agrees to assume exclusive jurisdiction.
4. The LALAFCO and OCLAFCO have numerous entities which abut, and which may in the future cross over county boundary lines. This memorandum of understanding is intended to identify that as allowed by Government Code Section 56375(q) the LAFCOs have

agreed to transfer authority for processing of sphere of influence applications.

5. This MOU between LALAFCO and OCLAFCO is to establish the terms and conditions for the vesting of exclusive jurisdiction in the matters of sphere of influence determinations to the Commission of the affected county from the Commission of the principal county.

**NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS,
CONDITIONS AND PROMISES CONTAINED HEREIN, THE PARTIES MUTUALLY
AGREE AS FOLLOWS:**

1. Sphere of influence Transfer Determinations:

- a. When a proposal is contemplated to extend a special district's sphere of influence into the adjacent county, the LALAFCO or OCLAFCO acting as principal County does hereby approve the transfer of exclusive jurisdiction for those determinations to the affected county;
- b. This MOU identifies that the transfers shall be to the affected county within which the territory considered for sphere of influence expansion or reduction lies; and,
- c. Acting as the affected County, the LALAFCO or OCLAFCO agrees to assume the exclusive jurisdiction for sphere of influence determinations within their respective county territory.

2. Term of MOU

The term of this MOU shall commence upon execution of this agreement by both LAFCOs and shall remain in effect until specific action is taken to rescind it in its entirety or to modify the MOU. This MOU constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and is executed without reliance upon any representations or promises not contained herein.

3. Responsibilities for complying with transfer of exclusive jurisdiction:

Each LAFCO shall advise applicant(s) seeking the expansion of a sphere of influence in the adjacent county of a special district for which they are designated "principal county" that the applicant(s) shall submit said request to the affected county LAFCO. The application requirements, including fees and processing costs, of the LAFCO vested with exclusive jurisdiction shall apply. The LAFCO with exclusive jurisdiction shall include the principal county LAFCO in all notices, provision of staff reports and resolutions related to the sphere of influence consideration process. Nothing in this MOU shall be construed to limit in any way the provision of State Law governing the consideration process for a sphere of influence change.

4. Compliance with Government Code Section 56430

The policies and procedures of the LAFCO vested with exclusive jurisdiction for by this MOU shall apply to the processing of any sphere of influence change with regard to Government Code Section 56430. Nothing in this section would preclude the LAFCO vested with jurisdiction from using the service review data and/or determinations prepared by the principal LAFCO for the affected agency.

5. Modification

This MOU constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This MOU may be modified only by subsequent mutual written agreement executed by LALAFCO and OCLAFCO and will not be effective until signed by all parties.

6. Termination

This MOU may be terminated by either party by giving a 60-day notice in writing following action of the requesting Commission.

7. California Law

This MOU shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the Superior Court of the affected County. The MOU shall be construed as though jointly drafted by the Parties with the assistance of independent legal counsel.

8. Indemnification

LALAFCO or OCLAFCO each agree to indemnify, defend at their own expense, including attorneys fees, and hold each other harmless from and against all claims, costs, penalties, causes of action, demands, losses and liability of any nature, whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use) or violation of law, caused by or arising out of or related to any negligent act or willful misconduct of that party, its officers or employees or any other agent acting pursuant to its control and performing under this agreement.

9. Notices

All notices shall be personally delivered or mailed, via first-class mail to the below listed addresses:

(a) Local Agency Formation Commission for the County
of Los Angeles
80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Attn: Executive Officer
Paul A. Novak, AICP

(b) Orange County Local Agency Formation Commission
12 Civic Center Plaza, Rm. 235
Santa Ana, CA 92701
Attn: Executive Officer
Joyce Crosthwaite

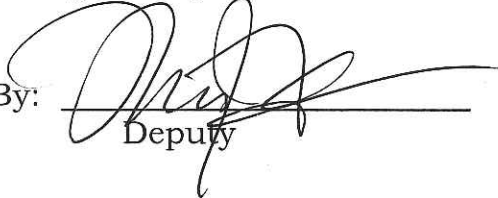
9. Preservation of Agreement

Should a provision of this MOU be found invalid or unenforceable, the decision shall effect only the provision interpreted, and all remaining provisions shall remain enforceable.

IN WITNESS WHEREOF, these parties have executed this Agreement on the day and year shown above.

APPROVED AS TO FORM:


JOHN F. KRATTLI
Acting County Counsel

By: 
Deputy

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES:

By: 
JERRY GLADBACH
2nd VICE CHAIRMAN

APPROVED AS TO FORM:


Legal Counsel,
Orange County Local Agency
Formation Commission

ORANGE COUNTY LOCAL AGENCY
FORMATION COMMISSION:

By: 
JOHN MOORLACH
CHAIRMAN