

Hearing Date: May 28, 2021

J:\MANDATES\IRC\2020\0304 (Municipal Storm Water and Urban Runoff Discharges)\20-0304-I-08 consolidated with 19-0304-I-04, 20-0304-I-06, 09, 10, 11, 13\IRC\TOC.docx

ITEM 5
CONSOLIDATED INCORRECT REDUCTION CLAIM
PROPOSED DECISION

Los Angeles Regional Quality Control Board Order No. 01-182,
Permit CAS004001, Part 4F5c3

Municipal Storm Water and Urban Runoff Discharges

19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, and 20-0304-I-11,
and 20-0304-I-13

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012, City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, City of Pomona, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2010-2011, 2011-2012, 2012-2013, City of Signal Hill, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, County of Los Angeles, Claimant

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1. INCORRECT REDUCTION CLAIM TITLE

County of Los Angeles, Municipal Storm Water &
Urban Runoff Discharges Program Cost Claim

2. CLAIMANT INFORMATION

County of Los Angeles
Name of Local Agency or School District
Arlene Barrera
Claimant Contact
Auditor-Controller
Title
500 West Temple Street, Room 525
Street Address
Los Angeles, CA 90012
City, State, Zip
(213) 974-8302
Telephone Number
(213) 626-5427
Fax Number
abarrera@auditor.lacounty.gov
E-Mail Address

3. CLAIMANT REPRESENTATIVE INFORMATION

Claimant designates the following person to act as its sole representative in this incorrect reduction claim. All correspondence and communications regarding this claim shall be forwarded to this representative. Any change in representation must be authorized by the claimant in writing, and sent to the Commission on State Mandates.

Howard Gest
Claimant Representative Name
Partner
Title
Burhenn & Gest LLP
Organization
624 S. Grand Avenue, Suite 2200
Street Address
Los Angeles, CA 90017
City, State, Zip
213-629-8787
Telephone Number
213-624-1376
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E-Mail Address

For CSM Use Only

Filing Date: **RECEIVED**
November 5, 2020
Commission on State Mandates

IRC #: 20-0304-I-08

4. IDENTIFICATION OF STATUTES OR EXECUTIVE ORDERS

Please specify the subject statute or executive order that claimant alleges is not being fully reimbursed pursuant to the adopted parameters and guidelines.

Municipal Storm Water & Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3)

5. AMOUNT OF INCORRECT REDUCTION

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

Fiscal Year	Amount of Reduction
2002-03	\$362,799.00
2003-04	\$574,769.00
2004-05	\$600,372.00
2005-06	\$608,784.00
2006-07	\$624,906.00
2007-08	\$634,018.00
TOTAL:	<i>See attached page</i> \$6,129,851.00

6. NOTICE OF INTENT TO CONSOLIDATE

Please check the box below if there is intent to consolidate this claim.

Yes, this claim is being filed with the intent to consolidate on behalf of other claimants.

Sections 7 through 11 are attached as follows:

- 7. Written Detailed Narrative: pages 1 to 10.
- 8. Documentary Evidence and Declarations: Exhibit A-D.
- 9. Claiming Instructions: Exhibit E.
- 10. Final State Audit Report or Other Written Notice of Adjustment: Exhibit F.
- 11. Reimbursement Claims: Exhibit G.

Section 5, Amount of Incorrect Reduction, cont.

<u>Fiscal Year</u>	<u>Amount of Reduction</u>
08-09	\$533,323
09-10	\$524,609
10-11	\$528,278
11-12	\$564,392
12-13	\$573,601

SECTION 6

NARRATIVE STATEMENT AND DECLARATION OF HOWARD GEST IN SUPPORT OF CONSOLIDATION OF INCORRECT REDUCTION CLAIMS

SECTION 6

NARRATIVE STATEMENT IN SUPPORT OF CONSOLIDATION

I. INTRODUCTION

Pursuant to 2 Cal. Code Reg. § 1185.3, a party filing an Incorrect Reduction Claim (“IRC”) may seek consolidation of claims if all of the following apply:

- (1) The method, act, or practice that the claimant alleges led to the reduction has led to similar reductions of other parties’ claims, and all of the claims involve common questions or law or fact.
- (2) The common questions of law or fact among the claims predominate over any matter affecting only an individual claim.
- (3) The consolidation of similar claims by individual claimants would result in consistent decision making by the Commission.
- (4) The claimant filing the consolidated claim would fairly and adequately protect the interests of the other claimants.

Claimant County of Los Angeles (“County”) respectfully states that this request for consolidation satisfies all of the requirements of 2 Cal. Code Reg. § 1185.3(a) and thus requests that the IRC filed herewith by the County be consolidated with the following IRCs now pending before the Commission:

- City of Bellflower, IRC 18-0304-I-01;
- City of Arcadia, IRC 19-0304-I-03;
- City of Downey, IRC 19-0304-I-04;
- City of La Puente, IRC 19-0304-I-05; and
- City of Claremont, IRC 20-0304-I-06.¹

Each of these IRCs, and the IRC filed herewith by the County, arises under the same test claim, Municipal Storm Water and Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3). Each of these IRCs involves the application of the same section, Section VIII, of the Parameters and Guidelines and the same rationale used by the State Controller’s Office (“SCO”) to disallow reimbursement of costs incurred by the local agencies to install and maintain trash receptacles required by the above-referenced municipal stormwater permit (“2001 Permit”).

In each IRC, the SCO audit declined reimbursement because the local agency used Los Angeles County sales tax proceeds to advance funding for the receptacles. In each IRC, the SCO

¹ In addition, an IRC filed by the City of Norwalk (19-0304-I-02) also raises a similar issue as the identified IRCs, but also two different issues relating to one-time costs for trash receptacle installation and an alleged miscount of trash pickups.

SECTION 6: NARRATIVE STATEMENT IN SUPPORT OF CONSOLIDATION

asserted that use of such sales tax proceeds meant that the local agency could not be reimbursed by the State. In each IRC, the local agency argued, or is arguing, that the SCO's reduction was wrong based on the same law and facts.

The common set of facts and law in these IRCs, and the IRC filed by the County herewith, support consolidation. Each of the four factors set forth in 2 Cal. Code Reg. § 1185.3(a) is met here. The County has checked the box in Section 6 of the IRC claim form indicating that the claim is being filed with the intent to consolidate on behalf of other claimants.

II. Consolidation of the Listed IRCs is Appropriate Here

A. All of the IRCs Involve the Same Argument Raised by the SCO and All of the IRCs Raise Common Questions of Law or Fact

As set forth in the Declaration of Howard Gest in support hereof, each of the SCO final audits in the above IRCs raised the same issue: the application of Section VIII of the Parameters and Guidelines. In each of the IRCs, the SCO found that the local agency's use of sales tax proceeds under either Los Angeles County Proposition A or Los Angeles County Proposition C to pay for the installation and maintenance of trash receptacles meant that this was a source of funding which should have offset the reimbursement claims filed by these agencies. That same argument is raised in the SCO final audit for the County's claim. Gest Decl. at ¶ 6.

In each of the IRCs identified above, the SCO final audit concluded that the amount of sales tax funds, either from County Proposition A or Proposition C, should be offset against the reimbursement claim filed by the local agencies because those sales tax proceeds, instead of unrestricted taxes, were used to fund the trash receptacle mandate in the 2001 Permit. *Ibid.*

While the IRCs filed by the Cities of Bellflower and Claremont involved the use of Proposition C funds and the IRCs filed by the Cities of Arcadia, Downey and La Puente (as well as the County IRC filed herewith) involved the use of Proposition A funds, there is no distinction pertinent here. Propositions A and C both were adopted for transit purposes, and both provide local agencies with direct "local return" funds that were available to the municipalities for local transit needs. Gest Decl. at ¶ 7.

In addition to these factual similarities, the main legal issue in each IRC is essentially identical, because all relate to the same essential SCO argument – that because special sales tax, instead other tax revenues were advanced to pay for the receptacles, such sales tax revenues should have offset the reimbursement request.

These common arguments are found in the IRCs: that Propositions A and C are local taxes (and thus subject to Calif. Const., article XIII B, section 6) and not a federal, state or non-local source of funds required to be offset; that the proceeds of such taxes are local proceeds no different from any local tax proceeds; that the SCO final audits misinterpreted the Parameters & Guidelines ("Ps & Gs") adopted by the Commission with regard to offset provisions; that the Proposition A and C funds can be advanced, and if paid back with a subvention of funds can be used for local transit priorities instead of for a State-mandated requirement; and, that the

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conclusions reached by the SCO would involve an improper retroactive applications of the Ps & Gs adopted by the Commission. Gest Decl. at ¶ 8.

B. Common Questions of Law or Fact Among the Claims Predominate Over any Matter Affecting Only an Individual Claim

As discussed above, each of the IRCs with which the County wishes to consolidate this IRC raise the same issues of law and fact. Each IRC involves application of the same section of the Ps & Gs. While some IRCs involve the use of Proposition A funds and some of Proposition C funds, the legal issue (and the SCO's requirement for offsetting) is the same. Although there are some additional issues raised in the IRCs, the predominate unifying issue is the application of Section VIII of the Ps & Gs and whether the SCO was justified in finding that the local agencies should have offset their reimbursement claims with the local return funds generated by Propositions A and C.

Were the City of Norwalk to join a consolidated IRC, the specific issues relating to that IRC would not predominate over the common issues relating to the offsetting of County transit tax monies, which the city also raises in its IRC.

C. The Consolidation of Similar Claims by Individual Claimants Would Result in Consistent Decision Making by the Commission

At present, the Commission has five IRCs essentially raising the same legal and factual issues. With the filing of the County's IRC, it will have six such IRCs. The decisions to be reached by the Commission need to be consistent among these six IRCs. Consolidation would allow consistency and would save Commission, claimant and SCO resources by allowing a single proceeding to determine these common issues.

D. The Claimant Filing the Consolidated Claim Would Fairly and Adequately Protect the Interests of the Other Claimants

The County submits that it would fairly and adequately protect the interests of the other claimants on the common issues, since they are identical to those of the County. As noted above, the legal and factual issues on the main legal issue are the same. In addition, counsel and Claimant Representative for the County in this IRC, Howard Gest of Burhenn & Gest, is also counsel and Claimant Representative for the City of Downey's IRC. Gest Decl. at ¶ 2.

III. Conclusion

For all of the above reasons, the County respectfully requests the Commission to consolidate the County IRC with the City IRCs.

DECLARATION OF HOWARD GEST

I, Howard Gest, hereby declare:

1. I am a member of Burhenn & Gest LLP and, as such, am one of the attorneys principally responsible for representing the County of Los Angeles (“County”) in this matter.

2. I am designated as the Claim Representative for the Incorrect Reduction Claim (“IRC”) being filed by the County (“County IRC”) and the IRC filed by the City of Downey on June 30, 2020.

3. I have reviewed Incorrect Reduction Claims filed by the Cities of Bellflower (18-0304-IU-01), Arcadia (19-0304-I-03), Downey (190-0304-I-04), La Puente (19-0304-I-05) and Claremont (19-0304-U-06) (collectively, the “City IRCs”) and know their contents. I also am familiar with the contents of the County IRC.

4. I have personal knowledge of the matters set forth herein and, if called to testify, could and would testify competently thereto.

5. Each of the City IRCs and the County IRC involve claims for reimbursement for the cost of installing and maintaining trash receptacles at transit stops imposed under the Municipal Storm Water and Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3) (the “Program”).

6. Each of the City IRCs and the County IRC involve a final audit by the State Controller’s Office (“SCO”) which concluded that the amount of tax revenues from either Los Angeles County Proposition A (“Proposition A”) or Los Angeles County Proposition C (“Proposition C”) used by these municipalities to fund obligations imposed under the Program should have been offset from claims for reimbursement because those sales tax proceeds, instead of general fund monies, were used to fund the trash receptacle mandate in the Program. Some of the City IRCs also involve other issues.


7. Proposition A and Proposition C relate to funding transit-related projects. Both have local return provisions, whereby local municipalities are granted a percentage of tax revenues, which may be utilized for local transit needs. Each of the IRCs involves the application of the

same section, Section VIII, of the Parameters and Guidelines.

8. The City IRCs and the County IRC all raise one predominate issue: how Proposition A or Proposition C taxes are to be treated under Section VIII of the Parameters and Guidelines. In that regard, one or more of the City IRCs and the County IRC raise the following common issues: (1) that Proposition A or Proposition C funds are local taxes (and thus subject to the protections of Calif. Const., article XIII B, section 6) and are not a federal, state or non-local source of funds required to be offset against claims; (2) that for purposes of article XIII B, section 6, such taxes are no different from general local taxes; (3) that the SCO final audit mis-applied the provisions of the Parameters and Guidelines approved by the Commission for the Program; (4) that Proposition A and C funds may be advanced, and if paid back with a subvention of state funds, can be used for local transit priorities instead of for a State-mandated requirement; and (5) that the conclusions reached by the SCO in its final audits involved an improper retroactive application of the Parameters and Guidelines.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 5 day of November, 2020 at Los Angeles, California.



Howard Gest

SECTION 7
WRITTEN DETAILED NARRATIVE

SECTION 7

WRITTEN DETAILED NARRATIVE

I. INTRODUCTION

This Incorrect Reduction Claim (“IRC”) is brought by the County of Los Angeles (“County”) in connection with claims for reimbursement made by the County for Fiscal Years 2002-03 through 2012-13. The claims requested reimbursement for monies spent by the County in compliance with Part 4F5c3 of California Regional Water Quality Control Board, Los Angeles Region Order No. 01-182, Permit CAS004001 (“2001 Stormwater Permit”). On July 31, 2009, the Commission on State Mandates (“Commission”) determined that this provision constituted an unfunded state mandate for which a subvention of funds was required.

In this IRC, the County seeks review of an audit by the State Controller’s Office (“SCO”) in which the SCO found that the County was not entitled to the \$6,129,851.00 amount claimed. In a final audit dated November 6, 2017, the SCO found that this amount should have been offset from the claims because the County used a local sales and use tax, Proposition A, to initially fund this mandate.

The SCO erred in this audit finding and the County is entitled to the full reimbursement of the \$6,129,851¹ that the SCO seeks to disallow because the attempted offset (1) is in violation of article XIII B, section 6 of the California Constitution; (2) is not consistent with the Parameters and Guidelines adopted in this case; and (3) is otherwise arbitrary and capricious in that it constitutes an unlawful retroactive application of the Parameters and Guidelines.

II. BACKGROUND

A. Part 4F5c3: The Trash Receptacle Obligations

On July 31, 2009, the Commission adopted a final Statement of Decision holding that Part 4F5c3 of the 2001 Stormwater Permit constituted an unfunded state mandate as to which a subvention of funds was required. *Municipal Storm Water and Urban Runoff Discharges*, Case Nos. 03-TC-04, 03-TC-19, 03-TC-20, 03-TC-21. This part required permittees, including the County, to do the following:

Permittees not subject to a trash TMDL [total maximum daily load] shall [¶]. .
.[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its

¹ The County filed revised claims for FYs 2002-03 through 2008-09, which included a 10% discount, as required by statute. Govt. Code § 17561(c)(3). Applying this discount, the County’s claim would total \$6,029,795. The SCO, however, did not apply this discount in its Final Audit. For clarity, the County has attached in Section 11, Exhibit G, the revised reimbursement claim forms for FYs 2002-03 through 2008-09.

SECTION 7 WRITTEN DETAILED NARRATIVE

jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

Parameters and Guidelines, Los Angeles Regional Quality Control Board Order No. 01-182 Permit CAS04001 Part 4F5c3 (“Ps & Gs”) at 1, attached hereto in Exhibit C in IRC Section 9 as part of the SCO’s Claiming Instructions.

B. The Parameters and Guidelines

After adoption of the Statement of Decision, pursuant to Govt. Code § 17557 the County and various cities prepared a draft set of Ps & Gs to guide the process of reimbursement. The Commission adopted the final Ps & Gs on March 24, 2011.

The Ps & Gs established two categories of reimbursable activities. The first category, set forth in Section IV.A of the Ps & Gs, established criteria for the reimbursement of one-time costs required by Part 4F5c3 to “Install Trash Receptacles (one-time per transit stop, reimbursed using actual costs). Ps and Gs at 4. Such costs included identifying locations for trash receptacles, selecting and evaluating the receptacle and pad type, preparing contracts and specifications, advertising for and awarding bids, purchasing or constructing pads and receptacles and, as necessary, moving receptacles. *Ibid.*

The second category of reimbursable activities, set forth in Section IV.B of the Ps & Gs, were ongoing costs to “Maintain Trash Receptacles and Pads (on-going reimbursed using the reasonable reimbursement methodology).” Ps & Gs at 4. These costs were to be reimbursed based on the number of trash pickups (limited to three per week) times a unit cost, which would cover costs related to the collection and disposal of trash, the inspection of receptacles and pads for wear, cleaning and other maintenance needs, the painting, cleaning and repairing of receptacles and replacement of liners and replacement of individual damaged or missing (including replacing) of receptacles and pads. *Ibid.*

The Ps & Gs directed the SCO to issue claiming instructions and provided further in Section VIII that:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any *federal, state or non-local source* shall be identified and deducted from this claim.

Ps & Gs at 7 (emphasis added). In its two comment letters filed on drafts of the Ps & Gs, the SCO did not comment on the language in Section VIII. *See* Comment Letter of SCO dated July 23, 2010, and Comment Letter of SCO dated February 18, 2011, attached to the Section 8 Declaration of David W. Burhenn as Exhibits C and D.

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C. Claiming Instructions and County Submission of Reimbursement Claims

The SCO prepared Claiming Instructions dated May 31, 2011 (attached in Section 9 as Exhibit E). The Claiming Instructions required that initial reimbursement claims were to be filed on or before September 28, 2011. Claiming Instructions at 2.

The County timely filed Claims for Payments with the SCO for the costs of complying with Part 4F5c3 of the 2001 Stormwater Permit (attached in Section 11, Exhibit G). The County claimed \$362,799 for Fiscal Year (“FY”) 2002-03; \$574,769 for FY 2003-04; \$600,372 for FY 2004-05; \$608,784 for FY 2005-06; \$624,906 for FY 2006-07; \$634,018 for FY 2007-08; \$533,323 for FY 2008-09; \$524,609 for FY 2009-10; \$528,278 for FY 2010-11; \$564,392 for FY 2011-12; and \$573,601 for FY 2012-13.² No funds have yet been paid to the County. SCO, County of Los Angeles Audit Report, November 6, 2017 (“Final Audit”) at 1 (attached in Section 10, Exhibit F).

D. The SCO Audit

On November 6, 2017, the SCO issued its Final Audit of the reimbursement claims made by the County with respect to Part 4F5c3 of the 2001 Stormwater Permit. The Final Audit made a single finding, e.g., that the County “did not offset any revenues or reimbursements on its claims forms for the review period. We found that the county should have offset \$6,129,851.” Final Audit, Attachment 2, at 1. In support, the SCO alleged that the County used “restricted Proposition A Local Return funds to pay \$288,802 in one-time costs (which includes indirect costs) and \$5,841,049 in ongoing maintenance costs. As the county used restricted Proposition A Local Return funds to pay for the mandated activities, it did not have to rely on the use of discretionary general funds.” *Ibid.* The SCO also cited Section VIII of the Ps & Gs, which requires that “reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.” *Id.* at 2.³

The SCO based its finding that offsets were required on the fact that the County utilized funds for Part 4F5c3 requirements that came from the proceeds of Los Angeles County Proposition A, a local ½ cent sales and use tax adopted by the voters in 1980 to provide monies for public transit activities. *Id.* at 2. Proposition A is set forth in the Los Angeles County

² As noted above, the County filed revised claim documents for FYs 2002-03 through 2008-09. The amounts claimed on those revised documents were for FY 2002-03, \$361,980, FY 2003-04, \$561,591, FY 2004-05, \$583,444, FY 2005-06, \$590,384, FY 2006-07, \$606,385, FY 07-08, \$615,723, and FY 2008-09, \$529,408.

³ The Final Audit quoted the entirety of Section VIII of the Ps & Gs, which includes the sentence, “Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed.” No such offsetting revenues are present here. The executive order at issue, the 2001 Permit, was adopted by the Regional Water Board pursuant to its authority under the federal Clean Water Act and the state Porter-Cologne Water Quality Control Act. The Final Audit identifies no offsetting revenue from the operation of the 2001 Permit. Revenues from Proposition A, even though it does not constitute “offsetting revenue” from a federal, state or non-local source, also does not arise from the 2001 Permit, but instead from a local sales tax.

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Metropolitan Transportation Authority Administrative Code attached in Section 8 as Exhibit A to the Burhenn Declaration.

The Proposition A ordinance provides that 25 percent of the sales and use taxes collected under the proposition are designated as Local Return Program Funds to be used by the cities and County of Los Angeles for transit, paratransit and transportation systems management. Los Angeles County Metropolitan Transportation Authority Administrative Code, Section 3-05-050 A. 2 and C. See also, Metro, Guidelines, Proposition A and Proposition C Local Return (“Local Return Guidelines”), Section I.A at 1, attached in Section 8 as Exhibit B to the Burhenn Declaration.

Proposition A Local Return funds are to be used to benefit public transit. Among the types of public transit projects eligible for funding are “Bus Stop Improvements and Maintenance,” including the installation, replacement and/or maintenance of concrete landings, bus run-outs, benches, shelters, trash receptacles and curb cuts. Local Return Guidelines, Section II.A.2 at 7. *See also* Final Audit, Attachment 2, at 2.

The Local Return Guidelines provide that Proposition A Local Return funds may be used to advance funds to finance a project, with the funds subsequently being returned to the Proposition A account when the municipality receives reimbursement:

Local Return funds may be used to advance a project which will subsequently be reimbursed by federal, state or local grant funding, or private funds, if the project itself is eligible under the Local Return Guidelines. **The reimbursement must be returned to the appropriate Proposition A or Proposition C LR fund.**

Local Return Guidelines at Section IV.C.10, at 30 (emphasis in original).

III. STANDARD OF REVIEW

Government Code § 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to a local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission’s regulations requires the Commission to send the decision to the SCO and request that the costs in the claim be reinstated. *E.g.*, Final Statement of Decision, *Integrated Waste Management*, 15-0007-I-12 (July 27, 2018) at 22.

In reviewing the SCO’s audit decisions, the Commission must determine “whether they were arbitrary, capricious, or entirely lacking in evidentiary support. This standard is similar to the standard used by the courts when reviewing an alleged abuse of discretion of a state agency.” *Ibid.* With respect to questions of law, “including interpretation of the parameters and guidelines,” the Commission applies a de novo review, “without consideration of legal conclusions made by the Controller in the course of an audit.” *Ibid.*

Here, the SCO erred in the Final Audit by concluding that the County was required to offset \$6,129,851 from its claims for reimbursement for compliance with Part 4F5c3 of the

SECTION 7 WRITTEN DETAILED NARRATIVE

Permit. First, the attempted offset is in violation of article XIII B, section 6 of the California Constitution. Second, the offset is not consistent with Ps & Gs adopted in this case. These are issues of law. Third, applying the Ps & Gs in this manner constituted an unlawful retroactive application of the Ps & Gs. This also is an issue of law or an issue of mixed law and fact. As to all three issues, the SCO's action was arbitrary, capricious, and lacking in evidentiary support.

IV. THE SCO'S OFFSET OF A LOCAL SALES AND USE TAX AGAINST THE COUNTY'S CLAIMS IS UNCONSTITUTIONAL

Article XIII B, section 6(a) of the California Constitution provides in pertinent part:

Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the State shall provide a subvention of funds to reimburse that local government for the cost of the program or increased level of service

As the California Supreme Court found in *County of Fresno v. State of California* (1991) 53 Cal.3d 482, article XIII B, section 6 was added to the Constitution through the adoption of Proposition 4, an initiative measure. Article XIII B places limitations on the ability of both state and local governments to appropriate funds for expenditures. *Id.* at 486.

Article XIII B was a complement to article XIII A, which was added to the Constitution through adoption of Proposition 13 the year before. *Id.* "Articles XIII A and XIII B work in tandem, together restricting California governments' power both to levy and to spend [taxes] for public purposes." *Id.*, quoting *City of Sacramento v. State of California* (1990) 50 Cal.3d 51, 59, n. 1.

As the Supreme Court also held in *County of Fresno*, article XIII B, section 6 is meant to protect taxes received by local governments. "Specifically, it was designed to protect the tax revenues of local governments from state mandates that would require expenditure of such revenues." *Id.* at 487. In *County of Fresno*, the Supreme Court upheld the facial constitutionality of Government Code § 17556(d), which directs the Commission to find the absence of costs mandated by the state where a local agency or school district has the authority to levy service charges, fees or assessments sufficient to pay for the mandated program or increased level of service. The Supreme Court held that Government Code § 17556(d) was constitutional because article XIII B, section 6 requires reimbursement only for those expenses that are funded from taxes. *County of Fresno*, 53 Cal.3d at 487.

Here, the SCO disallowed the entirety of the County's claim on the grounds that the County had used funds from Proposition A, a local sales and use tax. The SCO based its reasoning on the grounds that the Proposition A tax is a "special supplementary sales tax" whose use is restricted. Final Audit, Attachment 2 at 6. The SCO distinguished such a tax from an unrestricted general sales tax, "which can be spent for any general governmental purposes, including public employee salaries and benefits." *Ibid.*

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The SCO's offset was unconstitutional. Article XIII B, section 6 requires the State to provide a subvention of fund whenever a state agency mandates a new program or higher level of service. The Supreme Court in *County of Fresno* made clear that this section is designed "to protect the tax revenues of local governments from state mandates that would require expenditure of such revenues." 53 Cal.3d at 487.

Article XIII B, section 6 does not distinguish between general and "restricted" taxes. Neither did the Supreme Court when it decided *County of Fresno*. No case has ever made that distinction and the Final Audit provides no rationale or authority to support it. The SCO is seeking to write into article XIII B, section 6 a limitation that does not exist.

There is good reason why no such distinction exists. There is no difference between a municipality using local sales tax monies to install trash receptacles, receiving a subvention of funds, and then using those funds for other general purposes, and a municipality using Proposition A local sales tax revenues to install trash receptacles, receiving a subvention of funds, and then using those funds for other public transit purposes. In both cases, the State has mandated the expenditure of funds for a program the State believes should be implemented in lieu of programs the municipality believes should take priority, requiring the municipality to expend funds not on the municipality's priorities, but on the programs mandated by the State.

The intent of article XIII B, section 6 is to protect local agencies' tax revenues from state mandates that would require expenditure of such revenues. This purpose is present whether a municipality spends on the state mandate unrestricted tax revenue or restricted tax revenue. The State is still requiring the expenditure of local tax revenue for programs that the State deems necessary, shifting the financial responsibility for those programs onto local agencies, and precluding use of those funds for the municipality's priorities.

In its Final Audit, the SCO has added a new requirement that is not founded on the Constitution. The SCO's offset of sale and use tax revenue from Proposition A is unconstitutional and should be disallowed by the Commission.⁴

V. THE COMMISSION ADHERED TO THE PURPOSE AND INTENT OF ARTICLE III B, SECTION 6 WHEN IT ADOPTED THE PARAMETERS AND GUIDELINES; THE SCO DID NOT

Section VIII of the Ps & Gs addresses offsetting revenues and reimbursements. Pursuant to Section VIII:

⁴ The SCO also argues that the County has not provided documentation "to support that the Proposition A Local Return funds have been included in the city's [sic] appropriations subject to the limit." Final Audit, Attachment 2, at 6. This argument is irrelevant to the question before the Commission, which is whether the State has mandated a program that requires the expenditure of local tax revenue. Here the Proposition A funds were local taxes that, because of the State mandate, were no longer available to fund the County's transit priorities. Whether the funds were included in the appropriations limit or separately accounted for does change this result. The State has still required local tax revenue to be used for the State's mandate rather than the County's priorities.

SECTION 7 WRITTEN DETAILED NARRATIVE

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state, or non-local source shall be identified and deducted from this claim.

Ps &Gs at 7.

In adopting Section VIII, the Commission acted consistent with the purpose and intent of article XIII B, section 6. Section VIII provides that offsetting revenue from the same program shall be deducted, as required by Govt. Code § 17556(e). It also provides that reimbursement for this mandate “received from any federal, state, or *non-local* source shall be identified and deducted from this claim.” (emphasis added.) As set forth above, section 6 was included in article XIII B in recognition that article XIII A severely restricted the taxing powers of local governments, and was intended to preclude the state from shifting financial responsibility for carrying out governmental functions onto local agencies that were ill equipped to handle the task. *County of Fresno*, 53 Cal. 3d at 487.

In adopting Section VIII of the Ps & Gs, the Commission acted in accord with this purpose and intent. The Commission did not require that funds from local sales and use tax revenue, unrestricted or *restricted*, should be deducted from a claim. To do so would have been to shift the operational and financial responsibility for implementation of a state-mandated governmental program and reduce the amount of local sales tax revenue that would otherwise have been available to a local agency to fund the agency’s priorities.

In contrast, the SCO’s rationale in offsetting the use of Proposition A local sales and use tax revenue is inconsistent with the purpose and intent of article XIII B, section 6. Under the SCO’s approach, the State could mandate a program, shift the financial burden of that program on to a local agency, and require the local agency to use its funds for the State’s mandated program instead of other priorities, simply because the local sales tax used for that purpose was restricted in some way. That result is not consistent with either the purpose or intent of article XIII B, section 6, the protection of local tax revenue.

VI. THE SCO’S OFFSET OF PROPOSITION A FUNDS IS INCONSISTENT WITH THE PARAMETERS AND GUIDELINES

As set forth above, Section VIII of the Ps & Gs provides that “reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.” The Proposition A funds at issue in this IRC do not qualify for such a deduction.

First, and most pertinent, Proposition A is a local tax. It is therefore not a federal or state tax within the meaning of Section VIII.

Second, as a local tax, Proposition A funds do not constitute a “non-local source” of funding. Proposition A is a local sales tax imposed on local citizens. The SCO does not dispute

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this. Nor did the SCO seek to revise the draft Ps & Gs to require deduction of special local taxes like Proposition A. Although the SCO had the opportunity to comment on the Ps & Gs before they were adopted, they chose not to comment on or seek any modification of Section VIII's reimbursement terms. (See Letters dated July 23, 2010 and February 18, 2011, attached to the Burhenn Declaration as Exhibits C and D.) Proposition A revenue does not fall within the terms of Section VIII.

Instead, the SCO seeks to justify its action on the ground that, because the County was authorized to use Proposition A funds to install and maintain trash receptacles, the County did not have to rely on general funds to pay for these activities. Final Audit, Attachment 2, at 1. The SCO also argued that a "special, supplementary sales tax" is different for purposes of article XIII B, section 6 from an unrestricted general sales tax. Final Audit, Attachment 2, at 6.

As set forth above, however, neither article XIII B, section 6 nor the Ps & Gs make these distinctions and the SCO's theory would impose requirements that are not present in either the Constitution or the Ps & Gs. The implementation of such requirements would result the County being mandated to expend local tax revenue on the State-mandated trash receptacle obligations rather than on other transit programs of the County's choice. This is precisely what article XIII B, section 6 is meant to prevent.

In this regard, it was entirely proper for the County to use Proposition A sales and use tax revenue to initially fund the installation and maintenance of the trash receptacles. The trash receptacles qualified for this use. See Local Return Guidelines at 7. The County could use these funds for the trash receptacles and then, should the County obtain a subvention of funds, use the returned Proposition A funds for other transit projects. See Declaration of Martha E. Reyes, attached in Section 8 below at ¶¶ 3, 5. Thus, the County's use of Proposition A local tax funds pending receipt of subvention was no different than use of other local tax funds pending receipt of subvention. The County had to expend funds for the mandated program, wait for reimbursement, and then after receiving reimbursement use the funds for other purposes. See Claim Reimbursement forms attached as Exhibit G. Here, those other purposes would be transit projects that are a priority of the County, not a state agency like the Regional Water Board.

The SCO nevertheless argues that the Proposition A funds could only be used as an advance against the receipt of federal, state, or local grants or private funds and that a "mandate payment is a subvention of funds to reimburse local governments for the costs of the program, which is entirely different than a grant." Final Audit, Attachment 2, at 6.

Contrary to the SCO's argument, however, Proposition A's Local Return Guidelines do not in limit advances solely to advances against grants or private funds. Instead, the Guidelines specifically recognize the ability and intent to use the funds to advance projects pending the potential receipt of money from other funding sources, as long as the received funds are returned to the appropriate Local Return account and then used for eligible transit purposes. The Local Return Guidelines' Audit section, which sets out items that must be verified during an audit, mandates that audits require that "Where funds expended are reimbursable by other grants *or fund sources*, verification that the reimbursement is credited to the Local Return account upon receipt of reimbursement." Local Return Guidelines, Section V.A, at 34 (emphasis added).

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There would be no need to require verification of reimbursement of the Local Return account from unspecified “fund sources” if the Guidelines did not anticipate that a municipality could receive such reimbursement from these sources. Thus, reimbursement *not only* from grant funds but also other “fund sources” was anticipated in the Local Return Guidelines for Proposition A. The fact that the reimbursement sought here is from the State through a subvention of state funds rather than a grant is not relevant.

Finally, the ability to use Proposition A funds pending reimbursement is also consistent with the people’s intent in adopting article XIII B, section 6. Govt. Code § 17556(d), as implemented by the Ps & Gs, excludes “expenses that are recoverable from *sources other than taxes.*” *County of Fresno*, 53 Cal.3d at 487 (emphasis added). Proposition A funding is not a “source other than taxes.” It is a local tax whose diversion to pay the State-imposed trash receptacle mandate is as much a constraint on the funds available to the County as would be the use of other, general funds. By not providing reimbursement, this limits the funds the County has for transportation projects just as if the State had refused to reimburse County general funds used for this purpose.

VII. THE SCO’S FINAL AUDIT IMPROPERLY APPLIES THE Ps & Gs RETROACTIVELY

The SCO’s application of the Ps & Gs also represents an unlawful retroactive application of those guidelines. The County first used Proposition A funds in FY 2002-03, the period from July 1, 2002 to June 30, 2003, and then used Proposition A funds in each subsequent fiscal year through FY 2012-13. The Ps & Gs, on the other hand, were not adopted until March 24, 2011. It would be arbitrary and capricious to find that the Ps & Gs retroactively prohibited the use of Proposition A funds in a way that was lawful when those funds were advanced.

In this regard, as a general rule, a regulation will not be given retroactive effect unless it merely clarifies existing law. *People ex rel. Deukmejian v. CHE, Inc.* (1983) 150 Cal.App.3d 123, 135. Retroactivity is not favored in the law. *Aktar v. Anderson* (1997) 58 Cal.App.4th 1166, 1179. Regulations that “substantially change the legal effect of past events” cannot be applied retroactively. *Santa Clarita Organization for Planning and the Environment v. Abercrombie* (2015) 240 Cal.App.4th 300, 315 n.5.

That rule applies here. At the time the County used its Proposition A funds for the installation and maintenance of the trash receptacles, it was operating under the understanding that the County could use those funds and then return them to the Proposition A account for other use once the County obtained funding from another source. Nothing in either Proposition A or mandate law indicated anything different. To retroactively apply the Ps & Gs, adopted in 2011, to preclude a subvention substantially changes the legal effect of these past events. Such an application is arbitrary, capricious, and unlawful.

The SCO responds to this argument by claiming that Proposition A funds are a “non-local source” and that the Local Return Guidelines prohibited advancement. Final Audit, Attachment 2 at 7. As set forth above, however, Proposition A is a *local sales and use tax*. It is a tax on Los Angeles County residents and the Local Return Guidelines recognize that Proposition A funds

SECTION 7 WRITTEN DETAILED NARRATIVE

may be used pending reimbursement from other sources. There is nothing in Proposition A or the guidelines that indicate differently.

The SCO also quotes from County Board of Supervisor letters approving various contracts for fulfillment of the receptacle mandate to the effect that the letters stated that the costs would be “financed” from Proposition A funds and that there would be “no net impact on County costs.” Final Audit, Attachment 2, at 6-7. The SCO argues that this shows that the Proposition A funds were not advanced. *Id.* at 6. This is wrong.

Again, the placement of trash receptacles was not the County’s choice, but a mandate imposed by a State agency, the Regional Water Board. Since the use of Proposition A funds is always contingent on reimbursement if other sourced funds are recovered, the use of such funds for the receptacles must be considered an advance. And, the use of the term “financed” and the phrase “no net impact on County costs” simply refers to the fact that Proposition A funds were available instead of other County funds.

For these reasons, the SCO’s comment that the County was “not ‘ill equipped’ to pay for the ongoing maintenance” of the receptacles (Final Audit, Attachment 2, at 7) also is inapposite. Simply because monies were available to be advanced for purposes required by a State agency does not mean that the County is not entitled to a subvention so that those funds can be used for the transit projects that it chooses to fund.

The County in FY 2002-03 had no basis to believe that the use of Proposition A funds, a local tax, would preclude it from subvention, and had no reason in the following fiscal years to believe that it would preclude subvention. The County was using local tax revenue to pay for a State mandated program. No law or regulation distinguished between restricted and non-restricted tax revenue. For the SCO to construe the Ps & Gs in 2017 to include a distinction between restricted and non-restricted local taxes when no such distinction existed from FY 2002-03 through FY 2012-13, and then to apply that construction retroactively, would be to substantially change the legal effect of these past events and thus would be an unlawful retroactive application of the Ps & Gs. *Santa Clarita Organization for Planning and the Environment, supra*, 240 Cal.App.4th at 315 n.5.

The SCO’s offset of Proposition A funds against the expenses the County has incurred, if allowed to stand, would be an unlawful retroactive application of the Ps and Gs. The SCO’s attempt to offset these funds should be reversed for this reason also.

VIII. CONCLUSION

For the foregoing reasons, the SCO’s offset of Proposition A funds against the expenses incurred by the County to meet the requirements of Part 4F5c3 of the 2001 Stormwater Permit should be reversed.

SECTION 8
DOCUMENTARY EVIDENCE AND
DECLARATIONS

DECLARATION OF
CONNIE YEE

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES PROGRAM

DECLARATION OF CONNIE YEE

I, Connie Yee, hereby declare and state as follows:

1. I am the Assistant Auditor-Controller for the County of Los Angeles (“County”) in the Department of Auditor-Controller and have served in this capacity since 2017. As part of my duties as Assistant Auditor-Controller, I am responsible for overseeing and have knowledge of the finances of the County, including the funding of County activities and programs.

2. I have personal knowledge of the matters set forth herein and, if called to testify, could and would testify competently thereto.

3. As part of my duties as Assistant Auditor-Controller, I oversee the Auditor-Controller Accounting Division, which is responsible for the recovery of costs that might be reimbursed by the State of California, including through a subvention of funds, to pay for an unfunded state mandate. This responsibility includes recovery of the costs the County incurred in complying with the obligation to place trash receptacles at transit stops imposed by the Los Angeles Regional Water Quality Board in Order No. 01-182 (the “2001 Permit”).

4. The County’s financial records reflect that the County incurred costs to comply with the trash receptacle obligations imposed by the 2001 Permit.

5. Beginning in 2011, the County filed claims for reimbursement with the office of the State Controller for the costs of installing and maintaining trash receptacles as required by the 2001 Permit. Attached as Exhibit G to this claim are the Incorrect Reduction Claim which are true and correct copies of the reimbursement claims for the costs incurred in complying with the trash receptacle obligations imposed by the 2001 Permit for the fiscal years ending June 30, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013.

6. Attached as Exhibit F to this claim is a true and correct copy of the Final Audit report received by the County from the California State Controller’s Office with respect to the County’s claims for reimbursement of the costs incurred in complying with the trash receptacle obligations imposed by the 2001 Permit.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed October 30, 2020 at Los Angeles, California.



CONNIE YEE
Assistant Auditor-Controller
Department of the Auditor-Controller
County of Los Angeles

DECLARATION OF
MARY E. REYES

DECLARATION OF MARY E. REYES

I, Mary E. Reyes, hereby declare and state as follows:

1. I am an Assistant Deputy Director of Public Works for the County of Los Angeles ("County") and have served in this capacity since October 2020. I am head of the Transportation Planning and Programs Division of the County Department of Public Works. In that capacity, I have responsibility for the funding of transportation programs. I am aware of how transportation programs, including transit projects, are funded in the County. Part of my duties include overseeing the Proposition A Local Return Transit Operations Fund, which funds County transit projects and services. I also am aware that there is a process for recovering State funds for the repayment of obligations that have been determined to be unfunded State mandates.

2. I have personal knowledge of the matters set forth herein and, if called to testify, could and would testify competently thereto.

3. I understand that from Fiscal Year 2002-03 through Fiscal Year 2012-13, the County used funds from a County sales tax, Proposition A, to pay for various transit programs, including for the placement of trash receptacles at transit stops, a requirement imposed on the County by the Los Angeles Regional Water Quality Board in Order No. 01-182 (the "2001 Permit").

4. Where the County used Proposition A funds to pay for the trash receptacle program, those funds were not available for other Proposition A-eligible County projects.

5. If funds are received by the County from the State through the County's claims for reimbursement for an unfunded State mandate, the County would be able to return the Proposition A funds used for the trash receptacle obligations to the Proposition A Local Return Transit Operations fund and use those returned funds for other Proposition A projects.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed November 2, 2020, at Alhambra, California.



Mary E. Reyes

DECLARATION OF
DAVID W. BURHENN

DECLARATION OF DAVID W. BURHENN

I, David W. Burhenn, hereby declare:

1. I am a member of Burhenn & Gest LLP and, as such, am one of the attorneys principally responsible for representing the County of Los Angeles in this matter.

2. I have personal knowledge of the matters set forth herein and, if called to testify, could and would testify competently thereto.

3. Attached as Exhibit A is a true and correct copy of Proposition A, adopted by the electorate of Los Angeles County. This copy was downloaded on June 29, 2020 from the Los Angeles County Metropolitan Transportation Authority (“Metro”) website at the address http://media.metro.net/projects_studies/taxpayer_oversight_comm/proposition_a_ordinance.pdf.

4. Attached as Exhibit B is a true and correct copy of the Proposition A and Proposition C Local Return Guidelines. This copy was downloaded from the Metro website on June 29, 2020 at the following address:

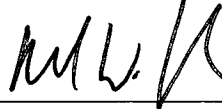
http://media.metro.net/projects_studies/local_return/images/lr_guide.pdf.

3. Attached hereto as Exhibit C is a true and correct copy of a letter from the Office of the California State Controller to the Commission on State Mandates (“Commission”) dated July 23, 2010 regarding “Revised Proposed Parameters and Guidelines and Reasonable Reimbursement Methodology” which was downloaded from the website of the Commission on November 2, 2020 at the following address: <http://csm.ca.gov/matters/03-TC-04/doc19.pdf>.

4. Attached hereto as Exhibit D is a true and correct copy of a letter from the Office of the California State Controller to the Commission dated February 18, 2011 regarding “Draft Staff Analysis, Proposed Parameters and Guidelines, Schedule for Comments, and Hearing Date” which was downloaded from the website of the Commission on November 2, 2020 at the following address: <http://csm.ca.gov/matters/03-TC-04/doc28.pdf>.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 4th day of November, 2020 at Los Angeles, California.

A handwritten signature in black ink, appearing to read 'D. W. Burhenn', written over a horizontal line.

David W. Burhenn

EXHIBIT A

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
ADMINISTRATIVE CODE

Title 3

Finance

Chapter 3-05

**An Ordinance Establishing A Retail Transactions
And Use Tax in the County of Los Angeles
For Public Transit Purposes**

(Preliminary Note: The ordinance set forth in Chapter 3-05 was originally enacted as Los Angeles County Transportation Commission Ordinance No. 16 and was adopted by a vote of the electorate as Proposition A in November 1980. It is incorporated here as enacted in 1980, except that, for convenience and consistency, its section headings and numbering have been revised to conform to the style of this Code. While the provisions of this ordinance may be cited by the section headings and numbering used herein, the official ordinance remains that enacted by the electorate in 1980. The inclusion of this ordinance in this Code is not a reenactment or an amendment of the original ordinance, and its inclusion in this Code does not in any way amend its provisions or alter its application.)

A retail Transactions and Use Tax is hereby imposed in the County of Los Angeles as follows:

3-05-010 Definitions. The following words, whenever used in this Ordinance, shall have the meanings set forth below:

- A. "Commission" means the Los Angeles County Transportation Commission.
- B. "County" means the incorporated and unincorporated territory of the County of Los Angeles.
- C. "Transaction" or "Transactions" have the same meaning, respectively, as the words "Sale" or "Sales"; and the word "Transactor" has the same meaning as "Seller", as "Sale" or "Sales" and "Seller" are used in Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.

3-05-020 Imposition of Retail Transactions Tax. There is hereby imposed a tax for the privilege of selling tangible personal property at retail upon every retailer in the County at a rate of one-half of 1% of the gross receipts of the retailer from the sale of all tangible personal property sold by him at retail in the County.

3-05-030 Imposition of Use Tax. There is hereby imposed a complementary tax upon the storage, use or other consumption in the County of tangible personal property purchased from any retailer for storage, use or other consumption in the County. Such tax shall be at a rate of one-half of 1% of the sales price of the property whose storage, use or other consumption is subject to the tax.

3-05-040 Application of Sales and Use Tax Provisions of Revenue and Taxation Code.

A. The provisions contained in Part 1 of Division 2 of the Revenue and Taxation code (Sales and Use Taxes, commencing with Section 6001), insofar as they relate to sales or use taxes and are not inconsistent with Part 1.6 of Division 2 of the Revenue and taxation Code (transactions and Use Taxes, commencing with Section 7251), shall apply and be part of this Ordinance, being incorporated by reference herein, except that:

1. The commission, as the taxing agency, shall be substituted for that of the State;
2. An additional transactor's permit shall not be required if a seller's permit has been or is issued to the transactor under Section 6067 of the Revenue and Taxation Code; and
3. The word "County" shall be substituted for the word "State" in the phrase, "Retailer engaged in business in this State" in Section 6203 of the Revenue and Taxation Code and in the definition of that phrase.

B. A retailer engaged in business in the County shall not be required to collect use tax from the purchase of tangible personal property unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property,

including, but not limited to soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, or subsidiary or person in the County under authority of the retailer.

C. All amendments subsequent to January 1, 1970, to the above cited Sales and Use Taxes provisions relating to sales or use taxes and not consistent with this Ordinance shall automatically become a part of this Ordinance; provided, however, that no such amendment shall operate as to affect the rate of tax imposed by the Commission.

3-05-050 Use of Revenues Received from Imposition of the Transactions and Use Tax.

The revenues received by the Commission from the imposition of the transactions and use tax shall be used for public transit purposes, as follows:

A. Definitions:

1. "System" or "Rail rapid transit system" means all land and other improvements and equipment necessary to provide an operable, exclusive right-of-way, or guideway, for rail transit.
2. "Local transit" means eligible transit, paratransit, and Transportation Systems Management improvements which benefit one jurisdiction.

B. Purpose of Tax. This tax is being imposed to improve and expand existing public transit Countywide, including reduction of transit fares, to construct and operate a rail rapid transit system hereinafter described, and to more effectively use State and Federal funds, benefit assessments, and fares.

C. Use of Revenues. Revenues will be allocated as follows:

1. For the first three (3) years from the operative date of this Ordinance:
 - a. Twenty-five (25) percent, calculated on an annual basis, to local jurisdictions for local transit, based on their relative percentage share of the population of the County of Los Angeles.

b. To the Southern California Rapid Transit District ("District"), or any other existing or successor entity in the District receiving funds under the Mills-Alquist-Deddeh Act, such sums as are necessary to accomplish the following purposes;

- (1) Establishment of a basic cash fare of fifty (50) cents.
- (2) Establishment of an unlimited use transfer charge of ten (10) cents.
- (3) Establishment of a charge for a basic monthly transit pass of \$20.00.
- (4) Establishment of a charge for a monthly transit pass for the elderly, handicapped and students of \$4.00.
- (5) Establishment of a basic cash fare for the elderly, handicapped and students of twenty (20) cents.
- (6) Establishment of a comparable fare structure for express or premium bus service.

c. The remainder to the Commission for construction and operation of the System.

2. Thereafter:

a. Twenty-five (25) percent, calculated on an annual basis, to local jurisdictions for local transit, based on their relative percentage share of the population of the County of Los Angeles.

b. Thirty-five (35) percent, calculated on an annual basis, to the commission for construction and operation of the System.

c. The remainder shall be allocated to the Commission for public transit purposes.

3. Scope of Use. Revenues can be used for capital or operating expenses.

D. Commission Policy.

1. Relative to the Local Transit Component:

a. Allocation of funds to local jurisdictions shall be subject to the following conditions:

(1) Submission to the Commission of a description of intended use of the funds, in order to establish legal eligibility. Such use shall not duplicate or compete with existing transit service.

(2) The Commission may impose regulations to ensure the timely use of local transit funds.

(3) Recipients shall account annually to the Commission on the use of such funds.

b. Local jurisdictions are encouraged to use available funds for improved transit service.

2. Relative to the System Component:

a. The Commission will determine the System to be constructed and operated.

b. The System will be constructed as expeditiously as possible. In carrying out this policy, the Commission shall use the following guidelines:

(1) Emphasis shall be placed on the use of funds for construction of the System.

(2) Use of existing rights-of-way will be emphasized.

c. The System will be constructed and operated in substantial conformity with the map attached hereto as Exhibit "A". The areas proposed to be served are, at least, the following:

San Fernando Valley

West Los Angeles

South Central Los Angeles/Long Beach

South Bay/Harbor

Century Freeway Corridor

Santa Ana Free Corridor

San Gabriel Valley

3-05-060 Exclusion of Tax Imposed Under Bradley-Burns Uniform Local Sales and

Use Tax Law. The amount subject to tax under this Ordinance shall not include the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county, pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or the amount of any State-administered transactions or use tax.

3-05-050 Exemption from Retail Transactions Tax.

A. There are exempted from the tax imposed by this Ordinance the gross receipts from the sale of tangible personal property to operators of waterborne vessels to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the carriage or persons or property in such vessels for commercial purposes.

B. There are exempted from the tax imposed under this Ordinance the gross receipts from the sale of tangible personal property to the operators of aircraft to be used or consumed principally outside the County in which the sale is made, and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

C. Sales of property to be used outside the County which are shipped to a point outside the County pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point, are exempt from the tax imposed under this Ordinance.

D. For purposes of this Section, “delivery” of vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle code, the

aircraft license in compliance with Section 21411 of the Public Utilities Code and undocumented vessels registered under Article 2 (commencing with Section 680) of Chapter 5 of Division 3 of the Harbors and Navigation code shall be satisfied by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his principal place of residence.

E. "Delivery" of commercial vehicle shall be satisfied by registration to a place of business out of County, and a declaration under penalty of perjury signed by the buyer that the vehicle will be operated from that address.

F. The sale of tangible personal property is exempt from tax, if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance. A lease of tangible personal property which is a continuing sale of such property is exempt from tax for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this Ordinance. For purposes of this Section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

3-05-070 Exemptions from Use Tax.

A. The storage, use or other consumption of tangible personal property, the gross receipts from the sale of which have been subject to a transaction tax under any State administered transactions and use taxes ordinances, shall be exempt from the tax imposed under this Ordinance.

B. The storage, use or other consumption of tangible personal property purchased by operators of waterborne vessels and used or consumed by such operators directly and exclusively in the carriage of persons or property in such vessels for commercial taxes is exempt from the use tax.

C. In addition to the exemption provided in Section 6366 and 6366.1 of the Revenue and Taxation Code, the storage, use, or other consumption of tangible personal property purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, United States, or any foreign government, is exempt from the use tax.

D. The storage, use, or other consumption in the County of tangible personal property is exempt from the use tax imposed under this Ordinance if purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of the Ordinance. The possession of, or the exercise of any right or power over, tangible personal property under a lease which is a continuing purchase of such property is exempt from tax for any period of time for which a lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Ordinance. For the purposes of this Section, storage, use or other consumption, or possession, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

3-05-080 Place of Consummation of Retail Transaction. For the purpose of a retail transaction tax imposed by this Ordinance, all retail transactions are consummated at the place of business of the retailer, unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-State destination or to a common carrier for delivery to an out-of-State destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the State sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State, or has more than one place of business, the place or places at which the retail sales are consummated for the

purpose of the transactions tax imposed by this Ordinance shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3-05-100 Deduction of Local Transactions Taxes on Sales of Motor Fuel.

A. The Controller shall deduct local transactions taxes on sales of motor vehicle fuel which are subject to tax and refund pursuant to Part 2 (commencing with Section 7301) of this division, unless the claimant establishes to the satisfaction of the Controller that the claimant has paid local sales tax reimbursement for a use tax measured by the sale price of the fuel to him.

B. If the claimant establishes to the satisfaction of the Controller that he has paid transactions tax reimbursement or Commission use tax measured by the sale price of the fuel to him, including the amount of the tax imposed by said Part 2, the Controller shall repay to the claimant the amount of transactions tax reimbursement or use tax paid with respect to the amount of the motor vehicle license tax refunded. If the buyer receives a refund under this Section, no refund shall be made to the seller.

3-05-110 Adoption and Enactment of Ordinance. This Ordinance is hereby adopted by the Commission and shall be enacted upon authorization of the electors voting in favor thereof at the special election called for November 4, 1980, to vote on the measure.

3-05-120 Operative Date. This Retail Transactions and Use Tax Ordinance shall be operative the first day of the first calendar quarter commencing not less than 180 days after the adoption of said Ordinance.

3-05-130 Effective Date. The effective date of this Ordinance shall be August 20, 1980.

EXHIBIT B

GUIDELINES

Proposition A and Proposition C

LOCAL RETURN



Metro

Metro Board Approved
FY 2006-07

**PROPOSITION A AND PROPOSITION C
DISTRIBUTION**

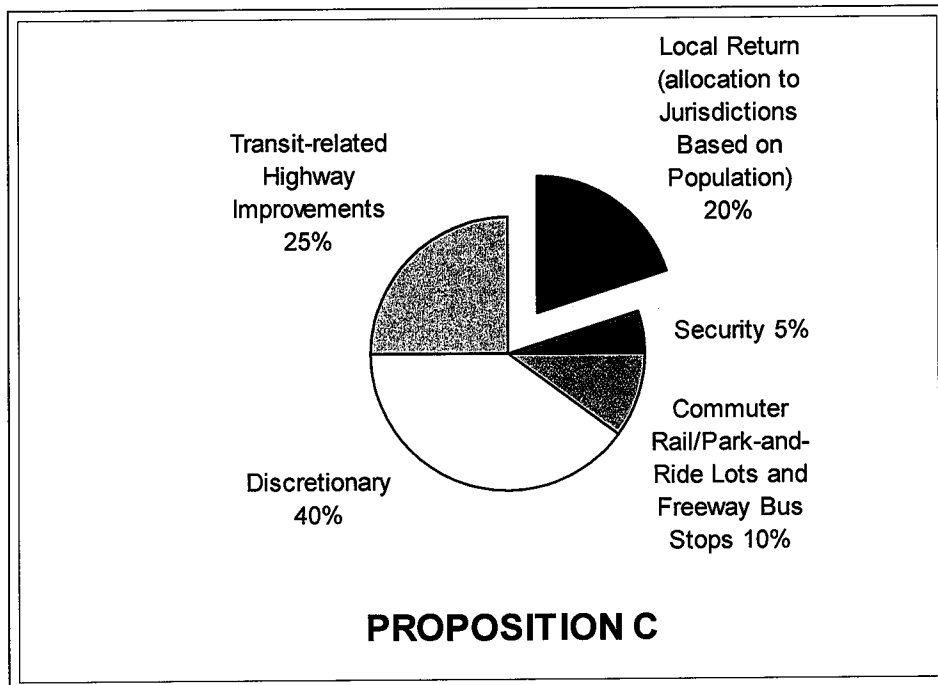
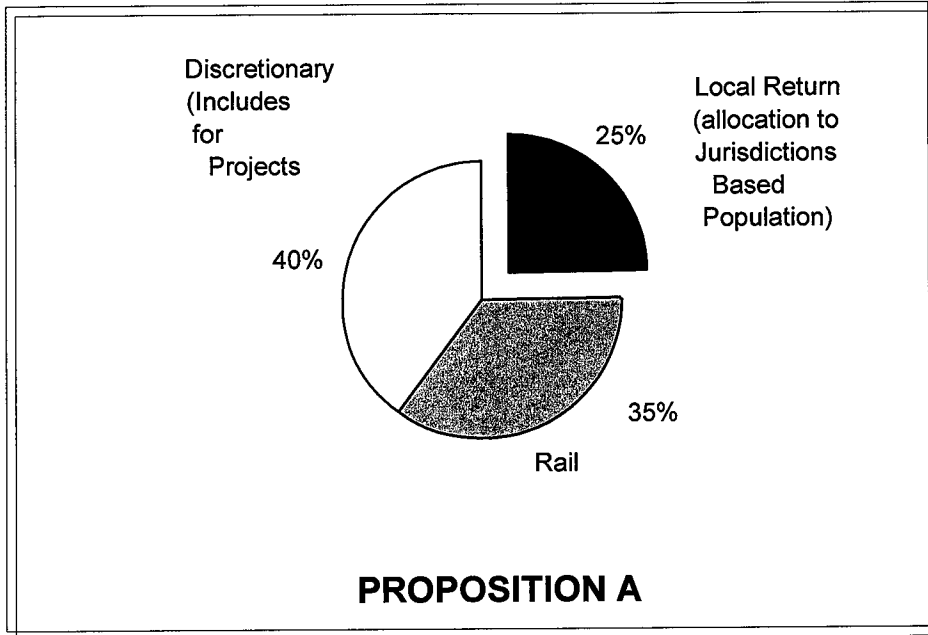


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I. PROGRAM SUMMARY

A. INTRODUCTION

The Proposition A and Proposition C Programs are funded by two 1/2 cent sales tax measures approved by Los Angeles County voters to finance a Transit Development Program. The Proposition A tax measure was approved in 1980 and the Proposition C tax measure was approved in 1990. Collection of the taxes began on July 1, 1982, and April 1, 1991, respectively.

Twenty-five percent of the Proposition A tax and twenty percent of the Proposition C tax is designated for the Local Return (LR) Program funds to be used by cities and the County (Jurisdictions) in developing and/or improving public transit, paratransit, and the related transportation infrastructure.

LR funds are allocated and distributed monthly to Jurisdictions on a "per capita" basis by the Los Angeles County Metropolitan Transportation Authority (Metro).

1. PROPOSITION A LOCAL RETURN FUNDS

The Proposition A Ordinance requires that LR funds be used exclusively to benefit public transit. Expenditures related to fixed route and paratransit services, Transportation Demand Management, Transportation Systems Management and fare subsidy programs that exclusively benefit transit are all eligible uses of Proposition A LR funds. Proposition A LR funds may also be traded to other Jurisdictions in exchange for general or other funds.

2. PROPOSITION C LOCAL RETURN FUNDS

The Proposition C Ordinance directs that the LR funds also be used to benefit public transit, as described above, but provides an expanded list of eligible project expenditures including, Congestion Management Programs, bikeways and bike lanes, street improvements supporting public transit service, and Pavement Management System projects. Proposition C funds cannot be traded.

The tables in Appendix I, page 36, summarize the Proposition A and Proposition C LR Programs and the respective eligible project expenditures.

B. GENERAL PROVISIONS CONCERNING PROPOSITION A AND PROPOSITION C LOCAL RETURN EXPENDITURES

Jurisdictions are required to use LR funds for developing and/or improving public transit service. As a general rule, an expenditure that is eligible for funding under one or more existing state or federal transit funding programs would also be an eligible LR fund expenditure provided that the project does not duplicate an existing regional or municipal transit service, project or program.

Allocation of LR funds to and expenditure by Jurisdictions shall be subject to the following conditions:

1. **TIMELY USE OF FUNDS**

Metro will enforce regulations to insure the timely use of LR funds. Under the Proposition A and Proposition C Ordinances, Jurisdictions have three years to expend LR funds. Funds must be expended within three years of the last day of the fiscal year in which funds were originally allocated. Therefore, by method of calculation, each Jurisdiction has the Fiscal Year of allocation plus three years to expend Proposition A and/or Proposition C funds. For example, a Jurisdiction receiving funds during FY 2005-06 must expend those funds, and any interest or other income earned from Proposition A and/or Proposition C projects, by June 30, 2009.

2. **AUDIT OF PROPOSITION A AND PROPOSITION C FUNDS**

Jurisdictions shall annually account, through a fiscal and compliance audit, to Metro on the use of LR funds. The Audit Section, (Section V, page 33), details Project Expenditure Criteria, Allowable Costs, Audit Deliverables, and Administrative Accounting Procedures.

3. **INELIGIBLE USE OF FUNDS**

If LR funds have been expended prior to Metro approval and/or used for ineligible purposes, Jurisdictions will be required to reimburse their Proposition A or C LR account, including interest and/or earned income, as indicated in the Audit Section (page 33).

Stand alone projects, such as, lighting, landscaping, traffic signals, storm drains, or Transportation Planning projects unrelated to an eligible project, are not eligible.

4. **STANDARD ASSURANCES**

If a new Jurisdiction is formed within Los Angeles County, Metro will require that a Standard Assurances and Understanding agreement be submitted prior to participation in the LR Program. A sample Standard Assurance and Understanding Agreement form is included as Appendix II (see page 37).

C. **PROPOSITION A AND PROPOSITION C FORMS AND SUBMITTAL REQUIREMENTS**

To maintain eligibility and meet LR Program compliance requirements, Jurisdictions shall submit a Project Description (Form A) as required, an Annual Project Update (Form B) and Annual Expenditure Report (Form C). Form submittal information is detailed in the Administrative Process section, page 21. Sample forms along with instructions for their completion are included as Appendix VIII (page 49). An electronic version is available on the website @www.Metro.net (under Projects/Programs; Local Return Program).

Project Description Form (Form A)

Jurisdictions shall submit for approval a Project Description Form prior to the expenditure of funds for: 1) a new project; 2) a new route; 3) a 25 percent change (increase or decrease) in route or revenue vehicle miles for an established LR funded transit service; 4) a 0.75 miles or greater service change that duplicates/overlays an existing transit service; or 5) a 25 percent or greater change in an approved LR project budget or scope on all operating or capital LR projects.

Annual Project Update (Form B)

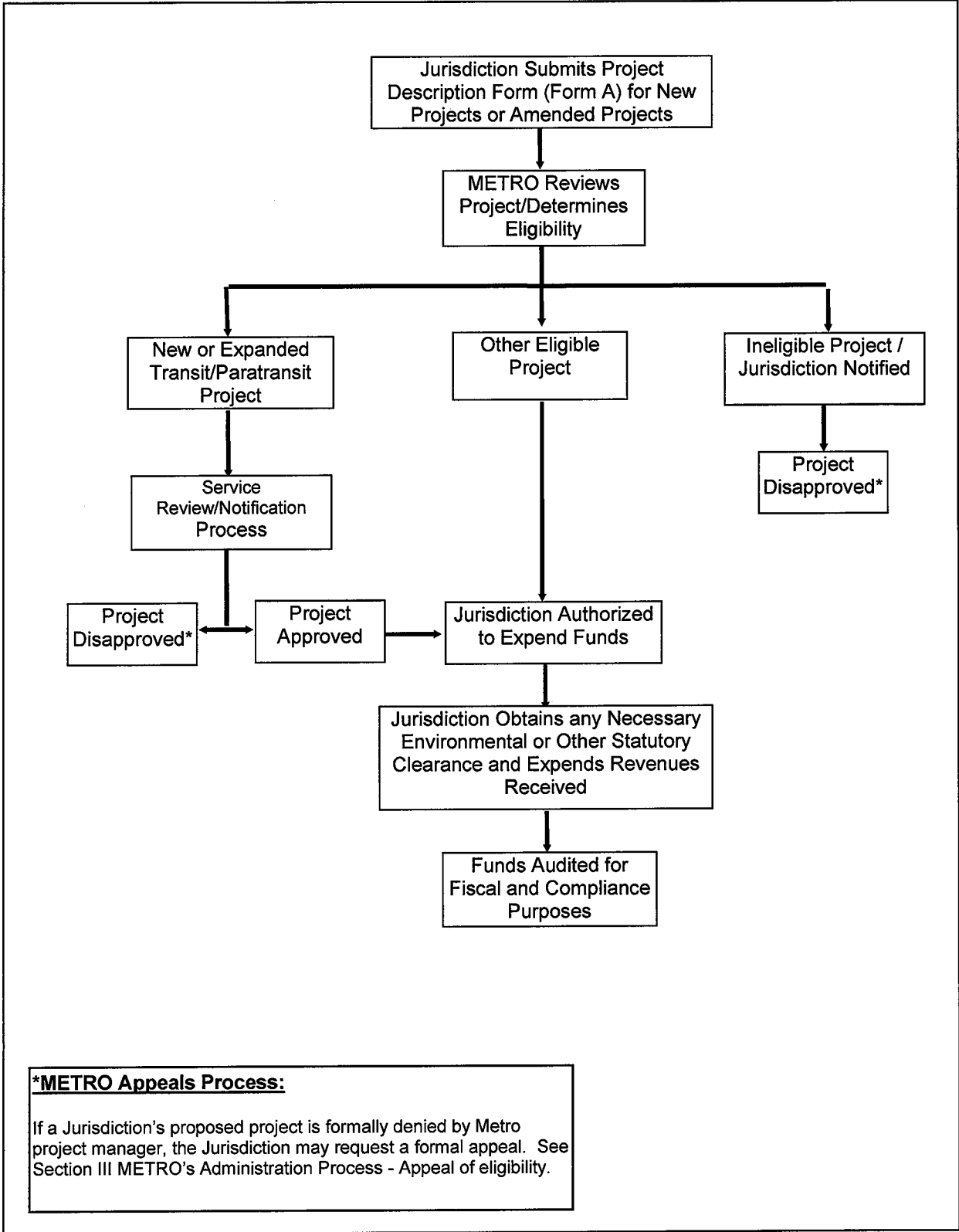
Jurisdictions shall submit on or before August 1 of each fiscal year an Annual Project Update to provide current information on all approved on-going and carryover LR projects. Metro will review and accept or return the report for changes. Cities shall report the anticipated expenditure cash flow amounts for the covered fiscal year.

Annual Expenditure Report (Form C)

On or before October 15th of each fiscal year, the Jurisdictions shall submit an Annual Expenditure Report to provide an update on previous year LR fund receipts and expenditures.

The following provides a summary of form use and due dates:

<u>FORM</u>	<u>DETERMINATION</u>	<u>DUE DATE</u>
Project Description Form - Form A	New and amended projects	Any time during the year
Annual Project Update - Form B	All on-going and/or capital (carryover) projects	August 1 st of each year
Annual Expenditure Report - Form C	Report expenditures	October 15 th of each year



***METRO Appeals Process:**

If a Jurisdiction's proposed project is formally denied by Metro project manager, the Jurisdiction may request a formal appeal. See Section III METRO's Administration Process - Appeal of eligibility.

II. PROJECT ELIGIBILITY

The Proposition A and Proposition C Ordinances specify that LR funds are to be used for “public transit purposes” as defined by the following: “A proposed expenditure of funds shall be deemed to be for public transit purposes to the extent that it can reasonably be expected to sustain or improve the quality and safety of and/or access to public transit services by the general public or those requiring special public transit assistance”.

For simplification and user ease, project categories that share common eligibility requirements and/or project code designations are defined and listed as either Proposition A and Proposition C Eligible, Proposition A Exclusive, or Proposition C Exclusive. Local Return can be used as a match to grant programs such as the Metro Call for Projects, the Safe Routes to School, and the Hazard Elimination and Safety programs, so long as the projects are LR eligible. Note: The following project eligibility criteria provide for general guidance only and are not the sole determinant for project approval. The authority to determine the eligibility of an expenditure rests solely with Metro. Jurisdictions may appeal projects deemed ineligible as described in Section III, Metro’s Administrative Process, page 23.

A. ELIGIBLE USES OF PROPOSITION A AND PROPOSITION C

1. PUBLIC TRANSIT SERVICES - OPERATING (Codes 110,120, 130 & 140)

New or expanded Transit or Paratransit services are subject to review under the Service Coordination Process (SCP) as detailed in Section III, page 24. The process will, in part, determine the proposed service’s compatibility with the existing regional bus transit system provided by Metro and services provided by the municipal transit operators. Metro may request that modification be made to proposed services that duplicate or compete with existing services. Proposed services must also meet the criteria outlined under Non-exclusive School Service and Specialized Transit discussed on the following page. Note that Emergency Medical Transportation is not an eligible use of LR funds.

Examples of Fixed Route, Paratransit, and Recreational Transit Service projects follow:

1.1 FIXED ROUTE SERVICE (Project Code 110)

- New fixed route or Flexible Destination bus service
- Extension or augmentation of an existing bus route(s)
- Contracting with a transit operator or private provider for commuter bus service
- Contracting with a transit in an adjacent county to provide transit within Los Angeles County
- Operating subsidy to existing municipal or regional bus operator
- Service enhancements related to Bus/rail Interface
- ADA improvements to fixed route operations
- Shuttle service between activity centers

1.2 PARATRANSIT SERVICE (Project Codes 120 & 130)

- Expansion/ coordination of existing paratransit service
- Subsidized, shared-ride taxi service for disadvantaged residents
- Taxi coupon programs used to provide intermittent or temporary capacity to support paratransit systems for senior and disabled patrons
- New paratransit service
- General public paratransit service
- ADA-related improvements to paratransit operations

Non-Exclusive School Service

Fixed-route bus services or Demand-responsive services available to the general public, which also provide school trips, are eligible for LR funding. Exclusive school bus services are not eligible. **Projects must meet the following conditions:**

- The bus Vehicles utilized cannot be marked "School Bus" or feature graphics that in any way indicate they are not available to the general public. Yellow paint schemes should not be for the specific purpose of meeting the vehicle code definition of a school bus
- The bus Head Sign is to display its route designation by street intersection, geographic area, or other landmark/destination description and cannot denote "School Trip" or "Special." In cases where the service includes an alternate rush-hour trip to provide service by a school location, the dashboard sign is to indicate the line termination without indicating the school name
- Timetables for such services will be made available to the general public, shall provide the given schedule and route but must not be labeled "school service"
- Drivers must be instructed that such service is available to the general public and board and alight all passengers as required at designated stops
- The same fare payment options must be made available to all users
- The overall transportation service provided in the Jurisdiction must not be for school service hours only

Specialized Public Transit

Metro will approve special-user group service or social service transit where it can be incorporated into the existing local transit or paratransit program. Jurisdictions must demonstrate that existing services cannot be modified to meet the identified user need. Projects must meet the following conditions:

- The special user group identified does not discriminate on the basis of race, religion, sex, disability or ethnicity
- Service shall be available to all members of the general public having that specialized need and not be restricted to a specific group or program
- Service shall be advertised to the general public
- Metro may require, as a condition of approval, inter-jurisdictional project coordination and consolidation
- LR funds may only be used for the transportation component of the special user group program, i.e., direct, clearly identifiable and auditable

transportation costs, excluding salaries for specialized escorts or other program aides

- The designated vehicle(s) used must be made available for coordination with other paratransit programs if space permits

1.3 RECREATIONAL TRANSIT SERVICE (Project Code 140)

Jurisdictions shall submit a listing of Recreational Transit Services no later than October 15 after the fiscal year. Recreational Transit Service projects must meet the following conditions:

- Travel within the area of Los Angeles, Orange and Ventura Counties, and portions of Kern, Riverside and San Bernardino Counties (see map Appendix VII, page 48) are eligible expenditures. Trip segments to areas shown on the proportionately eligible areas of the map must be funded through other sources. Trips to locations not within either the eligible or proportionately eligible area are not eligible.
- Trips may be limited to certain general age groups (e.g., children under 18, senior citizens, persons with disabilities), however, trips must be made available to all individuals within that designated group.
- Special events or destinations (e.g., city parks, concerts, special events) may be served, however, all members of the general public including individuals with disabilities must be allowed to use, the service.
- LR funds may not be used to pay the salaries of recreation leaders or escorts involved in recreational transit projects.
- All recreational transit trips must be advertised to the public, such as through newspapers, flyers, posters, and/or websites.

2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Codes 150, 160 & 170)

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings - in street for buses and at sidewalk for passengers
- Bus turn-outs
- Benches
- Shelters
- Trash receptacles
- Curb cuts
- Concrete or electrical work directly associated with the above items

Amenities shall be integral to the bus stop. Improvements must be located within 25 feet of the bus stop signpost, or have one edge or end within that area. At high volume stops, where more than one bus typically uses the stop at a time, improvements must be placed at the immediate locations where buses normally stop.

Curb cuts may be located on or adjacent to street segments (blocks) with bus stops.

Conditions:

Jurisdictions shall coordinate bus stop improvements (excluding curb cuts) with effected Transit Operators. A letter of coordination must be submitted with the Project Description Form. Jurisdictions that propose replacing privately owned benches or shelters must notify the Operator before requesting City Council project approval. The Operator shall have seven (7) days to respond to the notification before the Jurisdiction takes further action.

3. PUBLIC TRANSIT - CAPITAL (Project Codes 180, 190 & 200)

Public Transit Capital projects will be approved only for the percentage of vehicle or equipment use, as determined by Metro staff, exclusive to public transit service. A list of sample Public Transit Capital projects follows:

- a. Vehicles/parts purchases and repairs
 - Transit vehicles for passenger service
 - Mechanical parts and supplies for buses or vans
 - Non-revenue support vehicles, such as supervisor's cars, service trucks
 - ADA-related improvements to vehicles
 - Retrofits or additions to buses or vans, such as lifts, fare boxes, or radios
 - Security equipment, for example, cameras on buses
- b. Equipment
 - New or modified transit maintenance facilities
 - Maintenance equipment for new or existing transit or paratransit operations
 - Office equipment and furnishings for new and existing transit and paratransit operations

NOTE: Jurisdictions shall reimburse their LR Account, in the amount of the current appraised value or purchase price from resale, for Public Transit Capital projects no longer used for public transit purposes.

4. TRANSPORTATION SYSTEMS MANAGEMENT (TSM) (Project Code 210)

TSM projects are relatively low-cost, non-capacity-enhancing traffic control measures that serve to improve vehicular (bus and car) flow and/or increase safety within an existing right-of-way. Proposals must include an element demonstrating the project's benefit to public transit. **A list of sample TSM projects follows:**

- Reserved bus lanes (no physical separation) on surface arterials
- Contra-flow bus lanes (reversible lanes during peak travel periods)
- Ramp meter by-pass (regulated access with bus/carpool unrestricted entry)
- Traffic signal priority for buses (to allow approaching transit vehicles to extend green phase or change traffic signal from red to green)
- Preferential turning lanes for buses
- Other traffic signal improvements that facilitate bus movement

If a Local Return funded project is or has an Intelligent Transportation System (ITS) component, it must be consistent with the Regional ITS Architecture. ITS projects must comply with the Countywide ITS Policy and Procedures adopted by

the Metro Board including the submittal of a completed, signed self-certification form. Please go to <http://RIITS.net/RegITSDocs.html> and choose “Los Angeles Countywide ITS Policy and Procedures Document” or see Appendix VI (page 45) for information on Countywide ITS Policy and Procedures, and the self-certification form.

5. TRANSIT SECURITY (Project Codes 220 & 230)

Transit Security projects may include Transit Safety, Security Operations and Safety Education Programs, provided that they demonstrate a direct benefit to public transit service and do not supplant general law enforcement programs.

A list of sample Transit Security Programs follows:

- Local police deployment for direct and specific transit security
- Private security (state licensed) deployment for transit security
- Contracted police services for direct and specific transit security
- Capital improvements for transit security
- Innovative and/or advanced technology transit security
- Community-based policing activities in direct support of transit security
- Security awareness, graffiti prevention, Safety education and/or crime prevention programs
- Transit security at commuter rail stations and park and ride facilities

NOTE: Jurisdictions are encouraged to participate in existing local and regional transit security efforts, which should be coordinated through Metro.

6. FARE SUBSIDY (Project Codes 240 & 250)

Fare Subsidy programs provide residents within Jurisdictions a discount fare incentive for using public transit. The method, amount of subsidy and user group(s) shall be determined by Jurisdictions. **A list of sample Fare Subsidy Programs follows:**

- User-side subsidies (buy down of passes, tickets, or coupons) for the general public or segments of the general public (i.e., elderly, individuals with disabilities, or low-income residents)
- Subsidy of bus/rail passes, tickets or tokens for transit riders-

7. TRANSPORTATION PLANNING (Project Code 270)

Planning, coordination, engineering and design costs incurred toward the implementation of eligible LR projects are eligible when the following conditions are met:

- The projects being planned (designed, coordinated, etc.) are LR eligible.
- Coordination includes: local jurisdictions’ start up costs or dues for Councils of Governments (COG’s) and Transportation Management Associations (TMA’s); advocacy; and funding for Joint Powers Authorities (JPA’s) by local jurisdictions or (COG’s).
- If some of a COG’s, TMA’s or JPA’s projects or activities are LR eligible and some are not, partial payment of dues must be made, in proportion to the organization’s budget for LR eligible projects.

- Proposition A must be used to plan for Proposition A eligible projects.
Proposition C must be used to plan for Proposition C eligible projects.

8. TRANSIT MARKETING (Project Code 280)

Transit Marketing projects may include:

- Transit user guides, maps, brochures
- Transit information Kiosks
- Transit information/pass sales centers
- New rider subsidy programs

9. PARK-AND-RIDE LOTS (Project Code 290)

Park-and-Ride Lot projects must be coordinated with Metro and appropriate affected transit operator(s). Additional justification including, for example, surveys or studies that provide a basis for determining the project's level of public transit use and related funding, may be requested prior to project evaluation.

Park-n-Ride Lot projects shall:

- be located adjacent to (no greater than 0.25 mile away from) a fixed route service bus stop, HOV lanes and/or rail stations.
- be located on unimproved land unless a specific Metro waiver is granted.
- have received environmental clearance by the Jurisdiction prior to Metro approval for construction funds
- require a letter from the affected transit operator(s) to the Jurisdiction and Metro, as reasonable assurance, that park-and-ride lot users will be assured of continued access to services.
- be used primarily by transit/rideshare patrons during commute hours.
- have appropriate exclusive-use signage posted and enforced.
- be open for general parking during non-transit use time, e.g., evenings and weekends, provided that transit user demands are not adversely impacted. All revenues, (for example, parking, advertising or related revenue) generated during the non-transit use time must be returned to the Jurisdictions' LR Account in the same proportion as the original LR investment in the facility. In the event that the facility ceases operation, the Jurisdiction shall be required to repay its LR Account as determined by the audit, see page 33.

10. TRANSIT FACILITIES/TRANSPORTATION ENHANCEMENTS (TE) (Project Codes 300 & 310)

Examples of Transit Facility projects include:

- Bus-only transit malls or stations
- Transit/paratransit accessible Transfer Centers that feature, for example, shelters, telephones, information displays/centers, and other related amenities)
- Eligible as match to TE grants.
- Eligible projects may include building rehabilitation and restoration for transit-related purposes.
- Project itself must be LR eligible.

Conditions:

Jurisdictions shall submit a project budget and scope of work that specifies the proposed facility's public transit and, if applicable, joint development. Additional documentation may be required to determine project eligibility and level of funding.

If the facility ceases to be used for public transit purposes, LR funds used toward land purchase for a facility must be returned at the original purchase price or present appraised value, whichever is greater, to the Jurisdiction's LR Account. Repayment of facility expenditures shall be based on the schedule outlined on page 31.

Prior to land and/or facility purchases, Jurisdictions shall provide the following:

- Documentation of the financial resources for facility implementation, operation and maintenance
- Assurance(s) from the affected transit carrier(s) to provide facility service
- Land appraisal
- Assurance that the Jurisdiction will proceed with the project per the implementation schedule outlined in the application
- Environmental clearance in conformance with, wherever applicable, all local, state and federal requirements. Jurisdictions preparing an Environmental Impact Report (EIR) must coordinate with Metro Regional Transportation Planning and Development Department.

11. METRO RAIL CAPITAL (Project Codes 320)

Metro Rail Capital projects may include, for example, Metro Red, Blue, Green, or Gold Line or Mid-City Exposition Light Rail Transit station or line improvements, local match toward Metro Rail Capital projects, Metro Art or related Metro Rail enhancements.

12. RIGHT-OF-WAY IMPROVEMENTS (Project Code 350)

Right-of-Way Improvements or land purchases must be coordinated through Metro to ensure consistency with adopted regional corridors, priorities or preferred alignments. Right-of-Way Improvement project proposals must also demonstrate direct, quantifiable, environmental and/or economic benefit to given LR-eligible projects.

13. COMMUTER RAIL (Project Codes 360 & 370)

Rail (commuter system and station enhancement) projects must be consistent with Metro's existing and planned program of rail projects. Eligible project may include match to TE grants for building rehabilitation and restoration for transit-related purposes. Project itself must be LR eligible. **Examples of Rail projects include:**

- Signal upgrades at rail crossings
- Signage and marketing materials to promote increased commuter rail ridership
- Landscaping, lighting, fencing and environmental enhancements at or along commuter rail facilities

- System safety
- Safety education programs
- Commuter rail station operating, maintenance, insurance, or other station-related costs
- Commuter rail station capital costs

14. CAPITAL RESERVE (Project Code 380)

A Capital Reserve project provides Jurisdictions the opportunity to accumulate LR funds (over and above the year of allocation and three year expenditure requirement see page 30, Timely Use of Funds) to finance a large project. Projects are limited to construction of bus facilities, bus purchases, transit centers, park-and-ride lots, construction of major street improvements or rail projects along Metro's planned and adopted rail corridors.

A Capital Reserve project constitutes a long-term financial and planning commitment. For specific information on the Capital Reserve approval process, see Section III, Metro's Administration Process, page 26.

15. DIRECT ADMINISTRATION (Project Code 480)

Direct Administration is defined as those fully burdened costs which are directly associated with administering Local Return program or projects, and includes salaries and benefits, office supplies and equipment, and other overhead costs.

Direct Administration project conditions:

- All costs shall be associated with developing, maintaining, monitoring, coordinating, reporting and budgeting specific LR project(s)
- Expenditures must be reasonable and appropriate to the activities undertaken by the locality
- The administrative expenditures for any year shall not exceed 20 percent of the total LR annual expenditures, based on year-end expenditures, and will be subject to an audit finding if the figure exceeds 20%;
- The annual expenditure figure will be reduced by fund trades to other cities and/or funds set aside for reserves; conversely, the annual expenditure figure will be increased by expenditure of reserves or LR funds received in fund exchanges;
- Jurisdictions are required to report all administrative charges to Direct Administration in order to verify compliance of 20% administration cap.

16. OTHER (Project Code 500)

Projects that do not fit under any of the project codes, but are for public transit purposes, may be included in the "other" category. Note that "public transit purposes" are defined as follows: "A proposed expenditure of funds shall be deemed to be for public transit purposes to the extent that it can reasonably be expected to sustain or improve the quality and safety of and/or access to public transit services by the general public or those requiring special public transit assistance".

B. EXCLUSIVE USES OF PROPOSITION A FUNDS

Projects listed below are eligible for Proposition A LR funding only. Jurisdictions must certify that all project conditions will be met and include all supporting documents with submittal of the Form A. Stand alone amenities such as traffic signals, landscaping and storm drains are ineligible. Note: The following project eligibility criteria provide general guidance only and are not the sole determinant for project approval. The authority to determine the eligibility of an expenditure rests solely with Metro. Jurisdictions may appeal projects deemed ineligible as described in Section III, page 23.

1. SIGNAL SYNCHRONIZATION (Project Code 400)

Signal Synchronization projects must meet the following eligibility conditions:

- Bus priority must be included as an element of the project
- The project arterial must be used by a minimum of ten transit buses, counted bi-directionally, per hour, or five buses hourly in each direction
- Projects may be implemented only on major arterials
- Documentation of coordination with affected public transit operators is required for approval (e.g., correspondence between the Jurisdiction and the transit operator with written concurrence between the transit operator and Metro)
- Local return funds shall not be used to alter system/signal timing that was implemented under a traffic forum project/grant unless coordinated with all affected jurisdictions in the corridor.

If a Local Return funded project is or has an Intelligent Transportation System (ITS) component, it must be consistent with the Regional ITS Architecture. ITS projects must comply with the Countywide ITS Policy and Procedures adopted by the Metro Board including the submittal of a completed, signed self-certification form. Please go to <http://RIITS.net/RegITSDocs.html> and choose "Los Angeles Countywide ITS Policy and Procedures Document" or see Appendix VI (page 45) for information on Countywide ITS Policy and Procedures, and the self-certification form.

2. FUND EXCHANGE (Project Code 405)

Proposition A funds may be given, loaned, or exchanged by Jurisdictions provided that the following conditions are met:

- Participants are responsible for insuring that the traded funds will be utilized for public transit purposes
- The exchange of funds should not result in a net loss of revenues available for public transit in Los Angeles County (i.e., trade of Proposition A funds for farebox or other transit revenues)
- Traded Proposition A LR funds retain their original date of allocation and lapse date. Jurisdictions submitting Fund Exchange projects shall note the year of allocation on their Form A so that the fund lapse policy may be monitored.

In addition, Jurisdictions shall provide the following detail in submitting Fund Exchange projects for approval:

- Source of funds to be exchanged
- Fund amounts to be exchanged
- Period of exchange
- Assurance that the end use of Proposition A LR funds will be for eligible transit uses
- Provision for circumstances should source of funds (one or both) become unavailable during the exchange period.
- Certification by participating Jurisdictions (e.g. City Council action)

A sample Fund Exchange Agreement is included in Appendix V page 43.

NOTE: Jurisdictions participating as the “seller” in a Proposition A Fund Exchange projects will, for two years from the date of transaction, be subject to disqualification or reduced project application scores in the Transportation Improvement Program (TIP) Call for Projects.

3. TRANSPORTATION DEMAND MANAGEMENT (Project Code 410)

Transportation Demand Management (TDM) projects are defined as strategies/actions intended to influence the manner in which people commute, resulting in a decrease in the number of vehicle trips made and vehicle miles traveled during peak travel periods.

TDM projects funded by Proposition A require a public transit element and will be evaluated on their projected impact on reduction of single-occupancy vehicle trips, corresponding vehicle miles traveled, and potential to increase transit use.

A list of sample TDM projects follows:

- Formation and operation of vanpool and/or vanpool incentive programs, including ride matching programs (must be made available to all employers and/or residents within the Jurisdiction boundaries)
- Community-based shuttles for employees as long as such services complement existing transit service
- Parking Management incentive programs, such as, parking cash outs or parking pricing strategies
- Employer or citizen ride-matching programs and subsidies
- Formation or ongoing operation of a Transportation Management Association to administer and market local TDM programs (provided that the 20 administrative cost stipulated for Proposition A and Proposition C is not exceeded)
- Transit and TDM-related activities required by the Congestion Management Program (CMP) including: preparation of TDM ordinances; administration and implementation of transit or TDM-related projects pursuant to CMP deficiency plans; and monitoring of transit standards by transit operators
- Funding Transportation Management Organization's (TMO) insurance costs or individual employer's vanpool programs under the umbrella vehicle insurance policy of the Jurisdiction

- Providing matching funds for LR eligible Safe Routes to School projects.

Jurisdictions are encouraged to adopt monitoring and evaluation performance standards for funding TDM projects. Jurisdictions are encouraged to utilize regionally adopted standards, and demonstrate, for example, how AQMD trip reduction targets are addressed through the TDM measure.

In conformity with regional, state and federal air quality objectives, Metro encourages use of alternative-fuel vehicles (e.g. LNG, CNG, Methanol) for any TDM-related shuttle, vanpool or paratransit vehicles.

If a Local Return funded project is or has an Intelligent Transportation System (ITS) component, it must be consistent with the Regional ITS Architecture. ITS projects must comply with the Countywide ITS Policy and Procedures adopted by the Metro Board including the submittal of a completed, signed self-certification form. Please go to <http://RIITS.net/RegITSDocs.html> and choose “Los Angeles Countywide ITS Policy and Procedures Document” or see Appendix VI (page 45) for information on Countywide ITS Policy and Procedures, and the self-certification form.

C. EXCLUSIVE USES OF PROPOSITION C FUNDS

Projects listed below are eligible for Proposition C LR funding only. Jurisdictions must certify that all project conditions will be met and include all supporting documents with submittal of the Form A. Jurisdictions are encouraged to use LR funds for improved public transit services and for multi-jurisdictional cooperation of arterial traffic signal control operations. Agency costs for operating a centralized traffic signal system, including those costs linked to a local agency’s participation in the countywide Information Exchange Network (IEN), are now eligible for reimbursement. Stand alone amenities such as landscaping and storm drains are ineligible. Note: The following project eligibility criteria provide for general guidance only and are not the sole determinant for project approval. The authority to determine the eligibility of an expenditure rests solely with Metro. Jurisdictions may appeal projects deemed ineligible as described in Section III, page 23.

1. SIGNAL SYNCHRONIZATION & TRAFFIC MANAGEMENT (Project Code 400)

Synchronized Signalization projects must meet the following conditions:

- Projects shall be implemented only on major arterials.
- Operation costs associated with centralized traffic signal control systems, including updating traffic signal coordination timing and costs associated with multi-jurisdictional or inter-community systems, (such as the IEN or ATSAC/ATCS) or with transit signal priority systems, are eligible. Costs may include: lease lines for communication; software licenses and maintenance; hardware maintenance, maintenance and repair of hardware, vehicle detection devices and interconnect lines; warranties; and upgrades and enhancements for software or hardware. Cities shall coordinate the signal timing or systems with other affected jurisdictions.

- The major arterial targeted for implementation must have full-sized transit buses operating on regularly scheduled fixed routes.
- Documentation of coordination with affected public transit operators is required for approval (e.g., correspondence between the Jurisdiction and the transit operator with written concurrence from the transit operator to Metro)
- Local return funds shall not be used to alter system/signal timing that was implemented under a traffic forum project/grant unless coordinated with all affected jurisdictions in the corridor.

Installation or modification of traffic signals which are not part of a larger transit project are not eligible, except as detailed in this section. Maintenance and replacement of traffic signals are not eligible.

Traffic signal projects will be reviewed and considered on a case by case basis to evaluate the transit benefit of the project. The following information may be requested and evaluated, depending on the type of traffic signal project:

- Number of transit boardings at the affected transit stop or station
- Transit patrons as a proportion of pedestrian volume
- Transit vehicles as a proportion of vehicle flow
- Letter from affected transit operator requesting and justifying traffic signal installation or modification
- Proximity of proposed signal to transit stop or station
- The affected transit stop(s) must be served by transit with 15 minute or greater frequency to be eligible.
- Proximity to adjacent controlled intersection

Based on the review, all or a proportion of the project costs may be eligible for Local Return funds.

If a Local Return funded project is or has an Intelligent Transportation System (ITS) component, it must be consistent with the Regional ITS Architecture. ITS projects must comply with the Countywide ITS Policy and Procedures adopted by the Metro Board including the submittal of a completed, signed self-certification form. Please go to <http://RIITS.net/RegITSDocs.html> and choose “Los Angeles Countywide ITS Policy and Procedures Document” or see Appendix VI (page 45) for information on Countywide ITS Policy and Procedures, and the self-certification form.

2. TRANSPORTATION DEMAND MANAGEMENT (Project Code 410)

Transportation Demand Management (TDM) projects are defined as strategies/actions intended to influence the manner in which people commute, resulting in a decrease in the number of vehicle trips made and vehicle miles traveled during peak travel periods.

TDM projects funded by Proposition C will be evaluated on their proposed impact on reduction of single-occupancy vehicle trips and corresponding vehicle miles traveled.

A list of sample TDM projects follows:

- Formation and operation of vanpool and/or vanpool incentive programs, including ride matching programs (must be made available to all employers and/or residents within the Jurisdiction boundaries)
- Community-based shuttles for employees as long as such services complement existing transit service
- Parking Management incentive programs, such as, parking cash outs or parking pricing strategies
- Employer or citizen ride-matching programs and subsidies
- Formation or ongoing operation of a Transportation Management Association to administer and market local TDM programs (provided that the 20% administrative cost stipulated for Proposition A and Proposition C is not exceeded)
- Transit and TDM-related activities required by the Congestion Management Program (CMP) including: preparation of TDM ordinances; administration and implementation of transit or TDM-related projects pursuant to CMP deficiency plans; and monitoring of transit standards by transit operators
- Funding Transportation Management Organization's (TMO) insurance costs or individual employer's vanpool programs under the umbrella vehicle insurance policy of the Jurisdiction
- Providing matching funds for LR eligible Safe Routes to School projects.

Jurisdictions are encouraged to adopt monitoring and evaluation performance standards for funding TDM projects. Jurisdictions are encouraged to utilize regionally adopted standards, and demonstrate, for example, how AQMD trip reduction targets are addressed through the TDM measure.

In conformity with regional, state and federal air quality objectives, Metro encourages use of alternative-fuel vehicles (e.g. LNG, CNG, Methanol) for any TDM-related shuttle, vanpool or paratransit vehicles.

If a Local Return funded project is or has an Intelligent Transportation System (ITS) component, it must be consistent with the Regional ITS Architecture. ITS projects must comply with the Countywide ITS Policy and Procedures adopted by the Metro Board including the submittal of a completed, signed self-certification form. Please go to <http://RIITS.net/RegITSDocs.html> and choose "Los Angeles Countywide ITS Policy and Procedures Document" or see Appendix VI (page 45) for information on Countywide ITS Policy and Procedures, and the self-certification form.

3. CONGESTION MANAGEMENT PROGRAM (CMP) (Project Code 420)

The following provides a list of sample CMP projects:

- Land use analysis as required by CMP
- Computer modeling as required to support CMP land use analysis
- Administration, monitoring and implementation of transit- or TDM-related projects as part of deficiency plans
- Monitoring of transit standards by transit operators

4. **BIKEWAYS AND BIKE LANES** (Project Code 430)

Bikeway projects include bikeway construction and maintenance, signage, information/safety programs, and bicycle parking, and must meet the following conditions:

- Shall be linked to employment or educational sites
- Shall be used for commuting or utilitarian trips
- Jurisdictions must have submitted a PMS Self Certification (see page 20, and Appendix III on page 39).

5. **STREET IMPROVEMENT AND MAINTENANCE** (Codes 440, 450 & 460)

Proposition C Local Return funds are to be used for the maintenance and improvements to street and highways used as public transit thoroughfares. Street Improvement and Maintenance Projects Capacity enhancements include repair and maintenance projects with a direct benefit to transit. **Projects must meet the following conditions and reporting requirements:**

A. **CONDITIONS:**

Public Transit Benefit

Projects must demonstrate a public transit benefit or be performed on streets “heavily used by public transit,” where such streets carry regularly-scheduled, fixed-route public transit service, and where service has operated for a minimum of one (1) year and there are no foreseeable plans to discontinue such service.

If there are no fixed-route systems within a Jurisdiction, or if all the streets supporting fixed-route systems are already in a satisfactory condition as documented by the required Pavement Management System (PMS), a Jurisdiction may use LR funds for street improvements and maintenance and repair on streets within their community on which they can demonstrate that public paratransit trips, that have been in service for a minimum of one year, concentrate.

The method of demonstrating heavy-use by paratransit vehicles is to document trip pick-up and drop-off locations, including street-routing, for a consecutive three month time period. The data will be used in making a determination on which street segments have heavy-use by this form of transit.

Pavement Management System (PMS)

If Proposition C LR funds are to be used for street improvement or maintenance, a jurisdiction must have a PMS in place, and use it. (See PMS code 470 for self certification requirements, page 20).

Maintenance of Effort (MOE) Requirement

The goal of the Proposition C LR Program is to improve transportation conditions, including the roadways upon which public transit operates. When used to improve roadways, the additional funds provided to local jurisdictions through the Proposition C LR Program are intended to supplement existing local revenues being used for road improvement purposes. Cities and counties shall maintain their existing commitment of local, discretionary funds for street and

highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for Proposition C LR funds to be expended for streets and roads.

Metro will accept the State Controller's finding of a Jurisdiction's compliance with the California Streets and Highways Code as sufficient to demonstrate the required Maintenance of Effort during any fiscal year in which Proposition C LR funds are expended for streets and roads.

B. REPORTING REQUIREMENTS

Street maintenance, rehabilitation or reconstruction projects should be submitted individually. Jurisdictions shall submit a Project Description Form listing all new project street segments prior to undertaking each street maintenance or improvement project. Jurisdictions will be advised as to any eligible and ineligible street segments within 30 days of project submittal.

The projects must be reflected on subsequent Annual Project Update (Form B) submittals and Annual Expenditure Reports (Form C) until the project is completed or deleted from the work program. Once deleted, a segment must be re-submitted for approval if a new street maintenance project on the segment is subsequently planned.

Eligible Street Improvement and Maintenance Projects

1. Exclusive Bus Lane Street Widening

Such projects are for exclusive bus lanes (physically separated) on surface arterials.

2. Capacity Enhancement

Capacity Enhancement projects are level-of-service and/or capacity improvements capital projects. These projects must include a public transit element that is comprised of transit vehicles on streets that are "heavily used by transit." Examples of these projects include street widening or restriping to add additional lanes.

3. Street Repair and Maintenance

Eligible Street Repair and Maintenance projects are limited to pavement maintenance, slurry seals, and chip seals, pavement rehabilitation and roadway reconstruction. Required curb, gutter, and catch basin repair (storm drains) on streets "heavily used by transit" that are part of a rehabilitation or reconstruction project are eligible. Betterments are not eligible for LR funding.

4. Safety

Street improvement projects to increase safety are eligible, but must have a direct and clearly demonstrable benefit to both safety and transit. At Metro's discretion, a project may be approved on a down-scoped demonstration basis. The local jurisdiction would be required to conduct a before and after evaluation prior to Metro approval of the full project scope.

5. Americans with Disabilities Act Related Street Improvements

In compliance with the Americans with Disabilities Act (ADA), the provision of curb cuts or passenger boarding/alighting concrete pads at or adjacent to bus stops and other accessible improvements on roadways “heavily used by transit” is an eligible use of Proposition C LR funds. Such modifications must meet ADA and California Title 24 specifications.

7. PAVEMENT MANAGEMENT SYSTEM (PMS) (Project Code 470)

Sample Pavement Management System projects include:

- Cost to purchase, upgrade or replace a Pavement Management System.
- The ongoing cost of maintaining a PMS equal to the proportion of a Jurisdiction’s eligible street mileage to total street mileage; or 50% of the PMS maintenance cost, whichever is greater.

Note: Jurisdictions are required to certify that they have conducted and maintain Pavement Management Systems when proposing "Street Repair and Maintenance" or “Bikeway” projects (see Appendix III, page 39). The requirement for a PMS is consistent with Streets & Highways Code Section 2108.1.

PMS must include the following:

- Inventory of existing pavements including, as a minimum, arterial and collector routes, reviewed and updated triennially;
- Inventory of existing Class I bikeways, reviewed and updated triennially;
- Assessment of pavement condition including, as a minimum, arterial and collector routes, reviewed and updated triennially;
- Identification of all pavement sections needing rehabilitation/replacement; and
- Determination of budget needs for rehabilitation or replacement of deficient sections of pavement for current and following triennial period(s)

Self-certifications (included in Appendix III) executed by the Jurisdiction’s Engineer or designated, registered civil engineer, must be submitted with a Form A for new street maintenance or bikeway projects, or Form B (biannually) for ongoing projects, to satisfy “Street Repair and Maintenance” and “Bikeway” project eligibility criteria.

III. METRO'S ADMINISTRATIVE PROCESS

A. REPORTING REQUIREMENTS FOR JURISDICTIONS

STANDARD ASSURANCES

In the event that a new Jurisdiction is formed within Los Angeles County, Metro will require that a Standard Assurances and Understanding agreement be submitted prior to participation in the LR Program. A sample Standard Assurance and Understanding agreement form is included as Appendix II, see page 37.

PROPOSITION A AND PROPOSITION C FORMS

To maintain legal eligibility and meet LR Program compliance requirements, Jurisdictions shall submit to Metro a Project Description Form as required, an Annual Project Update and Annual Expenditure Report. A Project Description Form, Annual Project Update and Annual Expenditure Report (Forms A, B and C along with instructions) are included in Appendix VIII, starting on page 49.

PROJECT DESCRIPTION FORM (FORM A)

A new project that meets the eligibility criteria listed in Section II, Project Eligibility, must be submitted to Metro on Project Description Form (Form A) prior to the expenditure of funds. Metro will review the project to determine if it meets the statutory eligibility requirement and notify Jurisdictions of the project's LR funding eligibility. If a Jurisdiction expends Proposition A or Proposition C LR funds for a project prior to Metro approval, the Jurisdiction will be required to reimburse its LR Account. Additionally, approvals cannot be retroactive.

A Project Description Form (Form A) may be submitted any time during the fiscal year. Metro will review and accept or return the report for changes. All projects must be identified with their own unique sequence and project code, e.g. 01-200, and the form must be filled out completely. Once a Jurisdiction decides to proceed on a new or revised project, the Jurisdiction should comply with the following process before expending any funds:

STEP 1 - Form Submittal

A Project Description Form (Form A) shall be submitted whenever a Jurisdiction proposes a 1) a new project; 2) a new route; 3) a 25 percent or more (increase or decrease) in route or revenue vehicle miles for an established LR funded transit service); 4) a 25 percent or greater change in an approved LR project budget or scope, or 5) a service change that duplicates/overlays an existing transit service equal to or greater than .75 miles.

A change is defined as any modification to route, budget, service area, stops, frequency, fare or clientele for the project as originally approved or subsequently approved by Metro.

NOTE: a.) All new transit or paratransit service projects, existing services with a change of 25% or more (increase or decrease), or cancellation of services, are subject to review under the Service Coordination Process (as described on page 24).

b.) If transit service is canceled, Jurisdictions should notify Metro in writing, secure review by the Service Review Process, and inform the public.

STEP 2

Metro staff will review Form A to determine if the project is eligible for LR expenditure.

STEP 3

After it is determined that the project is eligible, Metro staff will notify Jurisdictions in writing authorizing the expenditure of the LR funds. This will be done within thirty days of receipt of Form A. However, if additional information/justification for the project is required, it may take longer for the approval.

STEP 4

Form A will be used as the basis for a Jurisdiction's annual compliance audit required under the LR Program. Records should be maintained as stated in Audit Section V, page 33.

ANNUAL PROJECT UPDATE (FORM B)

Jurisdictions shall submit on or before August 1 of each fiscal year an Annual Project Update (Form B) to provide Metro with an update of *all* approved, on-going and carryover LR projects. Jurisdictions will be informed in writing of approval for project continuance. Metro will review the report and accept or return the report for changes. Staff review will consist of verification that the status of the projects listed corresponds to the originally approved projects. All projects should have their own identifying code, e.g. 01-200.

Projects for service operations whose anticipated start-up date is in the middle of the fiscal year, should be budgeted for services through the end of the fiscal year only. After the first year of service operations, project updates should be submitted annually, by August 1 of the new fiscal year.

ANNUAL EXPENDITURE REPORT (FORM C)

On or before October 15 of each fiscal year, Jurisdictions shall submit an Annual Expenditure Report (Form C) to notify Metro of previous year LR fund receipts and expenditures. Metro will review the report and approve or return for changes.

For Jurisdictions with Recreational Transit projects, Jurisdictions are required to annually submit an accounting of Recreational Transit trips, destinations and costs. This information should be submitted along with the Form C, no later than October 15 after the fiscal year.

Jurisdictions are required to call out administration charges to Direct Administration (Project Code 480) in order to verify compliance of 20% cap on administration costs.

The following provides a summary of form use and due dates:

<u>FORM</u>	<u>DETERMINATION</u>	<u>DUE DATE</u>
Project Description Form - Form A	New and amended projects	Any time during the year
Annual Project Update - Form B	All on-going and/or capital (carryover) projects	August 1 st of each year
Annual Expenditure Report - Form C	Report expenditures	October 15 th of each year

B. APPEAL OF ELIGIBILITY

Jurisdictions submitting a project, which has been classified by Metro staff as ineligible, may appeal the determination. An appeal should be submitted in writing to the Chief Planning Officer of Countywide Planning & Development. The project will then be reviewed for eligibility.

Should the project be denied eligibility status by the Chief Planning Officer, a final appeal may be submitted in writing to the Chief Executive Officer. The project will then come before the Metro Board for final determination of eligibility.

The appeal process is administered as a Board Public Hearing by the Board Secretary's office at the regularly scheduled Planning and Programming meetings. The Board has the authority to act on the transcript of the Hearing or to conduct its own hearing. The Metro Board decision is final.

Once the determination is final (either by an administrative determination that is not appealed within the 10-day statute of limitations, or as a result of the appeal process), Metro staff will send a notice of final determination of project eligibility to the Jurisdiction with conditions described or attached.

C. GOVERNING BODY AUTHORIZATION

While Metro does not require Jurisdictions to file a governing body authorization when submitting LR Forms (e.g., a city resolution or minute order), it is the responsibility of the Jurisdiction to keep these documents on file for audit purposes.

D. ENVIRONMENTAL REVIEW RESPONSIBILITY

Jurisdictions are the lead agencies for the projects with which they propose to implement using LR funds. Therefore, those agencies are responsible for preparing the necessary state and/or federal environmental documentation, and must comply with all applicable provisions of the California Environmental Quality Act, or if federal funds are involved, the National Environmental Policy Act.

E. PROJECT DESCRIPTION FORMS AND THE PROPOSITION A AND PROPOSITION C 40% DISCRETIONARY PROGRAM

If a Jurisdiction submits a project description for operating assistance for an included transit operator, the amount of operating assistance applied for will be considered as an operating subsidy in the fiscal year specified in Forms A or B. The full LR operating assistance amount shown in Form A or B will be considered when determining the eligible Proposition A or C Discretionary grant amount in accordance with the Proposition A and Proposition C 40% Discretionary Program Guidelines. Any changes must be approved prior to the close of the specific fiscal year. No changes will be approved after November 1 of the following fiscal year (e.g., changes in FY 2006-2007 projects must be received by Metro prior to November 1, 2007 to allow adequate time for staff review).

In addition, depreciation is not an eligible operating expense for which LR funds can be allocated, committed, encumbered, or claimed.

F. ANNUAL PROJECT UPDATE SUBMITTALS BY RECIPIENTS OF METRO FORMULA FUNDS

Jurisdictions with municipal bus operations receiving Metro formula funds (e.g. TDA Article 4, FTA Section 5307 and State Transit Assistance funds) should submit projects with the regular Transportation Improvement Program (TIP) and TIP-amendment cycle to facilitate processing and coordination. Other Jurisdictions may submit Project Description Forms at any time. LR projects and revenue may be shown in the Los Angeles County TIP for information purposes.

G. OTHER RESPONSIBILITIES OF JURISDICTIONS

It is the responsibility of Jurisdictions to ensure that all applicable federal, state and local requirements are met with regard to public health and safety, affirmative action, fair labor practices, transit accessibility to disabled persons, etc. Metro has no responsibilities in these areas with regard to local transit projects carried out by Jurisdictions receiving Proposition A or C revenues.

H. AMERICANS WITH DISABILITIES ACT MAINTENANCE OF EFFORT (MOE)

Metro will continue to monitor the operations of LR funded paratransit services to ensure that ADA paratransit-eligible riders continue to receive non-discriminatory transportation service on local paratransit systems pursuant to ADA and TDA. If Metro determines that ADA paratransit-eligible individuals are disproportionately being denied service, Metro will work with the LR funded agency to resolve the issue, up to and including a Maintenance of Effort.

Jurisdictions that currently provide paratransit service are required to continue to provide either ADA-eligible individual transportation service, or fund transportation trips that are completely within their jurisdictional boundaries, when requested. This obligation may not exceed 20 percent of the total LR allocation to the jurisdiction. If no requests for service within the jurisdiction are received, there will be no obligation to provide service or funding.

To better determine the accessibility of pathways to and from bus stops in Los Angeles County, all jurisdictions and the County of Los Angeles are requested to submit their projects on the Project Description Form (Form A) indicating what accessible features are being updated. Examples include curb cuts, installation or repair of pedestrian walkways, bus pads, and/or removal of sidewalk barriers (telephone poles, light poles, and other barriers). This form shall be submitted as required under these Guidelines.

I. SERVICE COORDINATION PROCESS

If a Jurisdiction is proposing to use LR funds for a new or expanded paratransit or transit service project, it is required to comply with the following Service Coordination Process:

The Service Coordination Process has four principal steps: Early Consultation by the proposing Jurisdiction with Metro Operations, and Contract Departments as the service is being developed at a local level; Proposition A or Proposition C LR eligibility review; service coordination administrative review; Metro Board Appeal Process to review the administrative determination, if requested. The following instructions should assist Jurisdictions in completing the service coordination review process:

Under the Proposition A and Proposition C Ordinances, transit services provided by Jurisdictions with LR funds should not duplicate existing transit or paratransit services.

The Proposition A and Proposition C LR Guidelines require Jurisdictions to follow the service coordination process under the following conditions: when a new service is proposed or when current service is modified by expanding service by 25 percent (increase or decrease) in route miles, revenue vehicle miles, service areas, stops, frequency or fare; when a proposed new route or change duplicates an existing route for 0.75 miles or more; or if a service is canceled.

1. **Implementing A Proposed New or Modified Transit or Paratransit Service**

When implementing a new or modified transit service or paratransit service project Jurisdictions should comply with the following process:

- a. **Prior to Submittal of the Project Description Form** -- Metro encourages Jurisdictions to work closely with Programming and Policy Analysis staff and Metro's Operations Unit (Sector General Managers and Deputy Executive Officer of Service Development) when a service project is being developed, in order to avoid or reduce service duplication impacts.
- b. **Submitting a Project Description Form** -- Similar to other LR projects, Jurisdictions are required to submit a Form A describing the new or modified service.
- c. **Letter of Conditional Approval Will Be Sent to Jurisdictions** -- After Metro Operations staffs have reviewed Form A, a letter of conditional approval is sent to Jurisdictions, subject to Metro Service Development Team review. This letter is then forwarded with a recommendation to the ***Service Development Team***, to potentially affected Jurisdictions and transit operators, with the Form A and any route maps, service schedules and fare information provided by the proposing Jurisdiction.
- d. **Role of Service Development Team** -- Metro Service Development Team is an executive level committee that is chaired by Metro Chief Executive Officer (CEO). This committee reviews key issues concerning agency transportation and planning projects. The Service Development Team will use the following criteria for evaluating the impacts of new or expanded services funded:
 - Potential for passenger and revenue diversion from the existing transit services, resulting from service duplication, to the proposed new or expanded service
 - Operational considerations such as available street capacity, bus zone curb space, street configuration and traffic congestion
 - Type of service and/or markets served by the new service, compared to existing services in the area
 - Early coordination and project development with existing service providers and Jurisdictions (efforts beyond the minimum 60 days)Metro will encourage fare coordination and connectivity with other interfacing transit operators.
- e. **Letter of Final Approval or Disapproval** -- Based on the evaluation criteria, the Service Development Team will either grant approval or deny a Jurisdiction's request. The Committee will notify the Jurisdiction of the outcome.
- f. **Board Appeal Process** -- If the project is disapproved, the Jurisdiction may file an appeal. See Appeal of Eligibility, page 23.

2. **Seasonal or Emergency Temporary Service**

Seasonal service lasting less than 60 days will be administratively reviewed and considered for approval without Metro Board review, unless an Metro Board action is specifically requested. In the event of an emergency, staff reserves the right to temporarily waive the service coordination requirements. Any projects begun under emergency waiver conditions must undergo the New Service Coordination review process within 60 days after the emergency has ended, in order to continue to be eligible for expenditure of LR funds. Seasonal or emergency services are not considered ongoing projects. Equipment purchased during the emergency waiver period will not be subject to prior approval. Emergency service may continue during the subsequent New Service Review process.

3. **Contracting With Other Service Providers**

Jurisdictions may use their LR funds to contract with other public or private service providers for new or improved transit services, subject to non-duplication/competition requirements.

J. **CAPITAL RESERVE PROCESS - APPROVAL PROCEDURE**

Jurisdictions who wish to establish a Capital Reserve fund with LR revenues should note that establishing a Capital Reserve fund constitutes a long term financial and planning commitment. The approval procedure is as follows:

- a. The Project Description *Form (Form A)*, submitted by the Jurisdiction, must be reviewed by Metro staff and approved by Metro Board;
- b. If the project is approved, the Jurisdiction is required to:
 - Enter into a Capital Reserve Agreement (see sample in Appendix IV, page 40) with Metro to reserve funds
 - Establish a separate account, or a sub-account, for Capital Reserve funds. Any interest accrued on the Capital Reserve Account would remain in said account
 - Include the Capital Reserve amount and the current project status in their Project Annual Update (Form B) and on the Annual Expenditures Report (Form C, including any expenditures or interest accrued.
- c. Conditions of the Capital Reserve Agreement:
 - The annual audit will include a detailed audit of the jurisdiction's capital reserve account.
 - Every three (3) years, Metro must evaluate the Capital Reserve Account as it pertains to the status of the project; and the projected amount of funds available.
 - If the funds are expended for projects other than the originally-approved capital project, the jurisdiction must pay the funds back to Metro.
 - If the capital project is not completed within the time specified under the terms of the Capital Reserve Agreement, its funds will be subject to lapse. However, if the project is delayed, Jurisdictions should request in writing to Metro approval to extend the life of the reserve. Such projects will be reviewed on a case-by-case basis.
 - For rail projects, if it is decided by Metro that the Rail corridor is no longer a high priority, the agreement will be terminated and the Jurisdiction must:
 1. Dissolve the Capital Reserve fund and return the accumulated funds, including any interest earned, to the Jurisdiction's LR fund; and

2. Reprogram the funds, within the next three (3) years from the Agreement termination date (see Appendix IV for Sample Agreement, page 40). While the Jurisdiction is not required to expend all of the funds within these three years, Metro reserves the right to impose a reasonable limit on the period of expenditure for reprogrammed funds.
 - If there is action by Metro to suspend a rail project, the Jurisdiction may continue to hold onto the reserve until such time the project is reinstated as active or terminated.
 - If, at any time a Jurisdiction, independent of any Metro action, desires to reprogram all or part of the funds in the Capital Reserve Account, the Jurisdiction must indicate the proposed use of the accumulated funds to be reprogrammed, and receive Metro approval.
 - If, at any time either party decides to terminate the Capital Reserve Project, a letter shall be submitted giving 30 days notice of the termination.
 - If the Capital Reserve Project is terminated, the Timely Use of Funds period on the lapsing date of the reserved funds will be reviewed and determined by the audit.
- d. Metro approval for reprogramming funds will be based on the following:
 - If after exhausting all LR funds, additional funds are necessary to meet critical immediate or pending transit needs
 - If the reprogramming request is approved, the agreement between Metro and the Jurisdiction will be either terminated or amended accordingly
 - If the reprogramming request is disapproved, the Jurisdiction would be required to continue the capital reserve account as stipulated or apply to draw the fund down for another Metro approved capital-related project.

K. FUND EXCHANGE

Only Proposition A funds may be exchanged or traded. Refer to page 13 for conditions.

L. LOANING LR FUNDS BETWEEN JURISDICTIONS (FOR PROPOSITION A ONLY)

In order to meet short-term project needs while preserving longer-term reserves or to avoid loss of funds due to the timely-use provisions, the Jurisdictions may arrange a mutually acceptable temporary transfer or loan from one Jurisdiction to another. These loans are to be made on terms to be negotiated between the involved parties. The participating Jurisdictions are held mutually responsible for ensuring that the end use of Proposition A is for statutorily-allowed purposes. The timely use provision as indicated on page 30 will apply to loaning of such funds. Metro must be notified of the amount, terms and period of such arrangements within thirty days of such arrangements.

Note: Metro reserves the right to temporarily reallocate funds. Any temporary reallocation would be subject to full review by the Planning and Programming Committee and approved by Metro Board.

M. GIVING PROPOSITION C LR FUNDS TO ANOTHER JURISDICTION

Since the Proposition C Ordinance does not allow trades or exchanges of these funds, a Jurisdiction can give its Proposition C funds to another Jurisdiction for the implementation of a mutual project. However, the Jurisdiction giving the funds away cannot accept an exchange or gift of any kind in return. Jurisdictions involved in giving funds should obtain Metro approval and keep official agreements on file.

N. REIMBURSEMENT

LR funds may be advanced for other grant funds as long as the project itself is eligible under LR Guidelines. The grant funds must be reimbursed to the LR fund.

IV. FINANCE SECTION

A. METRO'S METHOD OF APPORTIONMENT

The Proposition A Ordinance specifies that twenty-five percent (25%) of all Proposition A revenues, while the Proposition C Ordinance specifies that twenty percent (20%) of all Proposition C revenues, are to be allocated to Jurisdictions for local transit on a "per capita" basis. The annual estimate of Proposition A and Proposition C revenues will be derived by Metro staff based on projections by the State Board of Equalization.

After administrative costs of the Proposition A and Proposition C Programs are deducted, apportionments are made to all Jurisdiction within Los Angeles County, currently 88 cities and the County of Los Angeles (for unincorporated areas), on the basis of population. These population shares are based on the projected populations derived from annual estimates made by the California State Department of Finance.

B. METRO'S FUND DISBURSEMENT

The Proposition A and Proposition C funds are disbursed by Metro on a monthly basis. The disbursements to an individual Jurisdiction will equal that Jurisdiction's population-based share of actual net receipts for the month.

C. ACCOUNTING FOR PROPOSITION A AND PROPOSITION C REVENUES AND EXPENDITURES BY JURISDICTIONS

1. ESTABLISHING A SEPARATE ACCOUNT

Jurisdictions which do not use the State Controller's Uniform System of Accounts and Records must establish a separate Proposition A and Proposition C Local Transit Assistance Account and deposit all Proposition A and Proposition C LR revenues, interest earnings received, and other income earned from Proposition A and Proposition C LR in that account.

In accordance with the State Controller's instructions, Jurisdictions which use the Controller's Uniform System do not need to establish a separate Proposition A and Proposition C Local Transit Assistance Account but will list all Proposition A and Proposition C revenues (including interest) and expenditures as special line items in the Uniform System. In any case, all Jurisdictions will be required to account for and identify all Proposition A and Proposition C receipts, interest, and expenditures. This will enable financial and compliance audits to be conducted in an organized and timely fashion. Sufficient unrestricted cash or cash equivalent must be available at all times to meet the needs of general Jurisdiction operations without impairment of the Proposition A and Proposition C Local Transit Assistance Accounts.

2. EXCEPTIONS FOR RECIPIENTS OF TDA ARTICLE 4 FUNDS

A separate account or fund is not mandatory when Proposition A and Proposition C LR funds are accounted for in an enterprise fund and are exclusively used as transit operating subsidies as long as the Jurisdiction/operator is able to maintain accounting records. These records should allow for the preparation of financial statements, which present assets, liabilities, revenues, expenditures (if any) and transfers out. While it is necessary that Proposition A and Proposition C Program recipients be able to demonstrate that they have complied with applicable guidelines in expending Proposition A and Proposition C funds as operating subsidies, it is not necessary that such expenditures be separately identifiable for audit purposes.

3. POOLING OF FUNDS

Metro will allow Jurisdictions to pool Proposition A and Proposition C LR funds in order to obtain maximum return on investments. Such investment earnings must be reported and expended consistent with these guidelines. As in fund exchanges or transfers, Jurisdictions involved in such arrangements should keep adequate records of such transactions in order to allow for subsequent audits.

4. INTEREST AND OTHER EARNED INCOME

Jurisdictions are entitled to retain any and all interest revenues, which they may earn on their Proposition A, and Proposition C revenues. Other income earned from Proposition A and Proposition C projects such as fare revenues, revenue from advertising, etc., may also be retained by Jurisdictions in their LR accounts. Such earnings must be reported and expended consistent with these guidelines. Jurisdictions must maintain accurate records for the amount of interest earned each year. Interest must be allocated to the Local Transit Assistance Account on an annual basis, and reported as part of the annual audit.

5. PROJECT REVENUE

The Jurisdictions need only report project-generated revenues, such as fares, when such revenues are retained and recorded by the Jurisdiction. Revenues should be reported on the accrual basis.

6. INTER-FUND TRANSFERS

On an accrual basis of accounting, Jurisdictions should make note of the following: expenditures for an approved project, which are made from a fund other than the Proposition A or Proposition C LR fund and will be reimbursed by Proposition A and Proposition C LR funds, should be included in the Annual Expenditure Report to Metro in the period such expenditures are made and not in the period in which the disbursing fund is reimbursed for such expenditures.

7. UNEXPENDED PROJECT FUNDS

All unexpended project funds remaining upon completion of an approved project must be re-programmed.

8. ONGOING OPERATING PROJECTS

Continuing administration, transit or paratransit projects, are ongoing projects. Such projects which have unexpended funds at the year end (excluding any outstanding liabilities) may not carry fund balances into the next fiscal year. Ongoing projects must be resubmitted on an annual basis (see Annual Project Update on page 22).

9. CARRYOVER CAPITAL PROJECTS

All other types of projects not cited above which 1) are not completed within the applied fiscal year and 2) have unexpended funds (i.e., fund balance), may be carried into the next fiscal year without resubmitting a project description. However, until completed, such projects must continue to be reported in the Annual Project Update and Annual Expenditure Report (Forms B and C).

10. REIMBURSEMENT

Local Return funds may be used to advance a project which will subsequently be reimbursed by federal, state, or local grant funding, or private funds, if the project itself is eligible under LR Guidelines. **The reimbursement must be returned to the appropriate Proposition A or Proposition C LR fund.**

D. NON-SUBSTITUTION OF FUNDS

1. Proposition A and Proposition C revenues should only be used to maintain and/or improve public transit services. They may not be used to substitute for property tax revenues, which are currently funding existing programs. If the Jurisdiction is unable to segregate property tax from other general fund revenues which cannot be so distinguished, substitution of Proposition A and Proposition C funds for general funds is also prohibited.
2. Jurisdictions which currently receive federal and/or state transit-assistance funds may use Proposition A and Proposition C revenues to replace or supplement any other state, federal, or local transit funds, as long as there is no relation to the property tax (as noted above).
3. Metro Staff reserves the right to bring project proposals involving the substitution of funds before Metro Board.

E. TIMELY USE OF FUNDS

1. PROPOSITION A AND PROPOSITION C FUNDS

Under the Proposition A and Proposition C Ordinances, Jurisdictions have three years to expend LR funds. Funds must be expended within three years of the last day of the fiscal year in which funds were originally allocated. Therefore, by method of calculation, each Jurisdiction has the Fiscal Year of allocation plus three years to expend Proposition A and/or Proposition C funds. For example, a Jurisdiction receiving funds during FY 2004-05 must expend those funds, and any interest or other income earned from Proposition A and Proposition C projects, by June 30, 2008.

Proposition A and Proposition C disbursements, interest income and other income earned from LR projects, such as fare revenues or revenues from advertising which are not expended within the allocated time will be returned to Metro for reallocation to Jurisdictions for discretionary programs of county-wide significance.

2. DETERMINING COMPLIANCE WITH TIMELY USE PROVISION

In applying the timely use provision, Metro will use a "First-In-First-Out" (FIFO) accounting principle, to afford Jurisdictions maximum time to expend funds. For example, City A had a fund balance of \$1,000,000 as of June 30, 2004. In order to avoid lapsing LR funds, City A must expend a total of \$1,000,000 or more from its LR funds during Fiscal Years 2004-05, 2005-06 and 2006-07. This calculation will be done individually for Proposition A and Proposition C funds.

3. EXTENSION OF TIMELY USE PROVISION

Metro will allow Jurisdictions to reserve funds for multi-year capital projects. A specific project must be identified under the Capital Reserve Process. See Capital Reserve Process, page 26.

F. RELATIONSHIP TO TDA ENTRY AND FORMULA DISTRIBUTION

Provision of transit services with LR funds will not qualify Jurisdictions for Transit Development Act (TDA) funding programs. In addition, mileage will not be counted in Metro's subsidy allocation formula for TDA operators.

G. NATIONAL TRANSIT DATABASE (NTD)

Locally funded transit systems are encouraged to report NTD data, either directly to the Federal Transit Administration (FTA), or through Metro's consolidated NTD report. Examples of locally funded transit systems include community based fixed route circulators, community shuttles, Metrolink feeder services and other rail station and neighborhood shuttles (Code 110). Also included are locally funded paratransit, dial-a-ride and demand response services, including taxi voucher and specialized transportation programs (Codes 120, 130).

Benefits of increased NTD reporting include additional Federal Section 5307 capital funds for the LA County region, and improved data collection for regional transportation planning purposes. At this time, NTD reporting is voluntary for locally funded operators. The Proposition A Incentive Guidelines, as adopted by Metro Board, provide a mechanism to reimburse voluntary reporters dollar-for-dollar for additional funds generated to the LA County region, subject to funds availability.

H. REPAYMENT OF FUNDS FOR FIXED ASSETS PURCHASES

If a facility ceases to be used for public transit use as originally stated in the project description, all Proposition A and Proposition C funds expended for the project must be returned to the Proposition A and Proposition C LR accounts.

General guidelines for repayment are as follows:

Land: Repayment of purchase price or appraised value, whichever is greater.

Facilities: 100% repayment of Proposition A and Proposition C LR funds if discontinuation of public transit use occurs between 0-5 years.

75% if discontinuation occurs in more than 5 years but less than 10 years.

50% if discontinuation occurs in more than 10 years but less than 15 years.

25% if discontinuation occurs in more than 15 years.

Repayment must be made no later than five years after the decision is made to cease utilizing the project as a public transit facility. Payback may be made in one lump sum or on an annual equal payment schedule over a five-year period.

Vehicles: Jurisdictions that cease to utilize vehicles for "public transit" purposes before their useful life, will be required to repay the funds into their Proposition A and Proposition C LR accounts in proportion to the useful life remaining. Federal standards for useful life will apply.

Repayment will be made in the same fiscal year as the vehicles ceased to be used for "public transit" purposes.

V. AUDIT SECTION

A financial and compliance audit will be conducted annually as part of Metro’s Consolidated Audit Program to verify adherence to the Proposition A and Proposition C guidelines. Audits will be performed in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the audit is planned and performed to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The audit shall include examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. The audit shall also include review of internal control procedures, assessing the accounting principles used, as well as evaluation of the overall basic financial presentation.

It is the jurisdictions’ responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these guidelines. Jurisdictions are required to retain Local Return records for at least three years following the year of allocation and be able to provide trial balances, financial statements, worksheets and other documentation required by the auditor. Jurisdictions are advised that they can be held accountable for excess audit costs arising from poor cooperation and inaccurate accounting records that would cause delays in the completion of the required audits.

A. FINANCIAL AND COMPLIANCE PROVISIONS

The Proposition A and Proposition C Local Return Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines:

Audit Area	Penalty for Non-Compliance
Verification that jurisdictions which do not use the State Controller’s Uniform System of Accounts and Records has established a Separate Proposition A and Proposition C Local Transit Assistance Account for local return purposes.	Suspension of disbursements.
Verification of revenues received including allocations, project generated revenues, interest income.	Audit exception.
Verification that funds were expended with Metro’s approval and have not been substituted for property tax.	Jurisdiction will be required to reimburse its Local Return account for the amount expended prior to or without approval.
Verification that the funds are expended within three years from the last day of the fiscal year in which funds were originally allocated or received. (see “E” page 30).	Lapsed funds will be returned to Metro for reallocation to jurisdictions for discretionary programs of countywide significance.

<p>Verification that <u>administrative expenditures</u> (project code 480) did not exceed over 20% of the total annual LR expenditures.</p> <p>Verification that projects with greater than 25% change from the approved project budget has been amended by submitting amended Project Description Form (Form A).</p> <p>Verification that the Annual Project Update (Form B) was submitted on or before August 1st following the end of fiscal year.</p> <p>Verification that the Annual Expenditure Report (Form C) was submitted on or before October 15th following the end of fiscal year.</p> <p>Where expenditures include Street Maintenance or Improvement projects (project codes 430, 440 or 450), verification that Pavement Management System (PMS) is in place and being used.</p> <p>Where funds expended are reimbursable by other grants or fund sources, verification that the reimbursement is credited to the Local Return account upon receipt of reimbursement.</p> <p>Where Proposition A funds were given, loaned or exchanged by one jurisdiction to another, verification that the receiving jurisdiction has credited its Local Return Accounts with the funds received.</p> <p>Where funds expended were for Intelligent Transportation Systems (ITS) projects or projects with ITS elements, verification that a Self Certification has been completed and submitted to Metro.</p> <p>Verification that jurisdictions have a LR Assurances and Understandings form on file.</p>	<p>Jurisdictions will be required to reimburse their Local Return account for the amount over the 20% cap.</p> <p>Audit exception.</p> <p>Audit exception.</p> <p>Audit Exception.</p> <p>Any Local Returned funds spent must be returned to the Local Return Funds.</p> <p>Audit exception and reimbursement received must be returned to the Local Return Funds.</p> <p>Audit exception and reimbursement of affected funds to the Proposition A LR account.</p> <p>Audit exception.</p> <p>Audit exception.</p>
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<p>Where a capital reserve has been established, verification that a Capital Reserve Agreement is in effect, a separate account for the capital reserve is established, and current status is reported in the Annual Project Update (Form B).</p>	<p>Audit exception.</p>
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B. AUDIT DELIVERABLES

The auditor shall submit to the Jurisdictions and to Metro a Comprehensive Annual Report of Proposition A and Proposition C Local Return Funds no later than March 31st following the end of fiscal year. The report must contain at the minimum, the following:

- Audited Financial Statements – Balance Sheet, Statement of Revenues and Expenditures and Changes in Fund Balances.
- Compliance Report, Summary of Exceptions, if any, and ensuing recommendations.
- Supplemental Schedules – Capital Reserves, if any; Schedule of Detailed Project Expenditures; and Capital Assets.

C. SUSPENSION OR REVOCATION

Jurisdictions are expected to take corrective action in response to the Local Return financial and compliance audit. Notwithstanding the provisions of these guidelines, Metro reserves the right to suspend or revoke allocation to jurisdictions that may be found to be in gross violation of these guidelines, or repeatedly committing violations, or refusing to take corrective measures.

**PROPOSITION A AND PROPOSITION C LOCAL RETURN PROGRAM
SUMMARY OF PROPOSITION A AND PROPOSITION C USES**

PROJECT TYPE	PROPOSITION A	PROPOSITION C
Streets and Roads Expenditures	<ul style="list-style-type: none"> Allowed exclusively for Bus Lanes and Curb Cuts at corners located or adjacent to Bus Stops 	<ul style="list-style-type: none"> Allowed only on streets that carry regularly scheduled, Fixed-Route Public Transit Services and on streets that carry public Paratransit trips (see conditions outlined in eligibility section of the Guidelines)
Signal Synchronization	<ul style="list-style-type: none"> Allowed if performed to predominantly benefit Transit. Bus Priority must be included as part of the project. The street must have a minimum of five (5) full-sized transit buses in each direction per hour 	<ul style="list-style-type: none"> Allowed on streets that are heavily-used by Public Transit The street must have full-sized transit buses operating on a regularly scheduled fixed-route (no minimum number of buses) Operating costs such as software and hardware maintenance are allowed
Bikeways and Bike Lanes	<ul style="list-style-type: none"> Not allowed 	<ul style="list-style-type: none"> Commuter bikeways Shall be linked to employment sites.
Congestion Management Activities	<ul style="list-style-type: none"> Not allowed 	<p>Most elements allowed, such as:</p> <ul style="list-style-type: none"> Preparation of TDM Ordinances and Deficiency Plans. Land Use Analysis required by CMP Monitoring of Transit Standards by transit operators
Pavement Management System	<ul style="list-style-type: none"> Not allowed 	<p>Some elements allowed, such as:</p> <ul style="list-style-type: none"> One-time development costs of a Pavement Management System. The ongoing costs of maintaining the Pavement Management System (see Guidelines for conditions)
Trading or Exchanging of Funds	<ul style="list-style-type: none"> Allowed if the traded funds are used for Public Transit purposes 	<ul style="list-style-type: none"> Not allowed

**ASSURANCES AND UNDERSTANDINGS REGARDING
RECEIPT AND USE OF PROPOSITION A and PROPOSITION C FUNDS**

The undersigned, in conjunction with the receipt of funds derived from the one-half cent sales tax imposed by Ordinance No. 16 (Proposition A) and the one-half cent sales tax imposed by the Proposition C Ordinance of the Los Angeles County Metropolitan Transportation Authority (Metro), and as required by Metro's Local Return Program Guidelines, hereby provides the following assurances and understandings.

A. The undersigned hereby assures Metro:

1. That the Proposition A and Proposition C funds will not be substituted for property tax funds which are currently funding existing public transportation programs;
2. That Proposition A and Proposition C funds will be used for public transit purposes as defined in Metro's Local Return Program Guidelines;
3. That the undersigned will submit to Metro a description of the use of funds:
 - a. For service expansion or new service: at least 60 days before encumbrance of funds;
 - b. For other projects: at least 30 days before encumbrance of funds;
 - c. Annually, by August 1st of each year, an update of previously approved projects;
 - d. Annually, by October 15th of each year, an update of the prior year's expenditures;
4. Any proposed use of funds will not duplicate or compete with any existing publicly-funded transit or paratransit service;
5. That Proposition A and Proposition C funds will be expended by the date that is three years from the last day of the fiscal year in which funds were originally allocated;
6. Unless otherwise required by Metro, an audit certified by a Certified Public Accountant, will be conducted by Metro within 180 days of the close of the fiscal year;
7. That the description of the intended use of the funds, as submitted to Metro, is an accurate depiction of the project to be implemented;
8. That a 25 percent change in project scope or financing for those projects defined in the Guidelines will be submitted to Metro at least 60 days before that change in scope is implemented;
9. That all projects proposed for Proposition A and Proposition C funding will meet the legal requirements of the Proposition A and Proposition C Ordinances and Metro's Local Return Program Guidelines criteria.

B. The undersigned further understands and agrees:

1. That Metro will require the undersigned to return any Proposition A and Proposition C funds and may impose interest penalties on any expenditure found to be illegal or improper under the terms of the Proposition A and Proposition C Ordinance or the Metro's Local Return Program Guidelines;
2. That the undersigned will, for projects to be funded in part or in whole with Proposition A and/or Proposition C funds, comply with all applicable federal, state, and local laws and regulations, including without limitation: American With Disabilities Act (ADA), CEQA and NEPA, affirmative action, transit accessibility and public health and safety requirements and fair labor practices;
3. That the undersigned will either utilize the State Controller's Uniform System of Accounts and Records to accommodate uses and disbursements of Proposition A and Proposition C funds or will establish a separate Proposition A and Proposition C Local Transit Assistance accounting system which will allow financial and compliance audits of Proposition A and Proposition C funds transactions and expenditures to be conducted;
4. That any Proposition A and Proposition C funds not expended within the year of receipt of funds plus three years thereafter will be returned to Metro upon request therefrom.

IN WITNESS WHEREOF the undersigned has executed this "Assurances and Understandings Regarding Receipt and Use of Proposition A and Proposition C Funds" this ____ day of _____, 20__ by its duly authorized officer:

CITY OF _____

BY _____

(Title)

DATE _____

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY (METRO)
PAVEMENT MANAGEMENT SYSTEM CERTIFICATION
PROPOSITION C

The City of _____ certifies that it has a Pavement Management System (PMS) in conformance with the criteria stipulated by the Proposition C Local Return Guidelines (identical to the criteria adopted by the Joint City/County/State Cooperation Committee, pursuant to Section 2108.1 of the Streets and Highways Code).

The system was developed by _____ and contains, as a minimum, the following elements:

- * Inventory of arterial and collector routes (including all routes eligible for Proposition C funds), reviewed and updated triennially. The last inventory update was completed _____, 20__.
- * Inventory of existing Class I bikeways, reviewed and updated triennially.
- * Assessment (evaluation) of pavement condition for all routes in the system, updated triennially. The last review of pavement conditions was completed _____, 20__.
- * Identification of all sections of pavement needing rehabilitation or replacement.
- * Determination of budget needs for rehabilitation or replacement of deficient sections of pavement for current triennial period, and for following triennial period.

If PMS was developed in-house, briefly describe it on an attached sheet.

FROM:

AGENCY _____ DATE _____

(Please Print Name)

(Please Print Name)

(Title)

CAPITAL RESERVE AGREEMENT

This Capital Reserve Agreement (this "Agreement") is entered into as of _____, by and between the Los Angeles County Metropolitan Transportation Authority ("Metro") and the City of _____ (the "City").

RECITALS:

A. The City receives Proposition [A] [C] local return funds (the "Local Return Funds") from Metro.

B. Pursuant to the Proposition A and Proposition C Local Return Guidelines, which are incorporated herein by reference, the City has three years, beginning the last day of the Fiscal Year in which funds were originally allocated, to expend the Local Return Funds. By method of calculation, each jurisdiction has three years plus the Fiscal Year of allocation to expend the Local Return funds. This is period is identified in the Guidelines as Timely Use of Funds.

C. As of Fiscal Year _____, the City desires to commit and accumulate its Local Return Funds beyond the Timely Use of Funds period in order to construct and/or purchase _____ as more particularly described in City's project description attached hereto as Exhibit A (the "Project").

D. The Metro Board at its _____ board meeting approved the City's establishment of a capital reserve fund for the Project.

NOW, THEREFORE, the parties hereby desire to agree to the following terms and conditions:

AGREEMENT

1. The City acknowledges that establishing a capital reserve fund for the Project constitutes a long term financial and planning commitment.
2. The City shall establish a separate interest bearing account or sub-account to be designated as the Capital Reserve Account. Commencing with Fiscal Year _____, the City shall deposit \$ _____ of its Local Return Funds into the Capital Reserve Account. For future Fiscal Years, the City shall deposit the amount specified in its Project Annual Update submitted to Metro for that fiscal year, provided, however, if the City fails to submit its Project Annual Update, the City shall deposit its Local Return Funds in an amount equal to the amount deposited into the Capital Reserve Account for the immediately preceding fiscal year.

3. All interest accruing on the Capital Reserve Account shall remain in such account.
4. The City shall complete the Project by _____.
5. The City shall comply with all terms and conditions for the Capital Reserve Account as provided in the Proposition A and Proposition C Local Return Guidelines, including, without limitation, the following:
 - A. Each fiscal year, submitting the following items:
 - (i) an updated Project Description Form (Form A); and
 - (ii) an Annual Project Update (Form B), including the amount to be reserved and the current project status;
 - B. Every three years commencing with the Commencement Date of this Agreement, Metro will evaluate the Capital Reserve Account, the status of the Project and the projected amount of available funds. Based on this evaluation, Metro may require the City to take certain actions including, without limitation, terminating the Capital Reserve Account.
 - C. If the City uses the Local Return Funds in the Capital Reserve Account for a project different from the Project described above, the City shall return an amount equal to the improperly used funds to the Proposition A or Proposition C Central Account held by Metro. If the City fails to return the amount within 30 days from the date Metro notifies City that it must return the funds, the City hereby authorizes Metro to offset future Local Return allocations to the City in an amount equal to the improperly used funds.
 - D. If the City fails to complete the Project as specified by the date in paragraph 4 above, the Local Return Funds in the Capital Reserve Account may be subject to lapse unless otherwise agreed to in writing by the parties.
 - E. If the Project is a rail project, Metro may decide that the rail corridor is no longer a high priority. Metro can then terminate this Agreement and the City shall:
 - (i) close the Capital Reserve Account and return the outstanding balance of the Capital Reserve Account, including accrued interest (the "Returned Funds"), to the City's local return account; and
 - (ii) reprogram the Returned Funds to be used within three years from the termination date of this Agreement. Any funds remaining after such three-year period shall lapse.
 - F. If the City, independent of Metro action, desires to reprogram all or part of the funds in the Capital Reserve Account, the City must prior to such reprogramming, receive Metro's written approval. The City shall provide Metro with notice of its desire to reprogram the funds in the Capital Reserve Account and indicate the proposed use

of the funds to be reprogrammed and the effect of such reprogramming on the Project. Metro approval may be based on, among other things, whether after exhausting all Local Return funds, additional funds are necessary to meet the City's critical immediate or pending transit needs. If Metro approves reprogramming the funds, this Agreement shall be amended or terminated as appropriate. If Metro does not approve reprogramming the funds, the City must continue the Capital Reserve Account as provided herein or draw the funds down for Metro approved capital related project.

6. This Agreement shall commence on _____. This Agreement shall continue until such time as terminated by either party with a 30 day written notice under the conditions set forth in the Proposition A and Proposition C Local Return Guidelines.

IN WITNESS WHEREOF, the parties have executed this Capital Reserve Agreement by their duly authorized representatives as of the date above.

City of _____

Los Angeles County Metropolitan
Transportation Authority

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

Approved as to form:

Approved as to form:

Name: _____

Raymond G. Fortner, Jr.
County Counsel

Its: _____

By: _____
Deputy

SAMPLE FUND EXCHANGE AGREEMENT**(PROPOSITION A LOCAL RETURN ONLY)**

This Fund Exchange Agreement is made and entered into this _____ day of _____, 20__, by and between the City of Surf City, California and the City of Mountain Valley, California with respect to the following facts:

- A. The City of Mountain Valley proposes to provide Dial-A-Ride services to its elderly and individuals with disabilities. Approximately 20% of the City population is unable to use the available fixed route service due to frailty or handicap. No door-to-door public transit services are available in the City of Mountain Valley. Adequate Proposition A Local Return funding for such a service is not available given the limited amount of the City of Mountain Valley's Local Return allocation and the needs of other priority transit projects in the City.
- B. City of Surf City, has uncommitted funding authority for its Fiscal Year 2000-01 allocation of Proposition A Local Return funds which could be made available to the City of Mountain Valley to assist in providing the services discussed in Paragraph A of this Agreement.
- C. City of Mountain Valley is willing to exchange its general funds in the amount indicated in Section 1 below in exchange for City of Surf City's uncommitted Proposition A Local Return funds.
- D. City of Surf City is willing to exchange its uncommitted Proposition A Local Return funding in the amount indicated in Section 1 below to City of Mountain Valley, for the purpose identified in Paragraph A above, for City of Mountain Valley's general funds.

Now, therefore, in consideration of the mutual benefits to be derived by the parties and of the premises herein contained, it is mutually agreed as follows:

1. Exchange. City of Surf City shall transfer \$100,000 of its Fiscal Year 20__-20__ Proposition A Local Return Funds to City of Mountain Valley. In return, City of Mountain Valley shall transfer \$50,000 of its General Funds to City of Surf City.

2. Consideration. City of Surf City shall transfer the Proposition A Local Return funds to City of Mountain Valley in twelve equal installments due the first day of each month (or in one lump sum payment). City of Mountain Valley shall transfer its general funds to City of Surf City in twelve equal installments due the first of each month (or in one lump sum payment).

The first installment shall be due and payable upon approval by the Los Angeles County Metropolitan Transportation Authority ("Metro") of City of Mountain Valley's project description Form (Form A) covering the services discussed in Paragraph A above.

3. Term. This Agreement is effective on the date above written and for such time as is necessary for both parties to complete their mutual obligations under this Agreement.

4. Termination. Termination of this Agreement may be made by either party before the date of approval of the project description covering the funds in question by the Metro so long as written notice of intent to terminate is given to the other party at least five (5) days prior to the termination date.

5. Notices. Notices shall be given pursuant to this agreement by personal service on the party to be notified, or by written notice upon such party deposited in the custody of the United States Postal Service addressed as follows:

- a. City Manager
City of Surf City
101 Main Street
Surf City, CA 90000
- b. City Manager
City of Mountain Valley
401 Valley Boulevard
Mountain Valley, CA 90000

6. Assurances

- A. City of Mountain Valley shall use the assigned Proposition A Local Return funds only for the purpose of providing the services discussed in Paragraph A of this Agreement and within the time limits specified in Metro's Proposition A Local Return Program Guidelines.
- B. Concurrently with the execution of this Agreement City of Mountain Valley shall provide Metro with the Standard Assurances and Understandings Regarding Receipt and Use of Proposition A Funds specified in the Guidelines regarding the use of the assigned Proposition A Local Return funds.

7. This Agreement constitutes the entire understanding between the parties, with respect to the subject matter herein. This Agreement shall not be amended nor any provisions or breach hereof waived, except in writing signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Fund Exchange Agreement to be executed by their respective officers, duly authorized, on the day and year above written.

CITY OF _____

CITY OF _____

BY _____

BY _____

ATTEST:

City Clerk
Approved as to Form:

City Clerk
Approved as to Form:

**LOS ANGELES COUNTYWIDE
INTELLIGENT TRANSPORTATION SYSTEMS (ITS)**

POLICIES AND PROCEDURES

Policy Summary

Federal regulations (23 CFR Parts 655 and 940 Intelligent Transportation System (ITS) Architecture and Standards; Final Rule) now require ITS projects funded with the Highway Trust Fund to conform to the National ITS Architecture and Standards; be guided by a regional architecture with geographic boundaries defined by stakeholder needs; and use systems engineering analysis on a scale commensurate with the project scope. It is Metro's Policy to abide by the Federal ITS regulations and requirements for those agencies seeking federal funding programmed by Metro for projects subject to this rule. For consistency and to maximize benefits, Los Angeles Countywide ITS Policy and Procedures is also applied to projects with state and local funding sources programmed and administered by the Metro.

Procedures Summary

To ensure compliance with the ITS Policy, all ITS project sponsor agencies including Metro internal departments are required to complete the Los Angeles County Regional ITS Architecture Consistency Certification Form (Attachment B) and to self certify that their project's ITS elements in whole or in part are consistent with the Los Angeles County Regional ITS Architecture.

Attached is the RIITS self-certification form. This form must be completed and submitted to Metro for each Local Return funded ITS project or project which includes an ITS element. To learn more about RIITS, please visit www.riits.net. For a complete copy of the Los Angeles Countywide ITS Policy and Procedures, you may go directly to <http://RIITS.net/RegITSDocs.html> and choose "Los Angeles Countywide ITS Policy and Procedures Document."

LOS ANGELES COUNTY REGIONAL ITS ARCHITECTURE CONSISTENCY

SELF-CERTIFICATION FORM

This form should be completed and executed for all ITS projects or projects with ITS elements except routine maintenance and operations, traffic signal controller replacement, purchase of bus or rolling stock, expansion or enhancement of an existing operating system. The form should be sent to Metro Countywide Planning and Development (CP&D) for any planned ITS projects or proposed funding involving Local, State or Federal funds programmed or administered through the Metro at the time of submittal of project application.

1. Name of Sponsoring Agency: _____

2. Contact Name: _____

3. Contact Phone: _____

4. Contact Email: _____

5. Project Description:

6. Identify the ITS elements being implemented and the relevant National Architecture User Services(s), see Attachment A.

7. Outline of the concept of operations for the project:

8. Identify participating agencies roles and responsibilities:

By signing and self-certifying this form, the agency commits itself to follow the ITS requirements listed below during project design and implementation. Please be advised that your project may be subject to further review and documentation by FHWA or FTA during project design and implementation phases:

- Perform a lifecycle analysis for the ITS project elements and incorporate these costs into the Operations and Maintenance plan as part of the system engineering process,
- Maintain and operate the system according to the recommendations of the Operations and Maintenance plan upon project completion,
- Use the systems engineering process and document the system engineering steps, and
- Use the Los Angeles County Regional ITS Architecture interface standards if required and conform to the regional configuration management process.

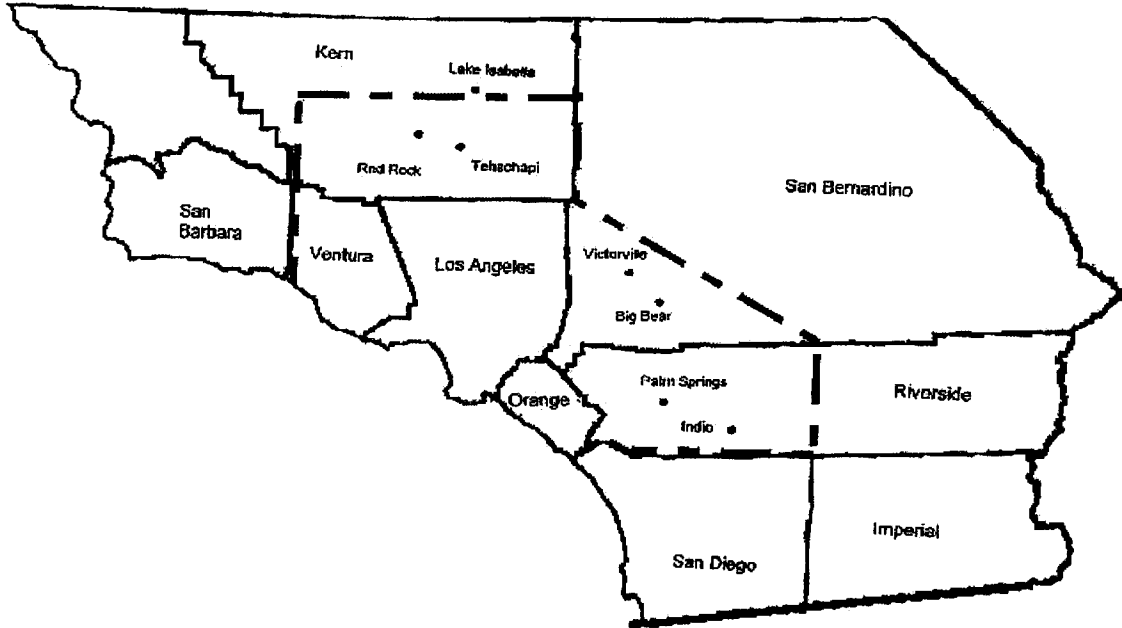
Signature:

 Agency Representative

Date _____

Please return the original Project Self Certification Form to Metro Department of CP&D, Attention, Ms. Carol Inge, Deputy Executive Officer, Los Angeles County Metropolitan Transportation Authority, One Gateway Plaza, MS 99-22-1, Los Angeles, CA 90012-2952

ELIGIBLE RECREATION TRANSIT SERVICE AREA



--- · --- · Recreational transit area eligible for full Proposition A & C funding

□ Recreational transit area available for Proposition A & C funding on a proportional share basis

LOCAL RETURN FORMS

Summary:

Project Code: All projects must have Project Codes (see column on right). This code is critical in Form submittal as it is used in the LR database system.

Sequence Number: Sequence Numbers distinguish between the different projects being implemented. Indicate the sequence number of the project that is the order of submittal for the project (i.e., oldest approved to most recent approval).

Form A should be submitted whenever a Jurisdiction is requesting the approval of a new project or if there is a budget or scope change of more than 25 percent in an ongoing transit or paratransit project (as defined in the Proposition A and Proposition C Guidelines).

Form B requires Jurisdictions to give an update of already approved, ongoing and carryover Prop A and Prop C LR projects. Since new projects require additional information, please include all new projects on Form A only. (Note: Jurisdictions are required to call out all administration charges to Direct Administration in order to verify compliance of 20 percent maximum limit).

Form C requires Jurisdictions to report the annual expenditures for both Prop A and Prop C LR for the previous fiscal year. (Note: Jurisdictions are also required to submit an accounting of recreational transit trips, destinations and costs, if applicable).

PROJECT CODES

PROP A AND PROP C LR JOINT CODES:

- 110 Fixed Route Service
- 120 Paratransit Service - General Public Dial-a-Ride
- 130 Paratransit Service - Elderly & Disabled (E&D)
- 140 Recreational Transit Service (incl. special event)
- 150 Bus Stop Improvement (BSI) Program
- 160 Bus Stop Improvement - Capital
- 170 Bus Stop Improvement - Maintenance
- 180 Capital - Vehicle & Misc. Equipment (fare box)
- 190 Capital - Vehicle Modification Program
- 200 Capital - Vehicle Purchase Program
- 210 Transportation Systems Management (TSM)
- 220 Transit Security - On-Board & Bus Stop
- 230 Transit Security - Station/Park-and-Ride Lot
- 240 Fare Subsidy (Taxi)
- 250 Fare Subsidy (User-Side Subsidy)
- 270 Transportation Planning
(Prop A eligible and Prop C eligible)
- 280 Transit Marketing
- 290 Park-and-Ride Lot Program
- 300 Transit Facility Transportation Enhancements
- 310 Transit Centers Program
- 320 Metro Rail Capital
- 350 Right-of-Way Improvements
- 360 Commuter Rail (Operations)
- 370 Commuter Rail (Capital)
- 380 Capital Reserve
- 390 Rail Transit Enhancements
- 480 Direct Administration
- 500 Other (Specify)

Exclusive Uses of Prop A LR Funds:

- 400 Signal Synchronization
- 405 Fund Exchange
- 410 Transportation Demand Management

Exclusive Uses of Prop C LR Funds:

- 400 Signal Synchronization & Traffic Management
- 410 Transportation Demand Management
- 420 Congestion Management Program (CMP)
- 430 Bikeways & Bike Lanes
- 440 Street Repair and Maintenance (e.g., slurry seal)
- 450 Street Improvement Projects (e.g., widenings)
- 460 Street TSM Projects (e.g., signalization)
- 470 Pavement Management Systems (PMS)

Form A - Project Description Form

(This form may be submitted any time during the fiscal year)

--Instructions--

M Metro		LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY Proposition A and Proposition C Local Return Program			
Form A PROJECT DESCRIPTION FORM (Required for all new and amended projects)					
Local Jurisdiction				Fiscal Year	
Contact Person		Telephone No.	Extension	E-Mail Address	
Project Title					
Project Code:		Category:			
Sequence Number:		Type:	<input type="checkbox"/> Capital <input type="checkbox"/> Operating	<input type="checkbox"/> New <input type="checkbox"/> Revised	Est Start Date: Est Compl Date:
Project Description and Justification					
Project Revenues					
Fund Source(s)		Proposition A Amount	Proposition C Amount	Other Amount	Total
Local Return					-
Fare Revenues					-
Other (Specify)					-
Total Project Revenues		-	-	-	-
Accessibility Features (For Bus Stop Improvement Projects only)					
<input type="checkbox"/> Curb Cut <input type="checkbox"/> Bus Pad <input type="checkbox"/> Installation Sidewalk <input type="checkbox"/> Removal of sidewalk Barrier					
<input type="checkbox"/> For Bikeways and Pedestrian Improvements, Street Repair and Maintenance or Street Improvement projects (project codes 430, 440 or 450), please check to indicate a Pavement Management System (PMS) Self Certification Form (See Appendix III) has been submitted to Metro.					
<input type="checkbox"/> For Intelligent Transportation Systems (ITS) projects, or projects which include an ITS element, please check box to indicate a Self Certification Form (See Appendix VI) has been completed and submitted to Metro.					
Authorized Signature		Title		Date	

Click [here](#) to access form.

Form A - Project Description Form

(This form may be submitted any time during the fiscal year)

--Instructions--

Summary:

Form A should be submitted whenever a Jurisdiction is requesting the approval of a new project or if there is a budget or scope change of more than 25 percent in an ongoing transit or paratransit project (as defined in the Prop A and Prop C Guidelines).

Key Terms:

- **Local Jurisdiction:** Indicate your City or Agency.
- **Fiscal Year:** Indicate the fiscal year (July 1 - June 30th) for which Prop A or Prop C LR funds will be used.
- **Project Description and Justification:** Provide a brief project description (include any necessary details) to help Metro staff determine project scope and eligibility.
- **Project Revenues:** Under the appropriate fund sources, indicate the revenues expected to fund the project.
- **Accessibility Features:** Check box applicable for Bus Stop Improvement Projects only.
- **Street Maintenance, Improvement or bikeway projects:** Check the box to indicate that a Pavement Management System (PMS) is in place and being used (see Appendix III).
- **Intelligent Transportation Systems projects:** Please check the box if this project is or has an ITS project element to indicate that an ITS self-certification (see Appendix VI) for has been submitted to Metro.
- **Authorized Signature:** Form A may be printed, signed and dated by authorized Local Jurisdiction, and sent to Metro by mail or fax, or e-mailed as described in Step 5.

Excel Operations:

Step 1 – Confirm computer is set to run macros

Open Microsoft Excel application

From the menu, select:

- Tools
- Macros
- Security
- Set it at Medium
- Press OK

Close Excel application

Step 2 Open Form A

Visit Metro's Web Site at www.metro.net

- Go to Projects/Programs
- Click on Local Return
- Click on Form A to open

Click yes to open the document containing Macros

Step 3 – Enter Form A Information

Once Form A is opened,

- Select correct agency (click on small arrow to scroll agency names)
- Enter contact name, telephone number, and e-mail address
- Enter project information on Form A

Step 4 – Save document under MY DOCUMENTS

Once information is entered on Form A, save document in My Documents

- Save Document as Form A City of

Step 5 – Forward Form A to Metro

Open Outlook (or other e-mail browser)

On e-mail include:

- Contact information including name, title, telephone number, and jurisdiction
- Brief description of the e-mail (transmittal)
- Attach Form A to the e-mail message

Important Changes

- All forms require that the entire value of project be entered, no longer will values be stated in \$ thousands.
- DO NOT alter forms. If for any reason there is a difference in Project Code, Sequence Number, or Project Title, contact Metro to resolve any discrepancies.
- Enter value for every project. If project is finalized, enter COMPLETE. DO NOT enter a dollar value.

Form B – Annual Project Update Form

(This form must be submitted by August 1st of each year)

--Instructions--

M Metro	LOS ANGELES COUNTY							
	METROPOLITAN TRANSPORTATION AUTHORITY							
Proposition A and Proposition C Local Return Program								
Form B								
ANNUAL PROJECT UPDATE FORM								
(Must be submitted by August 1st of each year)								
Print Preview	Local Jurisdiction			Fiscal Year				
	Contact Person			Telephone No.	E-Mail Address			
Project Code	Sequence Number	Project Title	Project Status*	Proposition A Local Return	Proposition C Local Return	Est. Project Revenue	Funding Sources	Total Project Budget
								-
								-
								-
								-
								-
								-
								-
								-
								-
			Total	-	-	-	-	-

*Project Status: OG=On going operating projects; CO=Carryover capital projects.

Click [here](#) to access form.

Form B – Annual Project Update Form

(This form must be submitted by August 1st of each year)

--Instructions--

Summary:

Form B requires Jurisdictions to give an update of already approved, ongoing and carryover Prop A and Prop C LR projects. Since new projects require additional information, please include all new projects on Form A only. (Note: Jurisdictions are required to call out all administration charges to Direct Administration in order to verify compliance of 20 percent maximum limit).

Key Terms:

- **Local Jurisdiction:** Indicate your City or Agency.
- **Fiscal Year:** Indicate the fiscal year (July 1 - June 30th) for which Prop A or Prop C LR funds will be used.
- **Project Code:** Enter Project Codes (see column on right). This code is critical in Form submittal as it is used in the LR database system.
- **Sequence Number:** Sequence Numbers distinguish between the different projects being implemented. Indicate the sequence number of the project which is the order of submittal for the project (i.e., oldest approved to most recent approval).
- **Project Title:** Provide Project Title as indicated on the Form A or previous Form B submittal.
- **Project Status:** Check box applicable – Completed, On-going or Carryover.
- **Project Revenues:** Under the appropriate fund sources, indicate the itemized revenues expected to fund the project.
- **Authorized Signature:** Form B may be printed, signed and dated by authorized Local Jurisdiction, and sent to Metro by mail or fax, or e-mailed as described in Step 5.

Excel Operations:

Step 1 – Confirm computer is set to run macros

Open Microsoft Excel application

From the menu, select:

- Tools
- Macros
- Security
- Set it at Medium
- Press OK

Close Excel application

Step 2 Open Form B

Visit Metro's Web Site at www.metro.net

- Go to Projects/Programs
- Click on Local Return
- Click on Form B to open

Click yes to open the document containing Macros

Step 3 – Enter Form B Information

Once Form B is opened,

- Select correct agency (click on small arrow to scroll agency names)
- Enter contact name, telephone number, and e-mail address
- Enter appropriate values for each project

Step 4 – Save document under MY DOCUMENTS

Once the values of each project have been entered, save document into My Documents

- Save Document as Form B City of

Step 5 – Forward Form B to Metro

Open Outlook (or other e-mail browser)

On e-mail include:

- Contact information including name, title, telephone number, and Jurisdiction
- Brief description of the e-mail (transmittal)
- Attach Form B to the e-mail message


Important Changes

- All forms require that the entire value of project be entered, no longer will values be stated in \$ thousands.
- DO NOT alter forms. If for any reason there is a difference in Project Code, Sequence Number, or Project Title, contact Metro to resolve any discrepancies.
- DO NOT add or remove project on Form B, please contact Metro regarding any changes.
- Enter value for every project. If project is finalized, enter COMPLETE. DO NOT enter a dollar value.

Form C – Annual Expenditure Report Form

(This form must be submitted by October 15th of each year)

--Instructions--

 Metro	LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY Proposition A and Proposition C Local Return Program							
	Form C ANNUAL EXPENDITURE REPORT (Must be submitted by October 15th of each year)							
	Local Jurisdiction				Fiscal Year			
Contact Person				Telephone No.	E-Mail Address			
Project Code	Sequence Number	Project Title	1st Yr Approved	Expenditure		Metro Approved Budget		
				Proposition A Local Return	Proposition C Local Return	Proposition A Local Return	Proposition C Local Return	
Total				-	-	-	-	
Fiscal Year 2005 Summary								
Description				Proposition A Local Return	Proposition C Local Return			
Beginning Fund Balance								
Allocations Received								
Fare Revenues								
Interest Income								
Others (Specify):								
Total Revenues				-	-			
Expenditures				-	-			
Fund Balance				-	-			

Click [here](#) to access form.

Form C – Annual Expenditure Report Form

(This form must be submitted by October 15th of each year)

--Instructions--

Summary:

Form C requires Jurisdictions to report the annual expenditures for both Prop A and Prop C LR for the previous fiscal year. (Note: Jurisdictions are also required to submit an accounting of recreational transit trips, destinations and costs, if applicable).

Key Terms:

- **Local Jurisdiction:** Indicate your City or Agency.
- **Fiscal Year:** Indicate the fiscal year (July 1 - June 30th) for which Prop A or Prop C LR funds will be used.
- **Project Title:** Provide Project Title as indicated on the Form A or previous Form B submittal.
- **Project Status:** Check box applicable – Completed, On-going or Carryover.
- **Project Revenues:** Under the appropriate fund sources, indicate the itemized revenues expected to fund the project.
- **Authorized Signature:** Form C may be printed, signed and dated by authorized Local Jurisdiction, and sent to Metro by mail or fax, or e-mailed as described in Step 5.

Excel Operations:

Step 1 – Confirm computer is set to run macros

Open Microsoft Excel application

From the menu, select:

- Tools
- Macros
- Security
- Set it at Medium
- Press OK

Close Excel application

Step 2 Open Form C

Visit Metro's Web Site at www.metro.net

- Go to Projects/Programs
- Click on Local Return
- Click on Form C to open

Click yes to open the document containing Macros

Step 3 – Enter Form C Information

Once Form C is opened,

- Select correct agency (click on small arrow to scroll agency names)
- Enter contact name, telephone number, and e-mail address
- Enter appropriate values for each project

Step 4 – Save document under MY DOCUMENTS

Once the values of each project have been entered, save document into My Documents

- Save Document as Form C City of

Step 5 – Forward Form C to Metro

Open Outlook (or other e-mail server)

On e-mail include:

- Contact information such as name, title, telephone number, and Jurisdiction
- Brief description of the e-mail (transmittal)
- Attach Form C on the e-mail message

Important Change Important Changes

- All forms require that the entire value of project be entered, no longer will values be stated in \$ thousands.
- Enter value for every project. If project is finalized, enter COMPLETE. DO NOT enter a dollar value

**GLOSSARY OF TERMS
USED IN LOCAL RETURN GUIDELINES**

Americans with Disabilities Act (ADA), 1990

A civil rights law passed by Congress in 1990 that makes it illegal to discriminate against people with disabilities in employment, services provided by state and local governments, public and private transportation, public accommodations and telecommunications.

Advanced Traveler Information Systems (ATIS)

ATIS technologies provide travelers and transportation professionals with the information they need to make decisions, from daily individual travel decisions to larger scale decisions that affect the entire system, such as those concerning incident management.

Air Quality Management District (AQMD)

Administrative districts organized in California to control air pollution. Generally, AQMDs and their national parallel encompass multiple jurisdictions and closely follow the definition of Consolidated Metropolitan Statistical Areas and Metropolitan Statistical Areas.

Adaptive Traffic Control Systems (ATCS)

ATCS uses sensors to interpret characteristics of traffic approaching a traffic signal, and using mathematical and predictive algorithms, adapts the signal timing accordingly, optimizing its performance.

Advanced Traffic Management Systems (ATMS)

ATMS technologies apply surveillance and control strategies to improve traffic flow on highways and arterials.

Automatic Vehicle Location (AVL)

The installation of devices on a fleet of vehicles (e.g., buses, trucks, or taxis) to enable the fleet manager to determine the level of congestion in the road network. AVL is also used to enable the fleet to function more efficiently by pinpointing the location of vehicles in real time.

Bicyclists Rights

According to CVC21200 Bicyclists have all the rights and responsibilities of vehicle drivers.

Bikeway Definitions

Class I Bikeway - Off road paved bike path

Exclusive bi-directional path designated for bicycles or as multi-use path shared with pedestrians (if pedestrian path is not adjacent).

Class II Bikeway - On-road striped bike lane

Class III Bikeway - On-road bike route (signage only)

Streets designated as preferred routes through high demand corridors, used to provide continuity to other bicycle facilities (usually II bikeways), or provide routes to transit or other destinations where the streets are too narrow for bike lanes. Usually bike routes have some added preferential bike treatments that offers advantages over alternative routes.

Bus turn-out

A branch from or widening of a road that permits buses to stop, without obstructing traffic, while laying over or while passengers board and alight. It is designed to allow easy reentry of the bus into the traffic stream.

California Streets and Highways Code

This is the legal code regulating the roads and highways of the State of California. The code sets forth the administration and funding of the highway system, the relationship of the state government to the county and local governments in regards to streets and roads, administration of tolls collected by the state, and various acts dealing with streets and highways passed by the state legislature.

Capital Reserve

With Metro Board approval and signed Capital Reserve Agreement, funds may be set aside for Capital projects to provide reserve funds for a period of time over the three year timely use provision.

Carry-over Project

A project that was not completed and which takes two or more year to finish. The construction of a transit center or a citywide bus shelter installation project may be multi-year projects.

Congestion Management Program (CMP)

A state mandated program linked to Proposition 111 (1990) that requires each county to prepare a plan to address traffic congestion on regional streets and freeways. Elements of the CMP include designation of a regional highway system with level of service (LOS) standards, a local trip reduction ordinance, capital improvement program, land use impact analysis, and transit performance standards. If LOS standards are not maintained, deficiency plans must be prepared and implemented.

Changeable Message Signs (CMS)

Electronic road and transit station signs used to display information that can be updated, such as warnings of road incidents, hazardous weather conditions, or estimated arrival times of transit vehicles. Used in ATIS and ATMS. Also called Variable Message Signs (VMS).

Councils of Governments (COG)

Regional planning bodies that exist throughout the United States. A typical council is defined to serve an area of several counties, and they address issues such as regional planning, water use, pollution control, and transportation. The Council membership is drawn from the county, city, and other government bodies within its area.

Commuter Rail

Railroad local and regional passenger train operations between a central city, its suburbs and/or another central city. It may be either locomotive-hauled or self-propelled, and is characterized by multi-trip tickets, specific station-to-station fares, railroad employment practices and usually only one or two stations in the central business district. Also known as "suburban rail."

Curb Cut

A small ramp between the sidewalk and curb that facilitates passage by wheelchairs, strollers, etc. between the sidewalk and street intersection.

Commercial Vehicle Operations (CVO)

ITS program to apply advanced technologies to commercial vehicle operations, including commercial vehicle electronic clearance; automated roadside safety inspection; electronic purchase of credentials;

automated mileage and fuel reporting and auditing; safety status monitoring; communication between drivers, dispatchers, and intermodal transportation providers; and immediate notification of incidents and descriptions of hazardous materials involved.

Demand Responsive

Non-fixed-route service utilizing vans or buses with passengers boarding and alighting at pre-arranged times at any location within the system's service area. Also called "Dial-a-Ride."

Dial-a-Ride

A shared-ride public transportation service for senior citizens age 65 and older, people with disabilities and people who meet American Disabilities Act (ADA) eligibility.

Direct Administration

Those fully burdened salaries and overhead, office supplies and equipment directly associated with administering LR operating and capital projects.

Electronic Payment Systems

Systems that collect payments using an electronic transponder. Payment types include fees for transit fares, taxis, parking, and tolls. Electronic payment systems can also gather real-time transit information on travel demand for better planning and scheduling of services.

Farebox revenue

Money, including fares and transfers, zone and park and ride receipts, paid by transit passengers; also known as "passenger revenue."

Financial and Compliance Audit

The review and examination of the jurisdictions' books and records to verify compliance with existing statutes governing the Local Return Funds. Such review and examination include verification of adherence to the generally accepted accounting principles, review of internal control system and evaluation of compliance with the Local Return Guidelines. The Financial and Compliance Audit shall be conducted by an independent auditor and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States.

Fiscal year

A twelve-month period to which the annual budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. This twelve-month period varies from the calendar year. In the California, State Government system, the fiscal year starts July 1 and ends the following June 30. In the Federal system, the fiscal year starts October 1 and ends the following September 30.

Fixed Route

Service provided on a repetitive, fixed-schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed-route trip serves the same origins and destinations, unlike demand responsive and taxicabs.

Flexible Destination

A type of demand-responsive service which takes on passengers according to a fixed route, and drops passengers off at alternative destinations within a defined service area.

Formula Funds

Funds distributed or apportioned to qualifying recipients using formulas which are based on statistics (such as operating performance or route characteristics) and established by law or by funding agency-adopted policies.

Fund Exchange

Funds traded to another Local Jurisdiction or Agency for an agreed amount. Funds returned may be from General, State, Federal funds or other agreed upon method of exchange between the agencies. Eligible under Proposition A only.

Giving

Local Jurisdictions can give Prop C funds to another Jurisdiction for a transit related project as long as Metro approves, and no exchange or gift of any kind is received in return.

Headsign

A destination sign above the front (and sometimes side) window of a bus or train.

Information Exchange Network (IEN)

The Los Angeles County IEN can exchange real-time TCS data from intersections in each of the county's several traffic forums and enables all forums, the county, and partner cities to access the information.

Intelligent Transportation Systems (ITS)

This program is an initiative of the United States Department of Transportation to add information technology to surface transportation infrastructure and vehicles. It aims to manage vehicles, roads, and routes to improve efficiency, safety and reduce vehicle wear, transportation times and fuel costs. ITS Architecture relates to the overarching framework that allows individual ITS services and technologies to work together, share information, and yield synergistic benefits.

Loaning

Local Jurisdictions may arrange a mutually acceptable temporary transfer or loan from one Jurisdiction to another. Refer to Metro's Administrative Process for additional information.

Local Jurisdiction

City or Agency that is the applicant for the project to be funded with Proposition A or Proposition C Local Return (LR).

Maintenance

Maintenance refers to minor work to prevent further deterioration, such as, slurry seal, or pothole repair

Maintenance of Effort

This requirement provides for the continuation of funding commitments by local jurisdictions on roadways used by public transit while supplementing these improvements with Proposition C Local Return funds. Local Return funds cannot be used to replace any pre-existing roadway funding but only to augment what is currently being utilized by local jurisdictions. In the past, local jurisdictions have had to report to the State Controller those funds spent on streets and roads in order to be in compliance with the California Streets and Highways Code.

Metro

The Metropolitan Transportation Authority. Metro staff manages the administration of the program. Metro refers to the administrative staff.

Metro Art

The Metro department responsible for incorporating art enhancements into Metro projects, including rail stations, bus stops, construction sites, streetscapes and other public oriented improvements..

Metro Board

The Metropolitan Transportation Authority has an established member list of Board of Directors and Executives as appointed by the Board. The Metro Board makes decisions on funding allocations, Guidelines, Capital Reserves and possible appeals.

Metro Rail

Rail service operated by the Los Angeles County Metropolitan Transportation Authority (Metro)

Metro Long Range Transportation Plans

In April 2001, the Metro Board adopted the Long Range Transportation Plan. This plan is a 25-year blueprint for transportation planning in Los Angeles County through the year 2025. The Long Range Transportation Plan assesses future population increases projected for the county and what such increases will mean for future mobility needs. The plan recommends what can be done within anticipated revenues, as well as what could be done if additional revenues become available.

Metro Short Range Transportation Plans

The 2003 Short Range Transportation Plan focuses on the phasing of transportation improvements through 2009 that will help put together the pieces of our mobility puzzle. The Plan relies on performance-based modeling to identify the best solution for each mobility challenge. In total, \$19.3 billion is needed to fund this Plan's transportation priorities through 2009. These include the costs of operating the current system and funding new transportation solutions.

National ITS Architecture

A systems framework to guide the planning and deployment of ITS infrastructure. The national ITS architecture is a blueprint for the coordinated development of ITS technologies in the U.S. The architecture defines the functions that must be performed, the subsystems that provide these functions, and the information that must be exchanged to support the defined **User Services**. The National ITS Architecture was released as a final document in June 1996.

National Transit Database (NTD)

A reporting system administered by the Federal Transit Administration (FTA) that uses uniform categories to record mass transportation financial and operating information through a uniform system of accounts on an annual basis.

Paratransit

Auxiliary public transportation available to elderly or disabled passengers or patrons in areas, which are underserved by conventional transit. Paratransit is generally operated using smaller vehicles, with flexible schedules and routes.

Park-and-Ride

An access mode to transit in which patrons drive private vehicles or ride bicycles to a transit station, bus or rail stop or carpool or vanpool waiting area and park their vehicles in the area provided for the

purpose. They then ride the transit system or take the carpool/vanpool to their destinations. (TRB) 2 involve the use of a motorized personal vehicle in conjunction with transit. Park-and-ride facilities include a parking lot or portion of a lot near transit stops, allowing transit users to park their personal vehicles for a short period of time and make convenient transfers to the transit system.

Pavement Condition Index (PCI)

A value for a pavement segment representing its condition. The Pavement Condition Index (PCI) is a numerical rating of the pavement condition that ranges from 0 to 100, with 0 being the worst possible condition and 100 being the best possible condition.

Pavement Management System (PMS)

A systematic process that provides, analyzes, and summarizes pavement information for use in selecting and implementing cost-effective pavement construction, rehabilitation, and maintenance programs and projects. A PMS involves the identification of optimum strategies at various Pavement Condition Index (PCI) levels and maintains pavements at an adequate PCI Threshold (level of serviceability). These include, but are not limited to, systematic procedures for scheduling maintenance and rehabilitation activities based on optimization of benefits and minimization of costs.

Project Code

Project Codes distinguish the type of projects being implemented.

Reconstruction

Activities that extend the serviceable life by at least 10 years, and involve reworking or removal and replacement of all or part of the engineered layers in the pavement structure. Removal and replacement of all asphalt and concrete layers and often the base and sub-base layers, in combination with remediation of the sub-grade and drainage, and possible geometric changes. Due to its high cost, reconstruction is rarely done solely on the basis of pavement condition. Other circumstances such as obsolete geometrics, capacity improvement needs, and/or alignment changes, are often involved in the decision to reconstruct a pavement.

Recreational Transit

City-sponsored trips to recreational or cultural destinations within defined geographic area. Charter buses are frequently used and trips must be advertised to the general public. Service is generally contracted out to a private sector operator.

Rehabilitation

Activities that extend the serviceable life by at least 10 years, and add structural capacity to the pavement.

Reimbursement

LR funds may be advanced for other grant funds as long as the project itself is eligible under LR Guidelines. The grant funds must be reimbursed to the LR fund.

Resurfacing

Activities that extend the serviceable life by at least 10 years and change the surface characteristics of the pavement. Resurfacing generally consists of placing additional asphalt concrete over a structurally sound highway or bridge that needs treatment to extend its useful life.

Revenue Vehicle Miles

The miles a vehicle travels while in revenue service. Vehicle revenue miles exclude travel to and from storage facilities, training operators prior to revenue service, road tests and deadhead travel, as well as school bus and charter services.

Ride matching programs

Programs that provide nearest major intersection-matching services to commuters who wish to establish a car- or van-pool.

Right of Way

Land; a public or private area that allows for passage of people or goods, including, but not limited to, freeways, streets, bicycle paths, alleys, trails and walkways. A public right-of-way is dedicated or deeded to the public entity for use under the control of a public agency.

Regional Integration of Intelligent Transportation Systems (RIITS)

This system supports information exchange between freeway, traffic, transit and emergency service agencies to improve management of the Los Angeles County transportation system.

Ramp Metering Station (RMS)

Traffic-responsive regulation of vehicle entry to a freeway, typically via sensor controlled freeway ramp stoplights.

Sequence Code

Sequence Codes distinguish between the different projects being implemented.

Shuttle

A public or private vehicle that travels back and forth over a particular route, especially a short route or one that provides connections between transportation systems, employment centers, etc.

State Controller

The Controller is the state's chief financial officer and is elected by a vote of the people every four years. The duties of the State Controller are prescribed by the Constitution with additional powers and functions set by statute. The primary function of the State Controller is to provide sound fiscal control over both receipt and disbursement of public funds, to report periodically on the financial operations of both state and local governments and to make certain that money due the state is collected in a fair, equitable and effective manner. The office also enforces collection of delinquent gas, truck and insurance taxes.

Traffic Control Systems (TCS)

Advanced systems that adjust the amount of "green time" for each street and coordinate operation between each signal to maximize traffic flow and minimize delay. Adjustments are based on real-time changes in demand.

Traffic/Transportation/Transit Management Center (TMC)

Traffic/Transportation/Transit Management Center (interchangeable)

Transfer Center

A fixed location where passengers interchange from one route or transit vehicle to another.

Transit revenues

Revenues generated from public transportation (bus, rail or other conveyance for public).

Transportation Demand Management (TDM)

A program designed to maximize the people-moving capability of the transportation system by increasing the number of people in each vehicle or by influencing the time of, or need to, travel. To accomplish these sorts of changes, TDM programs must rely on incentives or disincentives to make the shifts in behavior attractive. The term TDM encompasses both the alternatives to driving alone and the techniques or supporting strategies that encourage the use of these modes.

Transportation Improvement Program (TIP)

A prioritized program of transportation projects to be implemented in appropriate stages over several years (3 to 5 years). The projects are recommended from those in the transportation systems management element and the long-range element of the planning process. This program is required as a condition for a locality to receive federal transit and highway grants.

Transportation Management Associations (TMAs)

An urbanized area with a population more than 200,000 (as determined by the most recent decennial census) or other area when TMA-designation is requested by the Governor and the MPO (or affected local officials), and officially designated by the Federal Highway Administration and the Federal Transit Administration. TMA designation applies to the entire metropolitan planning area(s). (23CFR500).

Transportation Enhancements (TE)

A funding program of the USDOT Federal Highway Administration that offers communities the opportunity to expand transportation choices. Activities such as safe bicycle and pedestrian facilities, scenic routes, beautification, and other investments increase opportunities for recreation, accessibility, and safety for everyone beyond traditional highway programs.

Transportation Systems Management (TSM)

Transportation Systems Management is the cooperative development and implementation of strategies to maximize the safe movement of people and goods by managing an integrated multimodal transportation system. The effective management of the system will enable the traveling public more efficient use of the existing transportation facilities. Elements of TSM include incident management programs, traveler information systems, traffic signal systems upgrades, intermodal freight planning, surveillance control systems, demand management techniques, and commercial vehicle operations.

Traffic Signal Priority (TSP)

It gives preferential treatment to one type of system user over other users and allows signal controllers to service competing needs in the order of relative importance.

User Services

Services available to travelers on an ITS-equipped transportation system, as set forth by ITS America. The 30 services are arranged in 7 categories, as follows: travel and transportation management, travel demand management, public transportation operations, electronic payment, commercial vehicle operations, emergency management, and advanced vehicle control and safety systems.

User-side Subsidies

This refers to funds set aside to offer discounts to public transit users. Such subsidies are approved by local jurisdictions councils or boards and are optional. A city, for example, pays full price for a monthly

bus or rail pass but will sell it to a transit user (city resident) for a lower (subsidized) rate. Each city defines who is eligible for subsidies based on demand and budgetary constraints.

Vehicle Miles Traveled (VMT)

The number of miles traveled within a specific geographic location by vehicles for a period of one year. VMT is calculated either by using two odometer readings or, in the absence of one of the odometer readings, by regression estimate.

REFERENCES

American Public Transportation Association

Website: <http://www.apta.com/research/info/online/glossary.cfm>

California Highway Design Manual Chapter 1000

California Streets and Highways Code

Website: <http://ntl.bts.gov/>

Caltrans-California Department of Transportation

Website: <http://www.dot.ca.gov/>

City and County of Honolulu and the Hawaii Department of Transportation

Website: <http://www.oahutrans2k.com/info/glossary>

Department of Energy

Website: <http://www.energy.gov/>

Federal Transportation Authority glossary

Website: http://www.fta.dot.gov/31_ENG_Printable.htm

Federal Highway Administration (ITS glossary)

Website: http://www.fhwa.dot.gov/planning/glossary/glossary_listing.cfm

Kitsap Transit, Bremerton, Washington.

Website: www.kitsaptransit.org/home/ktjargon.html

State of North Carolina Department of Transportation

Website: <http://www.ncdot.org/transit/transitnet/Glossary/>

US Department of Transportation glossary

Website: <http://www.dot.ca.gov/hq/MassTrans/trterms.htm>

Other website sources

<http://en.wikipedia.org/wiki/infrastructure>

<http://sco.ca.gov>

<http://www.belmont.gov/SubContent.asp?CatId=240000622>

<http://www.dieselnet.com/g1-a.html>

http://www.pvpc.org/html/tier3/transp/trans_study.html

<http://www.tempe.gov/tim/DialARide.htm>

ACKNOWLEDGEMENTS

The Fiscal Year 2007 revision of the Proposition A and Proposition C Local Return Guidelines was made possible through the combined efforts of Metro staff and the constituent representatives comprising the Local Return Guidelines Update Working Group:

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Mike Uyeno, City of Los Angeles, Technical Advisory Committee
Desi Alvarez, City of Downey, Gateway Cities Council of Governments
Victor Rollinger, League of California Cities, South Bay Cities Council of Governments
Greg Hermann/Ryan Mills, City of Burbank, Arroyo Verdugo Cities Council of Governments
Daniel Rix, City of Pasadena, San Gabriel Valley Council of Governments
James Thorsen, City Of Agoura Hills, Los Virgenes –Malibu Council Of Governments
Mark Bozigian, City Of Lancaster, North County Transportation Coalition
David Feinberg, City of Santa Monica, Westside Cities Council of Governments
Sumire Gant, City of Long Beach
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James Rojas, Transportation Development & Implementation, Metro
Armineh Saint, Local Programming, Metro
Carlos Vendiola, Local Programming, Metro
Thomas Soteros-McNamara (cover)

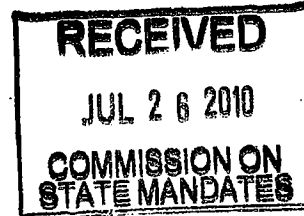
EXHIBIT C



JOHN CHIANG
California State Controller

July 23, 2010

Ms. Nancy Patton
Assistant Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814



RE: Revised Proposed Parameters and Guidelines and Reasonable Reimbursement Methodology
Municipal Storm Water and Urban Runoff Discharges
03-TC-04, 03-TC-20, 03-TC-21
Los Angeles Regional Quality Control Board Order No. 01-182
Permit CAS004001; Part 4, Section F.5.c.3.
County of Los Angeles, Cities of Artesia, Azusa, Beverly Hills, Carson, Commerce
Norwalk, Rancho Palos Verdes, Westlake Village, Vernon, Bellflower, Covina, Downey,
Monterey Park, and Signal Hill, Co-claimants

Dear Ms. Patton:

We have reviewed the revised proposed parameters and guidelines submitted by the County of Los Angeles and the various cities, respectively. Below are our comments and recommendations; proposed additions are underlined and deletions are indicated with strikethrough as follows:

III. PERIOD OF REIMBURSEMENT

“Actual costs for one fiscal year shall be included in each claim. ~~Estimated costs for the subsequent year may be included on the same claim, if applicable.~~ Pursuant to section 17561, subdivision (d)(1)(A) of the Government Code, all claims for reimbursement of initial years² fiscal year costs shall be submitted to the State Controller within 120 days of notification by the State Controller of the issuance date of claiming instructions.”

“ If the total costs for a given year do not exceed \$200 1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.”

COMMENTS: The County of Los Angeles' proposed revised parameters and guidelines on June 1, 2010.

Paragraph 6, Page 9

- a. *Delete 2nd sentence on Estimated Costs.* Chapter 6, Statutes of 2008 (effective February 16, 2008), eliminates the option of filing an estimated reimbursement claim.
- b. *Change 3rd sentence on language for minimum claim.* The language needs to be specific as to the initial fiscal year costs and the time frame 120 days from the issuance date, instead of the date of notification by SCO.

2. *7th Paragraph:*

Change minimum amount from \$200 to \$1,000. GC section 17564 (a) provides that no claim may be filed pursuant to Section 17551 and 17561, unless such a claim exceeds one thousand dollars (\$1,000).

IV. REIMBURSABLE ACTIVITIES

Paragraph 1, Page 9

~~“To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed, except where reasonable reimbursement methodology (RRM) rates are adopted as set forth in Section IV.B. To claim repetitive trash collection activities, claimants may elect to use RRM rates, their own time study or actual costs.”~~

IV. A. Actual Costs

Paragraph 3, Page 10

“Claimants may use time studies to support labor [salary, benefit and associated indirect] costs when an activity is task-repetitive. Time study usage is subject to the review and audit conducted by the State Controller’s Office. A time study plan is necessary before conducting a time study. The claimant must retain the time study plan for audit purposes. The plan needs to identify the following:

- Time period(s) to be studied – The plan must show that all time periods selected are representative of the fiscal year, and the results can be reasonably projected to approximate actual costs;
- Activities and/or programs to be studied – For each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program’s parameters and guidelines, which are derived from the program’s Statement of

Decision. If a reimbursable activity in the parameters and guidelines identifies separate and distinct sub-activities, these sub-activities must also be treated as individual activities;

The reimbursable time recorded on each time survey..."

IV.B. Reasonable Reimbursement Methodology

~~"Claimants may elect to be reimbursed for their transit trash collection costs using a reasonable reimbursement methodology (RRM) as set fourth below. Under this RRM, the annual standard or unit cost for each trash collection or 'pick-up' is multiplied by the annual number of trash collections to compute reimbursement for trash collection activities."~~

~~"The annual standard costs for a transit trash collection or 'pick-up' are:"~~

2008-09	\$6.75	plus three annual cost of living adjustments
2007-08	\$6.75	plus two annual cost of living adjustments
2006-07	\$6.75	plus one annual cost of living adjustment
2005-06	\$6.75	—
2004-05	\$6.75	less one annual cost of living adjustment
2003-04	\$6.75	less two annual cost of living adjustments
2002-03	\$6.75	less three annual cost of living adjustments"

COMMENT:

Page 10, Part IV.B, Paragraph 1:

To be eligible for mandated cost reimbursement, the claimant should be used only One-time Activity for claiming. The claimants should use the "Actual Costs" method to claim costs for Installation of Trash Receptacles (subsections 1.a. to 1.e, pp. 11-12) and Maintenance of trash receptacles (subsections 2.b to 2.e), except for subsection 2.a. For uniformity and consistency, we recommend "Actual Costs" method to claim costs for the Collection of trash, Section IV. (C)(2)(a). Consequently, we propose to delete "Reasonable Reimbursement Methodology" (RRM) method and RRM table as set forth in Section IV.B.

IV.C B. Scope of Reimbursable Activities

COMMENT: This would have to be "B" now ... we're eliminating "B" above.

The claimant is only allowed to claim, and be reimbursed for, increased costs for reimbursable activities identified below. Increased cost are limited to the costs of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

1. ~~Installation of Trash Receptacles. The activities include: planning (identifying transit stops, evaluating and selecting trash receptacle and pad type, evaluation of placement of trash receptacles and pads and specification and drawing preparation); preliminary~~

~~engineering work (construction contract preparation and specification review, bid advertising and award process); construction and installation of trash receptacles (including fabrication and installation of pads for receptacles and foundations and construction management). The five transit trash installation claiming categories are:~~

- ~~a. Identification of locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.~~
- ~~b. Selection of receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and/or drawings.~~
- ~~c. Contract preparation, specification review process, bid advertising, and review and award of bid.~~
- ~~d. Purchase of receptacles and/or construct receptacles and install receptacles.~~
- ~~e. Repeat steps (IV.C.1.c-d) when necessary for replacement of receptacles/pads.~~

COMMENT:

Paragraphs 3-10, Pages 11 & 12

We propose to delete the activities of "Installation of Trash Receptacles" as set forth in Section IV.C of subsections 1.a to 1.e, pp 11-12 because they are outside the scope of the state mandated reimbursable costs. "On September 3, 2009, the Commission adopted a Statement of Decision... (Part4F5c3 and GC section 17514 and 17556)".

IV.D. C. Methods for Claiming Costs

COMMENT:

Page 11-12:

We propose to delete Section IV.B. Reasonable Reimbursement Methodology above. Therefore, we recommend changing the distribution of and Section IV.C. Methods for Claiming Costs.

V. CLAIM PREPARATION AND SUBMISSION

4. Capital Fixed Assets and Equipment

"Report the purchase price paid for capital-fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the capital fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed."

COMMENT:

Page 13, Part V:

We propose to change "Capital" to "Fixed" because "Capital" pertains to both Fixed Assets and Equipment.

Ms. Nancy Patton
July 23, 2010
Page 5

Should you have any questions regarding the above, please contact Tiffany Hoang at (916) 323-1127, e-mail thoang@sco.ca.gov or Angie Lowi-Teng at (916) 323-0706, e-mail ateng@sco.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Jaylal", with a long horizontal flourish extending to the right.

JAYLAL, Manager
Local Reimbursement Sections

JL/ATL/th

EXHIBIT D



JOHN CHIANG
California State Controller
Division of Accounting and Reporting

February 18, 2011

Mr. Drew Bohan
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: Draft Staff Analysis, Proposed Parameters and Guidelines, Schedule for Comments, and Hearing Date
Municipal Storm Water and Urban Runoff Discharges
03-TC-04, 03-TC-20, 03-TC-21
Los Angeles Regional Quality Control Board Order No. 01-182
Permit CAS004001; Part 4, Section F.5.c.3.
County of Los Angeles, Cities of Artesia, Beverly Hills, Carson, Norwalk, Rancho Palos Verdes, Westlake Village, Azusa, Commerce, Vernon, Bellflower, Covina, Downy, Monterey Park, and Signal Hill, Co-claimants

Dear Mr. Bohan:

We have reviewed the proposed parameters and guidelines submitted by the County of Los Angeles and the various cities, respectively. Below are our comments and recommendations; proposed additions are underlined and deletions are indicated with strikethrough as follows:

III. PERIOD OF REIMBURSEMENT

Page 3

Reimbursement for state-mandated costs may be claimed as follows:

3. Pursuant to Government Code section 17560, subdivision (a), a local agency may, by February 15 following the fiscal year in which costs were incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.

4. If In the event that revised claiming instructions are issued by the Controller pursuant to Government Code section 17558, subdivision (c), between November 15 and February 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim. (Government Code section 17560, subdivision (b)).

Comment: Change the boilerplate language to conform to Government Code section 17560, subdivision (b).

Mr. Drew Bohan
February 18, 2011
Page 2

5. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564, subdivision (a).

IV. REIMBURSABLE ACTIVITIES

Page 4, Paragraph 2

Evidence corroborating the source documents may include, but is not limited to, time sheets, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, ~~training packets~~, calendars, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise reported in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

Page 4, Paragraph 4

For each eligible local agency, the following activities are reimbursable:

One-Time Activities

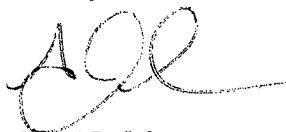
- A. Installation of Trash Receptacles (one-time per transit stop):

Ongoing Activities

- B. Maintenance of Trash Receptacles and Pads (on-going as needed):

Should you have any questions regarding the above, please contact Tiffany Hoang at (916) 323-1127, or e-mail to thoang@sco.ca.gov.

Sincerely,



JAYLAL, Manager
Local Reimbursement Sections

Commission on State Mandates

Original List Date:

Last Updated: 2/17/2011

List Print Date: 02/18/2011

Claim Number: 03-TC-04, 19, 20, 21

Issue: Municipal Stormwater and Urban Runoff Discharges

Mailing List

TO ALL PARTIES AND INTERESTED PARTIES:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.2.)

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COMMISSION ON STATE MANDATES

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SACRAMENTO, CA 95814
PHONE: (916) 323-3562
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E-mail: csminfo@csm.ca.gov

**DECLARATION OF SERVICE BY EMAIL**

I, the undersigned, declare as follows:

I am a resident of the County of Solano and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On February 18, 2011, I served the:

State Controller's Office comments

Municipal Storm Water and Urban Runoff Discharges

03-TC-04, 03-TC-19, 03-TC-20, 03-TC-21

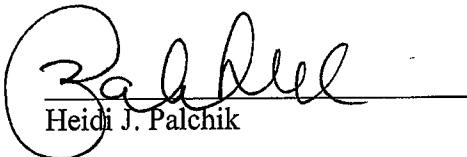
Los Angeles Regional Quality Control Board Order No. 01-182

Permit CAS004001; Part 4F5c3

County of Los Angeles, Cities of Artesia, Beverly Hills, Carson, Norwalk, Rancho Palos Verdes, Westlake Village, Azusa, Commerce, Vernon, Bellflower, Covina, Downy, Monterey Park, Signal Hill, Co-claimants

by making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on February 18, 2011 at Sacramento, California.


Heidi J. Palchik

SECTION 9
CLAIMING INSTRUCTIONS

EXHIBIT E

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2011-05
MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES

MAY 31, 2011

This program will be in effect beginning July 1, 2002, until a new national pollutant discharge elimination system (NPDES) permit issued by the Regional Water Quality Control Board for Los Angeles is adopted.

In accordance with Government Code sections 17560 and 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for the filing of claims for the Municipal Storm Water and Urban Runoff Discharges program. These claiming instructions are issued subsequent to adoption of the program's Parameters and Guidelines (P's & G's) by the Commission on State Mandates (Commission).

On July 31, 2009, the Commission adopted a Statement of Decision finding that part 4F5c3 of the Permit CAS004001 adopted by the Los Angeles Regional Water Quality Control Board imposes a partially reimbursable state-mandated program on specified local agencies for the activities listed in the P's & G's which are included as an integral part of these claiming instructions.

Exception

There will be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

Eligible Claimants

The following local agencies that incur increased costs as a result of this mandate are eligible to claim reimbursement:

- Local agency permittees identified in the Los Angeles Regional Water Quality Control Board Order No. 01-182, Permit CAS004001, that are *not* subject to a trash total maximum daily load (TMDL) are eligible to claim reimbursement for the mandated activities.
- The following local agency permittees that are subject to the Ballona Creek trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the Ballona Creek trash TMDL requirements:
 - Beverly Hills, Culver City, Inglewood, Los Angeles (City), Los Angeles County, Santa Monica, and West Hollywood
- From August 28, 2002, until September 22, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, and Vernon

- Beginning September 23, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the Los Angeles River trash TMDL requirements:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, and Vernon

Filing Deadlines

A. Reimbursement Claims

Initial reimbursement claims must be filed within 120 days from the issuance date of the claiming instructions. Costs incurred for compliance with this mandate are reimbursable for fiscal years 2002-2003 through 2009-2010 and must be filed with the SCO and be delivered or postmarked on or before **September 28, 2011**. Claims filed after **September 28, 2011**, are subject to a 10% late penalty without limitation. Claims for fiscal year 2010-2011 must be filed with the SCO and be delivered or post marked on or before **February 15, 2012**. Claims for fiscal year 2010-2011 filed after **February 15, 2012**, will be subject to a 10% late penalty not to exceed \$10,000. **Claims filed more than one year after the applicable deadline will not be accepted.**

B. Late Penalty

1. Initial Claims

Late initial claims are assessed a 10% late penalty of the total amount of the claims without limitation pursuant to Government Code Section 17561.

2. Annual Reimbursement Claims

Annual reimbursement claims must be filed by February 15 of the following fiscal year in which costs were incurred or the claims will be reduced by a late penalty.

Late annual reimbursement claims are assessed a 10% late penalty of the claimed amount; \$10,000 maximum penalty.

Minimum Claim Cost

GC section 17564(a) provides that no claim may be filed pursuant to sections 17551, 17560, and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**).

Reimbursement of Claims

Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating: "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure Section 2015.5.

Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

Audit of Costs

All claims submitted to the SCO are subject to review to determine if costs are related to the mandate, are reasonable and not excessive, and if the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency for this mandate is subject to the initiation of an audit by the SCO no later than three years after the date that the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit will commence to run from the date of initial payment of the claim.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

Record Retention

All documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or last amended regardless of the year of costs incurred. If no funds were appropriated for initial claims at the time the claim was filed, supporting documents must be retained for three years from the date of

initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

Address for Filing Claims

Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents. **To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

Mandated costs claiming instructions and forms are available online at the SCO's Web site: www.sco.ca.gov/ard_mancost.html. If you have questions, call the Local Reimbursements Section at (916) 324-5729 or email LRSDAR@sco.ca.gov.

Adopted: March 24, 2011

PARAMETERS AND GUIDELINES

Los Angeles Regional Quality Control Board Order No. 01-182

Permit CAS004001

Part 4F5c3

Municipal Storm Water and Urban Runoff Discharges

03-TC-04, 03-TC-20, 03-TC-21

County of Los Angeles, Claimant (03-TC-04)

Cities of Artesia, Beverly Hills, Carson, Norwalk, Rancho Palos Verdes, Westlake Village,

Azusa, Commerce, Vernon, Claimants (03-TC-20)

Bellflower, Covina, Downey, Monterey Park, Signal Hill, Claimants (03-TC-21)

I. SUMMARY OF THE MANDATE

This consolidated test claim was filed by the County of Los Angeles and several cities in the Los Angeles region, alleging that various sections of the 2001 storm water permit (Permit CAS004001) adopted by the Los Angeles Regional Water Quality Control Board constitute a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution. On July 31, 2009, the Commission adopted a Statement of Decision, finding that part 4F5c3 of the permit imposes a partially reimbursable state-mandated program on specified local agencies. (California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.) Part 4F5c3 states the following:

Permittees not subject to a trash TMDL [total maximum daily load] shall [¶]...[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

The Commission found that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL), is entitled to reimbursement to: "Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary." All other activities pled in the test claim were denied by the Commission. The Statement of Decision was issued in September 2009.

II. ELIGIBLE CLAIMANTS

The following local agencies that incur increased costs as a result of this mandate are eligible to claim reimbursement:

- Local agency permittees identified in the Los Angeles Regional Water Quality Control Board Order No. 01-182, Permit CAS004001, that are *not* subject to a trash TMDL are eligible to claim reimbursement for the mandated activities.
- The following local agency permittees that are subject to the Ballona Creek trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the Ballona Creek trash TMDL requirements:

Beverly Hills, Culver City, Inglewood, Los Angeles (City), Los Angeles County Santa Monica, and West Hollywood

- From August 28, 2002, until September 22, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, and Vernon

- Beginning September 23, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the Los Angeles River trash TMDL requirements:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, and Vernon

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that fiscal year. The County of Los Angeles filed a test claim on *Transit Trash Receptacles* (03-TC-04) on September 2, 2003. The Cities of Artesia, Beverly Hills, Carson, La Mirada, Monrovia, Norwalk, Rancho Palos Verdes, San Marino, and Westlake Village filed a test claim on *Waste Discharge Requirements* (03-TC-20) on September 30, 2003. The Cities of Baldwin Park, Bellflower, Cerritos, Covina, Downey, Monterey Park, Pico Rivera, Signal Hill, South Pasadena, and West Covina filed a test claim on *Storm Water Pollution Requirements* (03-TC-21) on September 30, 2003. Each test claim alleged that Part 4F5C3 of the Los Angeles Regional Water Quality Control Board Order No. 01-182,

Permit CAS004001 was a reimbursable state-mandated program. The filing dates of these test claims establish eligibility for reimbursement beginning July 1, 2002, pursuant to Government Code section 17557, subdivision (e), and continues until a new NPDES permit issued by the Regional Water Quality Control Board for Los Angeles is adopted.

Reimbursement for state-mandated costs may be claimed as follows:

1. Costs for one fiscal year shall be included in each claim.
2. All claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions. (Gov. Code, § 17561, subd. (b)(1)(A).)
3. A local agency may, by February 15 following the fiscal year in which costs were incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year. (Gov. Code, § 17560, subd. (a).)
4. In the event revised claiming instructions are issued by the Controller pursuant to Government Code section 17558, subdivision (c), between November 15 and February 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim. (Gov. Code, § 17560, subd. (b).)
5. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564, subdivision (a).
6. There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed for the one-time activities in section IV. A below. The ongoing activities in section IV. B below are reimbursed under a reasonable reimbursement methodology.

Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual costs were incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, timesheets, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, calendars, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise reported in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible local agency, the following activities are reimbursable:

- A. Install Trash Receptacles (one-time per transit stop, reimbursed using actual costs):
 - 1. Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.
 - 2. Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings.
 - 3. Prepare contracts, conduct specification review process, advertise bids, and review and award bids.
 - 4. Purchase or construct receptacles and pads and install receptacles and pads.
 - 5. Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location.
- B. Maintain Trash Receptacles and Pads (on-going, reimbursed using the reasonable reimbursement methodology):
 - 1. Collect and dispose of trash at a disposal/recycling facility. *This activity is limited to no more than three times per week.*
 - 2. Inspect receptacles and pads for wear, cleaning, emptying, and other maintenance needs.
 - 3. Maintain receptacles and pads. This activity includes painting, cleaning, and repairing receptacles; and replacing liners. The cost of paint, cleaning supplies and liners is reimbursable. *Graffiti removal is not reimbursable.*
 - 4. Replace individual damaged or missing receptacles and pads. The costs to purchase and install replacement receptacles and pads and dispose of or recycle replaced receptacles and pads are reimbursable.

V. CLAIM PREPARATION AND SUBMISSION OF ACTUAL COSTS FOR THE REIMBURSABLE ACTIVITIES IDENTIFIED IN SECTION IV.A.

Each of the following cost elements must be identified for the reimbursable activities identified in section IV of this document. Each reimbursable cost must be supported by source documentation as described in section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services were also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and attorney invoices with the claim and a description of the contract scope of services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include: (1) the overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the 2 CFR Part 225 (Office of Management and Budget (OMB) Circular A-87). Claimants have the option of using 10% of labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B) and the indirect shall exclude capital expenditures and unallowable costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B).) However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distributions base may be: (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.); (2) direct salaries and wages; or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by: (1) classifying a department's total costs for the base period as either direct or indirect; and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or
2. The allocation of allowable indirect costs (as defined and described in (OMB Circular A-87 Attachments A and B) shall be accomplished by: (1) separate a department into groups, such as divisions or sections, and then classifying the division's or section's total costs for the base period as either direct or indirect; and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

VI. CLAIM PREPARATION AND SUBMISSION OF THE REASONABLE REIMBURSEMENT METHODOLOGY FOR THE REIMBURSABLE ACTIVITIES IDENTIFIED IN SECTION IV.B

Direct and Indirect Costs

The Commission is adopting a reasonable reimbursement methodology to reimburse eligible local agencies for all direct and indirect costs for the on-going activities identified in section IV.B of these parameters and guidelines to maintain trash receptacles. (Gov. Code, §§ 17557, subd. (b) & 17518.) The RRM is in lieu of filing detailed documentation of actual costs. Under the RRM, the unit cost of \$6.74, during the period of July 1, 2002 to June 30, 2009, for each trash collection or "pickup" is multiplied by the annual number of trash collections (number of receptacles times pickup

events for each receptacle), subject to the limitation of no more than three pickups per week. Beginning in fiscal year 2009-2010, the RRM shall be adjusted annually by the implicit price deflator as forecast by the Department of Finance.

VII. RECORDS RETENTION

A. Actual Costs

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter¹ is subject to the initiation of an audit by the State Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

B. Reasonable Reimbursement Methodology

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a school district pursuant to this chapter² is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. Pursuant to Government Code section 17561, subdivision (d)(2), the Controller has the authority to audit the application of a reasonable reimbursement methodology.

Local agencies must retain documentation which supports the reimbursement of the maintenance costs identified in Section IV.B of these parameters and guidelines during the period subject to audit, including documentation showing the number of trash receptacles in the jurisdiction and the number of trash collections or pickups. If an audit has been initiated by the Controller during the period subject to audit, the record retention period is extended until the ultimate resolution of any audit findings.

VIII. OFFSETTING REVENUES AND REIMBURSEMENTS

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.

¹ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

² This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1)(A), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon the request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only	PROGRAM
		(19) Program Number 00314 (20) Date Filed (21) LRS Input	314
(01) Claimant Identification Number		Reimbursement Claim Data	
(02) Claimant Name		(22) FORM-1, (04) A.1.(g)	
County of Location		(23) FORM-1, (04) A.2.(g)	
Street Address or P.O. Box		(24) FORM-1, (04) A.3.(g)	
City		(25) FORM-1, (04) A.4.(g)	
<div style="display: flex; justify-content: space-between;"> <div style="width: 20%;"> (03) State (04) Suite (05) Zip Code </div> <div style="width: 60%;"> Type of Claim (09) Reimbursement <input type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input type="checkbox"/> </div> </div>		(26) FORM-1, (04) A.5.(g)	
		(27) FORM-1, (06)	
		(28) FORM-1, (07)	
		(29) FORM-1, (08)	
Fiscal Year of Cost		(30) FORM-1, (11)	
Total Claimed Amount		(31) FORM-1, (12)	
Less: (refer to attached Instructions)		(32)	
Less: Prior Claim Payment Received		(33)	
Net Claimed Amount		(34)	
Due from State		(35)	
Due to State		(36)	
(37) CERTIFICATION OF CLAIM			
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer		Date Signed	_____
_____		Telephone Number	_____
_____		E-mail Address	_____
Type or Print Name and Title of Authorized Signatory			
(38) Name of Agency Contact Person for Claim		Telephone Number	_____
_____		E-mail Address	_____
Name of Consulting Firm / Claim Preparer		Telephone Number	_____
_____		E-mail Address	_____

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT INSTRUCTIONS	FORM FAM - 27
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- (01) Enter the claimant identification number assigned by the State Controller's Office.
- (02) Enter claimant official name, county of location, street or postal office box address, city, State, and zip code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) Not applicable.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown on Form 1, line (13). The total claimed amount must exceed \$1,000; minimum claim must be \$1,001.
- (14) Initial claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim was timely filed. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
- Late Initial Claims: FAM-27 line(13) multiplied by 10%, without limitation; or
 - Late Annual Reimbursement Claims: FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., Form 1, (04) A.1.(g), means the information is located on Form 1, line (04). A.1, column (g). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. **Completion of this data block will expedite the payment process.**
- (37) Read the statement of Certification of Claim. The claim must be dated, signed by the district's authorized officer, and must type or print name, title, date signed, telephone number, and email address. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the agency contact person for the claim. If the claim was prepared by a consultant, type or print the name of the consulting firm, the claim preparer, telephone number, and e-mail address.

SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS TO:

Address, if delivered by U.S. Postal Service:

OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

Address, if delivered by other delivery service:

OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	Form 1
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(01) Claimant	(02) Fiscal Year ____/20____
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(03) Department	
-----------------	--

Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
A. One-time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluation/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs							

Reasonable Reimbursement Methodology (RRM).

B. Ongoing Activity: Maintain Trash Receptacles and Pads	
(06) Annual number of trash collections (Refer to claiming instructions)	
(07) Total Ongoing Costs	Line (06) x RRM rate

Indirect Costs	
(08) Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%] %
(09) Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]
(10) Total Direct and Indirect Costs	Line (05)(g)+ line (07) + line (09)
(11) Less: Offsetting Revenues	
(12) Less: Other Reimbursements	
(13) Total Claimed Amount	[Line (10) - {line (11) + line (12)}]

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY INSTRUCTIONS	Form 1
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of claim.
- (03) Department. If more than one department has incurred costs for this mandate, give the name of each department. A separate Form-1 should be completed for each department.
- (04) **A One-time Activities (Actual Costs)**
Reimbursable Activities. For each reimbursable activity, enter the total from Form 2, line (05), columns (d) through (i) to Form 1, block (04), columns (a) through (f) in the appropriate row. Total each row.
- (05) Total One-time Costs. Total each column (a) through (g).
- (04) **B. Ongoing Activity- Reasonable Reimbursement Methodology (RRM)**
- (06) Annual number of trash collections. Enter the product of (number of receptacles) x (pick up events) for each receptacle, subject to the limitation of no more than three pickups per week.
Example: 10 receptacles x 2 times per week x 52 weeks = 1,040
- (07) Total Cost = Result from line (06) above x RRM rate for the applicable fiscal year.

Example: 1,040 x \$6.74 = \$7,010

Fiscal Year	RRM Rate
2002-03 to 2008-09	\$6.74
2009-2010	6.78
2010-2011	6.80

- (08) Indirect Cost Rate for A. One-time Activities. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an ICRP. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim.
- (09) Local agencies have the option of using 1) the flat rate of 10% of direct labor costs or 2) a department's indirect cost rate proposal (ICRP) in accordance with the Office of Management and Budget OMB Circular A-87 (Title 2 CFR Part 225). If the flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by 10%. If an ICRP is submitted, multiply applicable costs used in the distribution base for the computation of the indirect cost rate, by the Indirect Cost Rate, line (08). If more than one department is reporting costs, each must have its own ICRP for the program. [Line (08) x (line (05) (g) – costs not used in distribution base)].
- (10) Total Direct and Indirect Costs. Enter the sum of line (05)(g) + line (07) + line (09).
- (11) Less Offsetting Revenues. If applicable, enter any revenue received by the claimant for this mandate from any state or federal source.
- (12) Less: Other Reimbursements. If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds, that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (13) Total Claimed Amount. Line (10) less the sum of line (11) plus line (12). Enter the total on this line and carry the amount forward to form FAM-27, line (14) for the Reimbursement Claim.

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant	(02) Fiscal Year
---------------	------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	--

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___							
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL INSTRUCTIONS	Form 2
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- (01) Claimant. Enter the name of the claimant.
- (02) Fiscal Year. Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Activities. Check the box which indicates the activity being claimed. Check only one box per form. A separate Form 2 must be prepared for each applicable activity.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box checked in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns									Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked						
Benefits	Activities Performed	Benefit Rate			Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used			Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service				Cost = Hourly Rate x Hours Worked			Copy of Contract
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage					Cost = Unit Cost x Usage		
Travel	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode						Total Travel Cost = Rate x Days or Miles	

- (05) Total line (04), columns (d) through (i) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (i) to Form 1, block (05), columns (a) through (f) in the appropriate row.

SECTION 10
FINAL STATE AUDIT REPORT

EXHIBIT F



BETTY T. YEE
California State Controller

November 6, 2017

John Naimo, Auditor-Controller
Department of the Auditor Controller
Los Angeles County
500 West Temple Street, Room 525
Los Angeles, CA 90012

Dear Mr. Naimo:

The State Controller's Office (SCO) performed a desk review of costs claimed by Los Angeles County for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3) for the period of July 1, 2002, through June 30, 2013. We conducted our review under the authority of Government Code (GC) sections 12410, 17558.5, and 17561. Our review was limited to verifying the funding sources used to pay for the mandated activities.

The county claimed \$6,129,851 for the mandated program. Our review found that all costs claimed are unallowable. The costs are unallowable because the county did not offset the restricted revenues used to fund the mandated activities, as described in the attached Summary of Program Costs and Review Results. The State made no payments to the county. The SCO's Local Government Programs and Services Division will send the county a separate notification letter to reduce claimed costs to zero within 30 days from the issuance date of this report.

We issued a draft letter report on September 8, 2017. You responded by letter dated September 22, 2017 (Attachment 3), disagreeing with the review results. This final report includes the county's response.

This final letter report contains an adjustment to costs claimed by the county. If you disagree with the review finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (Commission). Pursuant to Section 1185, subdivision (c), of the Commission's regulations (*California Code of Regulations*, Title 3), an IRC challenging this adjustment must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. You may obtain IRC information on the Commission's website at www.csm.ca.gov/forms/IRCForm.pdf.

If you have any questions, please contact Jim L. Spano, CPA, Assistant Division Chief, by telephone at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/as

Attachments

RE: S17-MCC-9008

cc: Hasmik Yaghobyan, J.D., SB 90 Coordinator
Department of the Auditor-Controller
Los Angeles County
Edward Jewik, Program Specialist
Department of the Auditor-Controller
Los Angeles County
Chris Hill, Principal Program Budget Analyst
Local Government Unit, California Department of Finance
Steven Pavlov, Finance Budget Analyst
Local Government Unit, California Department of Finance
Anita Dagan, Manager
Local Government Programs and Services Division
California State Controller's Office

**Attachment 1—
Summary of Program Costs
July 1, 2002, through June 30, 2013**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2002, through June 30, 2003</u>			
One-time costs	\$ 241,508	\$ 241,508	\$ -
Ongoing costs	107,975	107,975	-
Total direct costs	349,483	349,483	-
Indirect costs	13,316	13,316	-
Total direct and indirect costs	362,799	362,799	-
Less offsetting revenues and reimbursements	-	(362,799)	(362,799)
Total program costs	<u>\$ 362,799</u>	-	<u>\$ (362,799)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2003, through June 30, 2004</u>			
One-time costs	\$ 32,128	\$ 32,128	\$ -
Ongoing costs	540,791	540,791	-
Total direct costs	572,919	572,919	-
Indirect costs	1,850	1,850	-
Total direct and indirect costs	574,769	574,769	-
Less offsetting revenues and reimbursements	-	(574,769)	(574,769)
Total program costs	<u>\$ 574,769</u>	-	<u>\$ (574,769)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Ongoing costs	\$ 600,372	\$ 600,372	\$ -
Less offsetting revenues and reimbursements	-	(600,372)	(600,372)
Total program costs	<u>\$ 600,372</u>	-	<u>\$ (600,372)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Ongoing costs	\$ 608,784	\$ 608,784	\$ -
Less offsetting revenues and reimbursements	-	(608,784)	(608,784)
Total program costs	<u>\$ 608,784</u>	-	<u>\$ (608,784)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2006, through June 30, 2007</u>			
Ongoing costs	\$ 624,906	\$ 624,906	\$ -
Less offsetting revenues and reimbursements	-	(624,906)	(624,906)
Total program costs	<u>\$ 624,906</u>	-	<u>\$ (624,906)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Ongoing costs	\$ 634,018	\$ 634,018	\$ -
Less offsetting revenues and reimbursements	-	(634,018)	(634,018)
Total program costs	<u>\$ 634,018</u>	-	<u>\$ (634,018)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Ongoing costs	\$ 533,323	\$ 533,323	\$ -
Less offsetting revenues and reimbursements	-	(533,323)	(533,323)
Total program costs	<u>\$ 533,323</u>	-	<u>\$ (533,323)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Ongoing costs	\$ 524,609	\$ 524,609	\$ -
Less offsetting revenues and reimbursements	-	(524,609)	(524,609)
Total program costs	<u>\$ 524,609</u>	-	<u>\$ (524,609)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Ongoing costs	\$ 528,278	\$ 528,278	\$ -
Less offsetting revenues and reimbursements	-	(528,278)	(528,278)
Total program costs	<u>\$ 528,278</u>	-	<u>\$ (528,278)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2011, through June 30, 2012</u>			
Ongoing costs	\$ 564,392	\$ 564,392	\$ -
Less offsetting revenues and reimbursements	-	(564,392)	(564,392)
Total program costs	<u>\$ 564,392</u>	-	<u>\$ (564,392)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2012, through June 30, 2013</u>			
Ongoing costs	\$ 573,601	\$ 573,601	\$ -
Less offsetting revenues and reimbursements	-	(573,601)	(573,601)
Total program costs	<u>\$ 573,601</u>	-	<u>\$ (573,601)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>Summary: July 1, 2002, through June 30, 2013</u>			
One-time costs	\$ 273,636	\$ 273,636	\$ -
Ongoing costs	5,841,049	5,841,049	-
Total direct costs	6,114,685	6,114,685	-
Indirect costs	15,166	15,166	-
Total direct and indirect costs	6,129,851	6,129,851	-
Less offsetting revenues and reimbursements	-	(6,129,851)	(6,129,851)
Total program costs	<u>\$ 6,129,851</u>	-	<u>\$ (6,129,851)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

¹ See Attachment 2, Review Results.

Attachment 2— Review Results July 1, 2002, through June 30, 2013

BACKGROUND—

The California Regional Water Quality Control Board, Los Angeles Region (Board) adopted a 2001 storm water permit (Permit CAS004001) that requires local jurisdiction to:

Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

On July 31, 2009, the Commission determined that Part 4F5c3 of the permit imposes a state mandate reimbursable under GC section 17561 and adopted the Statement of Decision. The Commission further clarified that each local agency subject to the permit and not subject to a trash total maximum daily load is entitled to reimbursement.

The Commission also determined that the period of reimbursement for the mandated activities begins July 1, 2002, and continues until a new National Pollutant Discharge Elimination System (NPDES) permit issued by the Board is adopted. On November 8, 2012, the Board adopted a new NPDES permit, Order No. R4-2012-0175, which became effective on December 28, 2012.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on March 24, 2011. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies, school districts, and community college districts in claiming mandated program reimbursable costs.

**FINDING—
Unreported offsetting
revenues and
reimbursements**

The county did not offset any revenues or reimbursements on its claim forms for the review period. We found that the county should have offset \$6,129,851. Specifically, the county used restricted Proposition A Local Return funds to pay \$288,802 in one-time costs (which includes indirect costs) and \$5,841,049 in ongoing maintenance costs. As the county used restricted Proposition A Local Return funds to pay for the mandated activities, it did not have to rely on the use of discretionary general funds.

The following table summarizes the audit adjustment:

	Offsetting Revenue Reported	Unreported Offsetting Revenue	Audit Adjustment
One-time costs:			
Salaries, benefits, and related indirect costs	\$ -	\$ (59,077)	\$ (59,077)
Contract services	-	(229,725)	(229,725)
Total one-time costs	-	(288,802)	(288,802)
Ongoing maintenance costs	-	(5,841,049)	(5,841,049)
Total one-time costs and ongoing costs	<u>\$ -</u>	<u>\$(6,129,851)</u>	<u>\$ (6,129,851)</u>

Proposition A is a half-cent sales tax measure approved by Los Angeles County voters in 1980 to finance transit programs. Twenty-five percent of the sales tax revenue is dedicated to the Local Return Program to be used by cities for the development and/or improvement of public transit and related transportation infrastructure.

Proposition A Local Return Guidelines, section II. Project Eligibility, identify reimbursement for ongoing trash receptacle maintenance as follows:

2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Codes 150, 160, & 170)

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings – in street for buses and at sidewalk for passengers
- Bus turn-outs
- Benches
- Shelters
- Trash receptacles
- Curb cuts
- Concrete or electrical work directly associated with the above items

Section VIII. of the parameters and guidelines, Offsetting Revenues and Reimbursements, states:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012.

County’s Response

The County has sought \$6,129,851 in reimbursement for the cost of installing and maintaining trash receptacles at transit locations from July 1, 2002 through June 30, 2013. On July 31, 2009, the Commission on

State Mandates found that the installation and maintenance of these trash receptacles is a State mandate for which the County is entitled to reimbursement. On March 24, 2011, the Commission issued Parameters and Guidelines setting forth reimbursement criteria. The County filed its claim in accordance with the Parameters and Guidelines and the State Controller's office's (SCO) claiming instructions.

Draft Audit Report

The draft audit finds that the County's costs are not reimbursable in their entirety. The draft audit bases this finding solely on the grounds that the County advanced Proposition A funds in order to install and maintain the trash receptacles pending reimbursement by the State for the costs of this mandate. The draft audit does not otherwise question the County's right to reimbursement.

SCO's Conclusion is Erroneous

The draft audit's conclusion is erroneous for several reasons. First, as set forth below, Proposition A funds are a local tax, not a "federal, State, or non-local source" as described in the Parameters and Guidelines. Second, the County had the right to advance Proposition A funds for the purpose of installing and maintaining the trash receptacles, subject to the County's obligation to return those funds to the Proposition A account when reimbursement was received from the State. Finally, the Controller's office disallowance of reimbursement based on the Parameters and Guidelines is an unlawful retroactive application of those guidelines.

A. Proposition A

Proposition A is a one-half cent sales tax approved by Los Angeles County voters in 1980. The tax is imposed on the sale of tangible personal property at every retailer in the County and upon the storage, use or other consumption in the County of tangible personal property purchased from any retailer for storage, use or other consumption in the County. *See Los Angeles County Metropolitan Transportation Authority Administrative Code, Sections 3-05-020 and 3-05-030.*

Proposition A provides that twenty-five percent of the sales tax revenue will be returned to local jurisdictions for local transit purposes. These funds are generally referred to as "Local Return funds."

Under guidelines adopted by the Metropolitan Transportation Authority for the use of Local Return funds, the County has discretion as to the use of those funds as long as the use complies with the guidelines and is for the public transit purposes. One of the eligible uses is for bus stop improvements and maintenance. *See Local Return Guidelines, Section II.A.2.* The County was not required, however, to use the funds for that purpose. Instead, the County had the discretion to use the funds for any appropriate project.

The Metropolitan Transportation Authority's guidelines specifically provide that Proposition A Local Return funds may be used as an advance with respect to a project, with the funds subsequently being returned to the Proposition A account when the advance is reimbursed from another source. The guidelines specifically provide, "Local Return funds may be used to advance a project which will subsequently be reimbursed by federal, state or local grant funding, or private funds, if the project itself is eligible under the Local Return Guidelines." In that

case, the reimbursement must be returned to the appropriate Proposition A Local Return fund. See Guidelines, Section 4.C.10.

B. SCO's Conclusion that Proposition A Funds Constituted Reimbursement from a Federal, State or Non-Local Source is Erroneous

The draft audit asserts that the Proposition A funds advanced by the County should be offset against the County's claim. In support of this disallowance, the draft audit cites the Parameters and Guidelines provision that provides that "reimbursement for this mandate received from any *federal, state or non-local source* shall be identified and deducted from this claim." (Emphasis added.) This assertion is erroneous for several reasons.

First, Proposition A is a local tax. It is therefore not a federal or State source.

Second, Proposition A is not a non-local source. It is a local sales tax imposed on local citizens.

Third, the draft audit report fails to acknowledge that the County was required to provide a "cash flow" source for the claimed costs, therefore, it was entirely proper for the County to use Proposition A funds as an advance, with the expectation that the funds would be paid back to the Proposition A account to be used for other transit purposes when the County recovers the funds pursuant to its claim for reimbursement. As discussed, Proposition A guidelines specifically provide that "Local Return Funds may be used to advance a project which will subsequently be reimbursed by federal, state or local grant funding, or private funds, if the project itself is eligible under the Local Return Guidelines." In this regard, Proposition A did not require the County to use Proposition A funds for the installation and maintenance of trash receptacles; the County had discretion to use Proposition A funds as an advance and then to use those funds for other transit projects upon their recovery pursuant to its claim.

The purpose of Article XIII B, section 6, of the California Constitution is to protect the tax revenues of local governments (*County of Fresno v. State of California* (1991) 53 Cal3d 482, 487). Government Code §17556(d), as implemented by the Parameters and Guidelines here, excludes "expenses that are recoverable from sources other than taxes."

County of Fresno, 53 Cal.3d at 487 (emphasis added). Proposition A is not a "source other than taxes." It is a local tax whose diversion to pay the trash receptacle mandate is a much a constraint on the funds available to the County as the use of other, general funds. By not providing reimbursement, this limits the funds the County has for transportation projects just as if the State refused to reimburse County general funds used for this purpose.

Thus, it cannot be said that the County's lawful use of Proposition A funds to advance the installation and maintenance of the trash receptacles, with the understanding that, upon reimbursement, those funds would be returned to the appropriate Proposition A fund for use on other transit projects, was reimbursement from a non-local source. Because Proposition A funds will be returned to the Proposition A fund to be used for other purposes, the advancement (not payment) of those funds was not a reimbursement.

The authorities that the Controller's office shared with the County prior to the issuance of this draft audit are not to the contrary. As discussed above, in *County of Fresno v. State of California* the court held that Article XIII B, section 6 was designed "to protect the tax revenues of local governments from state mandates that would require expenditures of such revenues" (53 Cal.3d at 487). Here, Proposition A is a local sales tax, and thus fall directly within the protection of Article XIII B, section 6. Reimbursement of these tax revenues is therefore not inconsistent with the *County of Fresno*.

The Commission's decision in *Animal Adoption*, Commission on State Mandates Case No. 13-9811-I-02, is also inapplicable. This Improper Reduction Claim addressed the use of Proposition F funds, which were funds obtained through bonds issued pursuant to a ballot measure. These funds were not taxes. Again, that is not the case here. Proposition A is a local sales tax.

The Commission's decisions in the *Two-Way Traffic Signal Program* and the *Behavioral Intervention Plans* claims are likewise inapplicable. In *Two-Way Signal* the funds were derived from a State gas tax, outside the local agency's appropriations limit, not from a local sales tax, which Article XIII B, section 6 is meant to protect. Similarly, in *Behavioral Intervention Plans*, the funds were also State funds, not sales taxes. As the Commission said in *Behavioral Intervention Plans* "when funds other than local proceeds of taxes are thus applied, the Controller may reduce reimbursement accordingly. Commission on State Mandates Case No. CSM4464, Statement of Decision at 54 (2013) (emphasis added).

C. SCO's Finding is an Unlawful Retroactive Application of the Parameters and Guidelines

There is another reason why the draft audit is erroneous. The County commenced the advancement of Proposition A funds on or around July 1, 2002, the commencement of the first audit period, or shortly thereafter. As discussed above, at the time the County advanced the Proposition A funds for the installation and maintenance of the trash receptacles, the Proposition A guideline specifically provided that the County could advance these funds and then return them to its Proposition A account when the expenditures were reimbursed.

The Parameters and Guidelines, on the other, hand were not adopted until March 24, 2011. It would be arbitrary and capricious to find that the Parameters and Guidelines retroactively prohibited an advancement of Proposition A funds in a way that was lawful when those funds were advanced.

In this regard, as a general rule, a regulation will not be given retroactive effect unless it merely clarifies existing law (*People ex rel. Deukmejian v. CHE, Inc.* (1983) 150 Cal.App.3d 123, 135). Retroactivity is not favored in the law (*Aktar v. Anderson* (1997) 58 Cal.App.4th 1166, 1179). Regulations that "substantially change the legal effect of past events" cannot be applied retroactively. *Santa Clarita Organization for Planning and the Environment v. Abercrombie* (2015) 240 Cal.App.4th 300, 315.

That rule applies here. At the time the County advanced its Proposition A funds to use for the installation and maintenance of the trash receptacles, it was operating under the understanding, consistent with the Proposition A Guidelines, that the County could advance those funds and then return them to the Proposition A account for other use once the County obtained a subvention of funds from the state. To retroactively

apply the Parameters and Guidelines, adopted in 2011, to preclude a subvention, i.e., to now find that the County could not use its Proposition A funds as an advance only, substantially changes the legal effect of these past events. Such an application is unlawful.

SCO's Comments

The finding and recommendation remain unchanged. We will respond to the county's comments in the order presented in its letter.

A. Proposition A

The county quotes section 4.C.10. (Reimbursement) of the Proposition A Local Return Guidelines that allow for the advancement Proposition A Local Return funds pending reimbursement from "federal, state or local grant funding" As the Proposition A Local Return Guidelines state that Local Return funds may be advanced only for other grant funds, we disagree with the county's assertion that it has the ability to advance Proposition A funds pending mandate reimbursement from the State. A mandate payment is a subvention of funds to reimburse local governments for the costs of the program, which is entirely different from a grant.

B. SCO's Conclusion that Proposition A Funds Constituted Reimbursement from a Federal, State or Non-Local Source is Erroneous

The county states that Proposition A Local Return funds are proceeds of taxes that are eligible for reimbursement. The county has not provided us with any documentation to support that the Proposition A Local Return funds have been included in the city's appropriations subject to the limit. In addition, Proposition A Local Return funds are a special supplementary sales tax approved by Los Angeles County voters in 1980 and are restricted solely for the development and or improvement of public transit services. A special supplementary sales tax is not the same as an unrestricted general sales tax, which can be spent for any general governmental purposes, including public employee salaries and benefits.

C. SCO's Finding is an Unlawful Retroactive Application of the Parameters and Guidelines

The county states, "it commenced the advancement of Proposition A funds on or around July 1, 2002, the commencement of the first audit period, or shortly thereafter." We disagree. Based on the County Board of Supervisors (Board) letter to approve Contract No. 74399 with ShelterClean, Inc., dated March 6, 2003, the Board approved the use of Proposition A Local Return funds to "finance" the trash receptacle maintenance at transit stops with "no impact on net County cost(s)":

The "Maintenance Program for Bus Shelters, Bus Benches, and Trash Receptacles at Designated Transit Stops in the Unincorporated North Area of the County of Los Angeles" and the "Maintenance Program for Bus Shelters, Bus Benches, and Trash Receptacles at Designated Traffic Stops in the Unincorporated South Area of the County of Los Angeles" will be *financed* from all five Supervisorial District's allocations of Proposition A Local Return Transit Funds available in the Transit

Enterprise Fund administered by Public Works for Fiscal Year 2002-03. The Los Angeles County Metropolitan Transportation Authority has approved this project as eligible for Proposition A Local Return Transit funding. *There will be no impact on net County cost.* [Emphasis added]

We also reviewed the Board's approval letters for three other commercial waste hauler contracts in use during the engagement period (ShelterClean, Inc. Contract No. 74400 and Contract No. 76721, and Sureteck Industrial and Commercial Services, Inc. Contract No. 76492) and found nearly identical language. As such, we concluded that the Proposition A Local Return funds are being used for their intended purpose, which is to finance the county's trash receptacles maintenance program at designated bus shelters/benches.

Additionally, the county's statement that "there will be no impact on net County cost(s)" is in direct contrast with the intention of mandate reimbursement identified in Article XIII B, which is to "preclude the state from shifting financial responsibility for carrying out governmental functions onto local entities that were ill equipped to handle the task" (*County of Fresno v. State of California*). The county was not "ill equipped" to pay for the ongoing maintenance of the transit stop trash receptacles as it had Proposition A Local Return funds available.

The county concludes that it is "arbitrary and capricious to find that the Parameters and Guidelines retroactively prohibited an advancement of Proposition A funds in a way that was lawful when those funds were advanced." We disagree. The county claimed reimbursement for eligible mandated costs that were funded by Proposition A Local Return funds; however, the parameters and guidelines state that reimbursement received from any federal, state, or non-local source must be offset from claimed costs. In addition, it is the Los Angeles County Metropolitan Transportation Authority's guidelines, rather than the parameters and guidelines, that "prohibit" advancement.

**Attachment 3—
County's Response to Draft Letter Report**



JOHN NAIMO
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

September 22, 2017

Jim L. Spano, Assistant Division Chief
State Controller's Office
Division of Audits
P.O. Box 942850
Sacramento, CA 94250

Dear Mr. Spano:

**LOS ANGELES COUNTY'S RESPONSE
TO THE STATE CONTROLLER'S OFFICE DRAFT AUDIT REPORT FOR
MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES**

We are submitting our response to the State Controller's Office Draft Audit Report, dated September 8, 2017 for Municipal Storm Water and Urban Runoff Discharges Program.

If you have any questions, please contact Hasmik Yaghobyan at (213) 974-9653 or via e-mail at hyaghobyan@auditor.lacounty.gov.

Very truly yours,


John Naimo
Auditor-Controller

JN:AB:CY:EJ:hy
H:\SB90\Audits 9-20-17\Cover Storm Water Response.docx

Attachment

County's Claim

The County has sought \$6,129,851 in reimbursement for the cost of installing and maintaining trash receptacles at transit locations from July 1, 2002 through June 30, 2013. On July 31, 2009, the Commission on State Mandates found that the installation and maintenance of these trash receptacles is a State mandate for which the County is entitled to reimbursement. On March 24, 2011, the Commission issued Parameters and Guidelines setting forth reimbursement criteria. The County filed its claim in accordance with the Parameters and Guidelines and the State Controller's office's (SCO) claiming instructions.

II. Draft Audit report

The draft audit finds that the County's costs are not reimbursable in their entirety. The draft audit bases this finding solely on the grounds that the County advanced Proposition A funds in order to install and maintain the trash receptacles pending reimbursement by the State for the costs of this mandate. The draft audit does not otherwise question the County's right to reimbursement.

III. SCO's Conclusion Is Erroneous

The draft audit's conclusion is erroneous for several reasons. First, as set forth below, Proposition A funds are a local tax, not a "federal, State, or non-local source" as described in the Parameters and Guidelines. Second, the County had the right to advance Proposition A funds for the purpose of installing and maintaining the trash receptacles, subject to the County's obligation to return those funds to the Proposition A account when reimbursement was received from the State. Finally, the Controller's office disallowance of reimbursement based on the Parameters and Guidelines is an unlawful retroactive application of those guidelines.

A. Proposition A

Proposition A is a one-half cent sales tax approved by Los Angeles County voters in 1980. The tax is imposed on the sale of tangible personal property at every retailer in the County and upon the storage, use or other consumption in the County of tangible personal property purchased from any retailer for storage, use or other consumption in the County. See Los Angeles County Metropolitan Transportation Authority Administrative Code, Sections 3-05-020 and 3-05-030.

Proposition A provides that twenty-five percent of the sales tax revenue will be returned to local jurisdictions for local transit purposes. These funds are generally referred to as "Local Return funds."

Under guidelines adopted by the Metropolitan Transportation Authority for the use of Local Return funds, the County has discretion as to the use of those funds as long as the use complies with the guidelines and is for public transit purposes. One of the eligible

uses is for bus stop improvements and maintenance. See Local Return Guidelines, Section II.A.2. The County was not required, however, to use the funds for that purpose. Instead, the County had the discretion to use the funds for any appropriate project.

The Metropolitan Transportation Authority's guidelines specifically provide that Proposition A Local Return funds may be used as an advance with respect to a project, with the funds subsequently being returned to the Proposition A account when the advance is reimbursed from another source. The guidelines specifically provide, "Local Return funds may be used to advance a project which will subsequently be reimbursed by federal, state or local grant funding, or private funds, if the project itself is eligible under the Local Return Guidelines." In that case, the reimbursement must be returned to the appropriate Proposition A Local Return fund. See Guidelines, Section 4.C.10.

B. SCO's Conclusion that Proposition A Funds Constituted Reimbursement from a Federal, State or Non-Local Source is Erroneous

The draft audit asserts that the Proposition A funds advanced by the County should be offset against the County's claim. In support of this disallowance, the draft audit cites the Parameters and Guidelines provision that provides that "reimbursement for this mandate received from any *federal, state or non-local source* shall be identified and deducted from this claim." (Emphasis added.) This assertion is erroneous for several reasons.

First, Proposition A is a local tax. It is therefore not a federal or State source.

Second, Proposition A is not a *non-local* source. It is a local sales tax imposed on local citizens.

Third, the draft audit report fails to acknowledge that the County was required to provide a "cash flow" source for the claimed costs, therefore, it was entirely proper for the County to use Proposition A funds as an advance, with the expectation that the funds would be paid back to the Proposition A account to be used for other transit purposes when the County recovers the funds pursuant to its claim for reimbursement. As discussed, Proposition A guidelines specifically provide that "Local Return funds may be used to advance a project which will subsequently be reimbursed by federal, state or local grant funding, or private funds, if the project itself is eligible under the Local Return Guidelines." In this regard, Proposition A did not require the County to use Proposition A funds for the installation and maintenance of trash receptacles; the County had discretion to use Proposition A funds as an advance and then to use those funds for other transit projects upon their recovery pursuant to its claim.

The purpose of Article XIII B, section 6, of the California Constitution is to protect the tax revenues of local governments (*County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487). Government Code § 17556(d), as implemented by the Parameters and Guidelines here, excludes "expenses that are recoverable from *sources other than taxes.*"

County of Fresno, 53 Cal.3d at 487 (emphasis added). Proposition A is not a "source other than taxes." It is a local tax whose diversion to pay the trash receptacle mandate is as much a constraint on the funds available to the County as the use of other, general funds. By not providing reimbursement, this limits the funds the County has for transportation projects just as if the State refused to reimburse County general funds used for this purpose.

Thus, it cannot be said that the County's lawful use of Proposition A funds to advance the installation and maintenance of the trash receptacles, with the understanding that, upon reimbursement, those funds would be returned to the appropriate Proposition A fund for use on other transit projects, was reimbursement from a non-local source. Because the Proposition A funds will be returned to the Proposition A fund to be used for other purposes, the advancement (not payment) of those funds was not a reimbursement.

The authorities that the Controller's office shared with the County prior to the issuance of this draft audit are not to the contrary. As discussed above, in *County of Fresno v. State of California* the court held that Article XIII B, section 6 was designed "to protect the tax revenues of local governments from state mandates that would require expenditures of such revenues" (53 Cal.3d at 487). Here, Proposition A is a local sales tax, and thus falls directly within the protection of Article XIII B, section 6. Reimbursement of these tax revenues is therefore not inconsistent with the *County of Fresno*.

The Commission's decision in *Animal Adoption*, Commission on State Mandates Case No. 13-9811-I-02, is also inapplicable. This Improper Reduction Claim addressed the use of Proposition F funds, which were funds obtained through bonds issued pursuant to a ballot measure. These funds were not taxes. Again, that is not the case here. Proposition A is a local sales tax.

The Commission's decisions in the *Two-Way Traffic Signal Program* and the *Behavioral Intervention Plans* claims are likewise inapplicable. In *Two-Way Signal* the funds were derived from a State gas tax, outside the local agency's appropriations limit, not from a local sales tax, which Article XIII B, section 6 is meant to protect. Similarly, in *Behavioral Intervention Plans*, the funds were also State funds, not sales taxes. As the Commission said in *Behavioral Intervention Plans* "when funds other than local proceeds of taxes are thus applied, the Controller may reduce reimbursement accordingly. Commission on State Mandates Case No. CSM4464, Statement of Decision at 54 (2013) (emphasis added).

C. SCO's Finding Is an Unlawful Retroactive Application of the Parameters and Guidelines

There is another reason why the draft audit is erroneous. The County commenced the advancement of Proposition A funds on or around July 1, 2002, the commencement of the first audit period, or shortly thereafter. As discussed above, at the time the County advanced the Proposition A funds for the installation and maintenance of the trash receptacles, the Proposition A guidelines specifically provided that the County could

advance these funds and then return them to its Proposition A account when the expenditures were reimbursed.

The Parameters and Guidelines, on the other hand, were not adopted until March 24, 2011. It would be arbitrary and capricious to find that the Parameters and Guidelines retroactively prohibited an advancement of Proposition A funds in a way that was lawful when those funds were advanced.

In this regard, as a general rule, a regulation will not be given retroactive effect unless it merely clarifies existing law (*People ex rel. Deukmejian v. CHE, Inc.* (1983) 150 Cal.App.3d 123, 135). Retroactivity is not favored in the law (*Akter v. Anderson* (1997) 58 Cal.App.4th 1166, 1179). Regulations that "substantially change the legal effect of past events" cannot be applied retroactively. *Santa Clarita Organization for Planning and the Environment v. Abercrombie* (2015) 240 Cal.App.4th 300, 315.

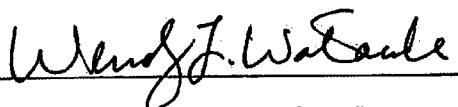
That rule applies here. At the time the County advanced its Proposition A funds to use for the installation and maintenance of the trash receptacles, it was operating under the understanding, consistent with the Proposition A Guidelines, that the County could advance those funds and then return them to the Proposition A account for other use once the County obtained a subvention of funds from the state. To retroactively apply the Parameters and Guidelines, adopted in 2011, to preclude a subvention, *i.e.*, to now find that the County could not use its Proposition A funds as an advance only, substantially changes the legal effect of these past events. Such an application is unlawful.

IV. Conclusion

For the foregoing reasons, the Draft Audit Report should be modified. The County is entitled to reimbursement for the installation and maintenance of the trash receptacles. County's claim should be allowed in full.

SECTION 11
REIMBURSEMENT CLAIMS

EXHIBIT G

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES UNFOUNDED COMPLAINTS AND DISCOVERY			For State Controller Use Only	PROGRAM
			(19) Program Number 00264	314
			(20) Date Filed ___/___/___	
			(21) LRS Input ___/___/___	
(01) Claimant Identification Number 9919			Reimbursement Claim Data	
(02) Claimant Name Auditor-Controller			(22) FORM -1, (04) A.1.(g)	\$5,050
County of Location County of Los Angeles			(23) FORM -1, (04) A.2.(g)	\$8,654
Street Address or P.O. Box 500 West Temple Street, Suite 603			(24) FORM -1, (04) A.3 (g)	\$8,577
City Los Angeles			(25) FORM -1, (04) A.4.(g)	\$219,228
State CA				
Zip Code 90012				
Type of Claim			(26) FORM -1, (04) A.5.(g)	
(03)	(09) Reimbursement	<input type="checkbox"/>	(27) FORM -1, (06)	16,020
(04)	(10) Combined	<input type="checkbox"/>	(28) FORM -1, (07)	\$107,975
(05)	(11) Amended	<input checked="" type="checkbox"/>	(29) FORM -1, (08)	58
Fiscal Year of Cost 2002/2003			(30) FORM -1, (09)	\$13,316
Total Claimed Amount			(31) FORM -1, (10)	\$362,799
Less: 10% Late Penalty (refer to attached instructions)			(32) FORM -1, (11)	
				\$819
Less: Prior Claim Payment Received			(33) FORM -1, (12)	
Net Claimed Amount			(34) FORM -1, (13)	\$362,799
Due from State			(35)	\$361,980
Due to State			(36)	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have no violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer			Date Signed	<u>Sept. 26, 2012</u>
			Telephone Number	<u>(213) 974-8302</u>
Wendy L. Watanabe Auditor-Controller			E-Mail Address	<u>wwatanabe@auditor.lacounty.gov</u>
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim			Telephone Number	<u>(213) 893-0792</u>
Hasmik Yaghobyan			E-Mail Address	<u>hyaghobyan@auditor.lacountnly.gov</u>
Name of Consulting Firm / Claim Preparer			Telephone Number	
			E-Mail Address	

PROGRAM 314		MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Form 1
(01) Claimant COUNTY OF LOS ANGELES.				(02) Fiscal Year 2002-03				
(03)								
Direct Costs		Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total	
A. One-time Activities								
1	Identification of locations that are required to have a trash receptacle	3,079	1,971				5,050	
2	Selection/evaluation/and preparation of specifications and drawings	5,277	3,377				8,654	
3	Preparation of contracts/specification review process/advertise/review and award bids	5,230	3,347				8,577	
4	Purchase or construction and installation of receptacles and pads	9,288	5,945	-	203,995	-	219,228	
5	Moving/restoration at old location/and installation at new location							
(05)	Total One-time Costs	22,874	14,639	-	203,995	-	\$ 241,508	
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads		3/18/03 - 6/30/03						
(06)	Annual number of trash collections (Refer to claiming instructions)	352 units x 3 times per wk x 15 wks = 15,840* 6 units x 2 times per wk x 15 wks = 180*					16,020	
(07)	Total Ongoing Costs	Line (06) x RRM rate (\$6.74)					\$ 107,975	
Indirect Costs								
(08)	Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]					58.216%	
(09)	Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]					\$ 13,316	
(10)	Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)					\$ 362,799	
(11)	Less: Offsetting Revenues						0	
(12)	Less: Other Reimbursements						0	
(13)	Total Claimed Amount	[Line (10) - (line (11) + line (12))]					\$ 362,799	

New 05/11

* The total number of trash receptacle units are based on the actual counts reflected on the invoices and the lists of locations *See Tab A*

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
------------------------	---	-------------------

(01) Claimant COUNTY OF LOS ANGELES	(02) Fiscal Year 2002-03
--	--------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
Task 1: 10/1/02-11/5/02 Henry Pong, Engineering Aid III, Identify NPDES trash receptacle locations	16.38	188.0	3,079.25	1,970.72				

(05) Total ✓	Subtotal	Page <u>1</u> of <u>1</u>	3,079	1,971				
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL							Form 2
(01) Claimant COUNTY OF LOS ANGELES				(02) Fiscal Year 2002-03				
(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.								
A. One-time Activities								
<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads								
<input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location								
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids								
(04) Description of Expenses				Object Accounts				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Employee Names, Job Classifications, Functions Performed and Description of Expenses	Hourly Rate or Unit Cost	Hours Worked or Quantity	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel
Task 2: 8/1/02-11/12/02								
Wong, Frederick, Staff Assistant II, Prepare Specifications and drawings	18.40	15.0	276.06	176.68				
Ahmed, Aras, Associate Engineer Prepare/Review designs, Spec. & drawings	38.74	120.0	4,648.42	2974.95				
Delegal, Kathi; Managementt Specialist II, Review and evaluate designs, drawings, and specifications	39.12	9.0	352.08	225.35				
(05) Total ✓ Subtotal			5,277	3,377				
Page 1 of 1								

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL							Form 2
(01) Claimant COUNTY OF LOS ANGELES I				(02) Fiscal Year 2002-03				
(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.								
A. One-time Activities								
<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads								
<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location								
<input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids								
(04) Description of Expenses				Object Accounts				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Employee Names, Job Classifications, Functions Performed and Description of Expenses	Hourly Rate or Unit Cost	Hours Worked or Quantity	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel
Task 3: 8/1/02-1/12/03								
Shival, Sumitha, Associate Engineer Prepare bid package and Special Provisions	34.76	34.5	1,199.10	767.43				
Quirk, Christine, Civil Engineer Review bid package and Special Provisions	40.90	1.0	40.90	26.18				
Updyke, Eric, Senior Civil Engineer, Review bid package and Special Provisions	48.12	1.0	48.12	30.80				
Wong, Frederick, Staff Assistant II Assist in preparing bid package and prepare correspondence for bidders' concerns (11/13/02 - 1/12/03)	18.40	51.0	938.58	600.65				
Ahmed, Aras, Associate Engineer Prepare correspondence for bidders' concerns, Review submittals (11/13/02 - 1/12/03)	38.74	60.0	2,324.20	1,487.49				
Assoum Sam, Principal Civil Engineer Assistant, Oversee bid process and prepare bid addendums	30.89	22.0	679.26	434.70				
(05) Total ✓ Subtotal			5,230	3,347				
Page 1 of 1								

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL							Form 2
(01) Claimant COUNTY OF LOS ANGELES					(02) Fiscal Year 2002-03			
(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.								
A. One-time Activities								
<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location								
(04) Description of Expenses				Object Accounts				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Employee Names, Job Classifications, Functions Performed and Description of Expenses	Hourly Rate or Unit Cost	Hours Worked or Quantity	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel
Task 4: 1/13/03-6/30/03								
Assoum, Sam, Principal Civil Engineering Assistant Project manager, liaison with contractor, process change orders and monthly payments	30.89	13.0	401.40	256.91				
Wong, Frederick, Staff Assistant II Confirm the vicinity for each trash receptacle	18.40	93.5	1,720.80	1,101.34				
Ahmed, Aras, Associate Engineer Review product prototype, project manager	38.74	132.5	5,132.64	3,284.89				
Stringer, David, Senior Civil Engineer Fund manager	48.12	4.0	192.48	123.19				
Zamarripa, Andy, Senior Survey mapping Technician Confirm jurisdictional boundary for project locations	26.69	7.0	186.85	119.58				
Board of Supervisor Office Approval and Acceptance of project							-	
Vehicle usage (hour)							-	
Vehicle usage (mileage)							-	
Facility Project Management Service (Submittal Review - Shop drawing)							-	
Office of Affirmative Action Compliance (OAAC) Labor compliance of contractor							-	
LNI Custom Manufacturing Inc.						203,995		
Orange Paint (cans)					-			
(05) Total	Subtotal ✓		7,634	4,886	-	203,995	-	-
Page <u>1</u> of <u>4</u>								

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant COUNTY OF LOS ANGELES	(02) Fiscal Year 2002-03
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	---

(04) Description of Expenses	Object Accounts							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Employee Names, Job Classifications, Functions Performed and Description of Expenses	Hourly Rate or Unit Cost	Hours Worked or Quantity	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel
Temporary trash removal performed by the following staff:								
Martinez, Daniel B, Heavy Truck Driver	18.09	5.0	90.46	57.90				
Bryant, Hunter D, Public Works Crew Leader	19.64	2.0	39.28	25.14				
Herbert, David A, Public Works Laborer	15.06	16.0	240.71	154.06				
Jerald, David K, Public Works Laborer	12.10	2.0	24.2	15.49				
Santacruz, Oscar, Public Works Laborer	12.78	28.0	357.9	229.06				
Bradley, Gary, Public Works Laborer	12.79	2.0	25.57	16.36				
Williams, Arthur, Public Works Maintenance Worker	16.74	10.5	175.77	112.5				
Bladek, Charles, Public Works Maintenance Worker	16.74	4.0	66.96	42.85				
Brown, Sharon, Public Works Maintenance Worker	16.74	7.0	117.18	75				
Acosta, Joel, Public Works Maintenance Worker	14.26	3.0	42.77	27.38				
Haddix, Frank A, Public Works Maintenance Worker	14.26	9.0	128.31	82.12				
Williams Jr, Bobby Total, Public Works Maintenance Worker	16.74	2.0	33.48	21.43				
(05) Total			1,343	859				
Subtotal ✓								
Page 2 of 4								

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL							Form 2
(01) Claimant COUNTY OF LOS ANGELES					(02) Fiscal Year 2002-03			
(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.								
A. One-time Activities								
<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids <input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location								
(04) Description of Expenses				Object Accounts				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Employee Names, Job Classifications, Functions Performed and Description of Expenses	Hourly Rate or Unit Cost	Hours Worked or Quantity	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel
Temporary trash removal (Cont'd)								
Mullikin, Perry A,Public Works Maintenance Worker	16.74	7.0	117.18	75.00				
Lillich, Stuart L,Road Maintenance Supervisor	29.91	2.0	59.82	38.28				
Proffitt, Richard J,Road Maintenance Supervisor	29.91	3.5	104.67	66.99				
Nard, Gregory F,Road Maintenance Supervisor	29.92	1.0	29.92	19.15				
Waste & Rubbish Removal								
(05) Total Subtotal ✓			312	199	-			
Page 3 of 4								

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL							Form 2
(01) Claimant COUNTY OF LOS ANGELES				(02) Fiscal Year 2002-03				
(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.								
A. One-time Activities								
<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids <input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location								
(04) Description of Expenses				Object Accounts				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Employee Names, Job Classifications, Functions Performed and Description of Expenses	Hourly Rate or Unit Cost	Hours Worked or Quantity	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel
Task 4 Summary								
Page 1			7,634	4,886	-	203,995	-	-
Page 2			1,343	859	-	-	-	-
Page 3			312	199	-	-	-	-
(05) Total ✓ Subtotal Page <u>4</u> of <u>4</u>			9,288	5,945	-	203,995	-	-

Transit Trash Collection Count Worksheet

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	FY02-03	[A]							[B]								
2		# Trash	Unit Cost	/// ----- Annual Transit Trash Collection Costs (Note 2) ----- ///							[B] ÷ [A]						
3	North **	Receptacles	P-U / Clean	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace	\$ Other	\$ Total		Unit Cost						
4	Apr *	80	3.85/3.25	6,468.00	1,300.00			230.30	7,998.30		\$ 99.98						
5	May	84		7,438.20	1,365.00				8,803.20		\$ 104.80						
6	Jun	84		6,791.40	1,365.00				8,156.40		\$ 97.10						
7		83		20,697.60	4,030.00	-	-	230.30	24,957.90								
8												LA River	Total S. Co.				
9	South **	Non-trash TMDL											trash TMDL	Reimb. Units	3x / week	2x / week	Reconciliation
10	2/28/03-4/15/03	RMD		6,044.14					6,044.14								
11	Apr *	246	3.85/3.25	19,184.55	3,997.50				23,182.05		\$ 94.24	29	275	269	6	275	
12	May	246		21,040.25	3,997.50				25,037.75		\$ 101.78	29	275	269	6	275	
13	Jun	246		19,184.55	3,997.50				23,182.05		\$ 94.24	29	275	269	6	275	
14		246		65,453.49	11,992.50	-	-	-	77,445.99								
15																	
16	Avg. 3x/wk	352	Total	86,151.09	16,022.50	-	-	230.30	102,403.89								
17	Avg. 2x/wk	6															
18	Notes:	* County started the maintenance quantity with 355 stand-alone units; 275 in South County and 80 in North County.															
19		Among 276 units in S. County, 270 units were picked up 5 times a week, and 6 in Malibu were picked up twice a week.															
20		All units were installed and maintained under the four NPDES watersheds (DC, SGR, SCR, & MC) and LAR trash TMDL.															
21		** N. & S. County- The "Pick-up" and "Cleaning" costs were based on actual amounts reflected on invoices.															
22																	
23		S. Co. inventory remains consistent due to inventory was not provided by the contractor, therefore															
24		using minimum 241 units as shown in the starting month.															

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES UNFOUNDED COMPLAINTS AND DISCOVERY			For State Controller Use Only	PROGRAM 314											
(01) Claimant Identification Number 9919			Reimbursement Claim Data												
(02) Claimant Name Auditor-Controller			(22) FORM -1, (04) A.1.(g)												
County of Location County of Los Angeles			(23) FORM -1, (04) A.2.(g)												
Street Address or P.O. Box 500 West Temple Street, Suite 603			(24) FORM -1, (04) A.3 (g)												
City Los Angeles			(25) FORM -1, (04) A.4.(g)	\$32,129											
State CA			(26) FORM -1, (04) A.5.(g)												
Zip Code 90012			(27) FORM -1, (06)	80,236											
<table border="0"> <tr> <td colspan="2" style="text-align: center;">Type of Claim</td> </tr> <tr> <td>(09) Reimbursement <input type="checkbox"/></td> <td>(28) FORM -1, (07)</td> <td>\$540,791</td> </tr> <tr> <td>(10) Combined <input type="checkbox"/></td> <td>(29) FORM -1, (08)</td> <td>49</td> </tr> <tr> <td>(11) Amended <input checked="" type="checkbox"/></td> <td></td> <td></td> </tr> </table>			Type of Claim		(09) Reimbursement <input type="checkbox"/>	(28) FORM -1, (07)	\$540,791	(10) Combined <input type="checkbox"/>	(29) FORM -1, (08)	49	(11) Amended <input checked="" type="checkbox"/>			(30) FORM -1, (09)	\$1,850
			Type of Claim												
			(09) Reimbursement <input type="checkbox"/>	(28) FORM -1, (07)	\$540,791										
			(10) Combined <input type="checkbox"/>	(29) FORM -1, (08)	49										
(11) Amended <input checked="" type="checkbox"/>															
Fiscal Year of Cost 2003/2004	(31) FORM -1, (10)	\$574,769													
Total Claimed Amount \$574,769	(32) FORM -1, (11)														
Less: 10% Late Penalty (refer to attached instructions) \$13,178	(33) FORM -1, (12)														
Less: Prior Claim Payment Received	(34) FORM -1, (13)	\$561,591	\$574,769												
Net Claimed Amount	(35)	\$561,591													
Due from State	(36)														
Due to State															
(37) CERTIFICATION OF CLAIM															
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have no violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>															
Signature of Authorized Officer		Date Signed	<u>Sept 26, 2012</u>												
<u>Wendy L. Watanabe</u>		Telephone Number	(213) 974-8302												
Wendy L. Watanabe Auditor-Controller		E-Mail Address	<u>wwatanabe@auditor.lacounty.gov</u>												
Type or Print Name and Title of Authorized Signatory															
(38) Name of Agency Contact Person for Claim		Telephone Number	(213) 893-0792												
Hasmik Yaghobyan		E-Mail Address	<u>hyaghobyan@auditor.lacountny.gov</u>												
Name of Consulting Firm / Claim Preparer		Telephone Number													
		E-Mail Address													

PROGRAM 314		MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Form 1
(01) Claimant COUNTY OF LOS ANGELES I				(02) Fiscal Year 2003-04				
(03)								
Direct Costs		Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total	
A. One-time Activities								
1	Identification of locations that are required to have a trash receptacle							
2	Selection/evaluation/and preparation of specifications and drawings							
3	Preparation of contracts/specification review process/advertise/review and award bids							
4	Purchase or construction and installation of receptacles and pads	3,787	2,613		25,729		32,129	
5	Moving/restoration at old location/and installation at new location							
(05)	Total One-time Costs	3,787	2,613	-	25,729	-	\$ 32,129	
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads		7/1/03-6/30/04						
(06)	Annual number of trash collections (Refer to claiming instructions)	501 units x 3 times per wk x 52 wks = 78,156* 20 units x 2 times per wk x 52 wks = 2,080*					80,236	
(07)	Total Ongoing Costs	Line (06) x RRM rate (6.74)					\$ 540,791	
Indirect Costs								
(08)	Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]					48.844%	
(09)	Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claming Instructions for ICRP over 10%]					\$ 1,850	
(10)	Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)					\$ 574,769	
(11)	Less: Offsetting Revenues						0	
(12)	Less: Other Reimbursements						0	
(13)	Total Claimed Amount	[Line (10) - {(line (11) + line (12))}]					\$ 574,769	

New 05/11

* The total number of trash receptacle units are based on the actual counts reflected on the invoices and the lists of locations. See TAB A

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant COUNTY OF LOS ANGELES	(02) Fiscal Year 2003-04
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	---

(04) Description of Expenses	Object Accounts							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Employee Names, Job Classifications, Functions Performed and Description of Expenses	Hourly Rate or Unit Cost	Hours Worked or Quantity	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel
7/1/03-12/31/03								
Wong, Frederick, Admin. Assistant II Project manager	20.19	35.5	716.64	494.48				
Wong, Frederick, Assistant Transit Analyst Close project	22.69	9.0	204.23	140.92				
Ahmed, Aras, Assoc Engineer Project manager and close project	38.74	71.5	2769.71	1,911.10				
Stringer, David, Senior Civil Engineer Close project	48.12	2.0	96.24	66.41				
Construction						25,729		
(05) Total ✓ Subtotal			3,786.82	2,612.91	0.00	25,728.74	-	-

Page 1 of 1

Transit Trash Collection Count Worksheet

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	FY03-04	[A]							[B]								
2		# Trash	Unit Cost	Annual Transit Trash Collection Costs (Note 2)							[B] + [A]						
3	North ***	Receptacles	P-U / Clean	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace	\$ Other	\$ Total		Unit Cost						
4	Jul.	84	3.85/3.25	7,114.80	1,365.00				8,479.80		100.95						
5	Aug	84		7,114.80	1,092.00		509.00	52.70	8,768.50		104.39						
6	Sep	85		6,545.00	1,105.00				7,650.00		90.00						
7	Oct	84		7,114.80	1,365.00		575.00		9,054.80		107.80						
8	Nov	84		6,144.60	1,092.00		509.00		7,745.60		92.21						
9	Dec	84		6,791.40	1,365.00				8,156.40		97.10						
10	Jan 2004	84		6,468.00	1,092.00				7,560.00		90.00						
11	Feb	83		6,071.45	1,079.00				7,150.45		86.15						
12	Mar	83		7,349.65	1,348.75				8,698.40		104.80						
13	Apr	84		7,114.80	1,079.00				8,193.80		97.55						
14	May	84		6,468.00	1,079.00				7,547.00		89.85						
15	Jun	84		7,114.80	1,332.50				8,447.30		100.56						
16				81,412.10	14,394.25		1,593.00	52.70	97,452.05			LA River	Total S. Co.	3x / week	2x / week	Reconciliation	
17	South ****	Non-trash TMDL units										trash TMDL	Reimb. Units				
18	Jul.*	246	3.85/3.25	20,112.40	3,997.50				24,109.90		98.01	29	275	269	6	275	
19	Aug	246		20,089.30	3,198.00		1,687.00		24,974.30		101.52	29	275	269	6	275	
20	Sep **	314		23,900.80	4,082.00				27,982.80		89.12	145	459	440	19	459	
21	Oct	312		26,295.50	5,070.00		509.00		31,874.50		102.16	148	460	440	20	460	
22	Nov	319		22,715.00	4,147.00				26,862.00		84.21	143	462	442	20	462	
23	Dec	319		25,086.60	5,183.75				30,270.35		94.89	148	467	446	21	467	
24	Jan 2004	316		23,923.90	4,108.00		509.00		28,540.90		90.32	151	467	448	19	467	
25	Feb	319		22,715.00	4,147.00				26,862.00		84.21	150	469	448	21	469	
26	Mar	319		27,481.30	5,183.75		1,042.75		33,707.80		105.67	152	471	449	22	471	
27	Apr	318		26,295.50	4,134.00		80.00		30,509.50		95.94	153	471	449	22	471	
28	May	318		23,900.80	4,134.00				28,034.80		88.16	166	484	451	33	484	
29	Jun	317		26,295.50	5,151.25		539.25		31,986.00		100.90	166	483	450	33	483	
30				288,811.60	52,536.25		4,367.00	-	345,714.85								
31	Avg. 3x/wk	501	Total	370,223.70	66,930.50	-	2,132.25	52.70	443,166.90								
32	Avg. 2x/wk	20															
33	Notes:																
34	* Jul. - Aug. 03: S. Co. remains 275 stand-alone units due to inventory was not provided by the contractor, therefore																
35	using minimum 275 units as shown in the starting month (Mar. 03).																
36	** As of Sep. 2003, we included the trash receptacles at shelter locations. These shelters were not all installed until Sep. 2003. See invoices back up.																
37	*** N. County- The "Pick-up" and "Cleaning" costs were based on actual amounts reflected on invoices. All N. County receptacles were stand-alone units.																
38	**** S. County- The "Cleaning" cost for receptacles at bus shelters is based on the unit cost charged by the contractor. It is not reflected in the invoice																
39	because the contractor charged one rate to clean the entire shelter. (Formula: No. of stand-alone & at-shelter receptacles x contract rate x frequency)																

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

Expenditure Detail Report

From: 07/01/2003 To: 06/30/2004(13th)

PCA: X3003087

Fund: CP6

GENERAL REPORTING CATEGORY: 110 Labor

PCA	SERVICE DATE	EMPLOYEE NAME	EMP NUMBER	OCA	USER CODE 1	HOURS	SALARY	BENEFIT	SALARY & BENEFITS	OH RATE BY DIV	APPROVED INDIRECT COST	TOTAL EXP W/ APPROVED CALTRANS ICRP
X3003087	8/18/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	8/19/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	8/20/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	8/21/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	8/25/2003	AHMED, ARAS H	427320	472340	A213	3.0	116.21	80.18	196.39	0.4884	56.76	253.15
X3003087	8/27/2003	AHMED, ARAS H	427320	472340	A213	3.0	116.21	80.18	196.39	0.4884	56.76	253.15
X3003087	8/28/2003	AHMED, ARAS H	427320	472340	A213	3.0	116.24	80.23	196.47	0.4884	56.78	253.25
X3003087	9/2/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	9/4/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	9/8/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	9/9/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	9/11/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	9/15/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.51	53.50	131.01	0.4884	37.86	168.87
X3003087	9/16/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	9/18/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	9/23/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	9/24/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	9/30/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.50	53.49	130.99	0.4884	37.85	168.84
X3003087	10/1/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	10/2/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	10/6/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	10/7/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.75	26.75	65.50	0.4884	18.93	84.43
X3003087	10/16/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	10/20/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	10/21/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	10/22/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	10/23/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	10/28/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	10/29/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	10/30/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.78	26.78	65.56	0.4884	18.94	84.50
X3003087	11/3/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	11/4/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	11/5/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	11/6/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.76	26.76	65.52	0.4884	18.93	84.45

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS
Expenditure Detail Report
From: 07/01/2003 To: 06/30/2004(13th)

PCA: X3003087

Fund: CP6

X3003087	11/17/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	11/18/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	11/19/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	11/20/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	11/24/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	11/25/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	11/26/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.51	53.51	131.02	0.4884	37.86	168.88
X3003087	12/16/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	12/17/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	12/18/2003	AHMED, ARAS H	427320	472340	A213	2.0	77.47	53.45	130.92	0.4884	37.84	168.76
X3003087	12/22/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	12/23/2003	AHMED, ARAS H	427320	472340	A213	1.0	38.73	26.72	65.45	0.4884	18.92	84.37
X3003087	12/30/2003	AHMED, ARAS H	427320	472340	A213	0.5	19.36	13.36	32.72	0.4884	9.46	42.18
X3003087	12/31/2003	AHMED, ARAS H	427320	472340	A213	3.0	116.25	80.23	196.48	0.4884	56.78	253.26
		AHMED, ARAS H Total				71.5	2,769.71	1,911.10	4,680.81		1,352.84	6,033.65
X3003087	8/5/2003	STRINGER, DAVID N	218201	472300	A214	1.0	48.12	33.20	81.32	0.4884	23.50	104.82
X3003087	8/6/2003	STRINGER, DAVID N	218201	472300	A214	1.0	48.12	33.21	81.33	0.4884	23.50	104.83
		STRINGER, DAVID N Total				2.0	96.24	66.41	162.65		47.01	209.66
X3003087	8/21/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	8/25/2003	WONG, FREDERICK S	479719	472320	A213	3.0	60.56	41.78	102.34	0.4884	29.58	131.92
X3003087	8/26/2003	WONG, FREDERICK S	479719	472320	A213	2.0	40.37	27.85	68.22	0.4884	19.72	87.94
X3003087	8/27/2003	WONG, FREDERICK S	479719	472320	A213	2.0	40.37	27.85	68.22	0.4884	19.72	87.94
X3003087	8/28/2003	WONG, FREDERICK S	479719	472320	A213	2.0	40.39	27.89	68.28	0.4884	19.73	88.01
X3003087	9/3/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	9/4/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	9/8/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	9/9/2003	WONG, FREDERICK S	479719	472320	A213	3.0	60.56	41.78	102.34	0.4884	29.58	131.92
X3003087	9/10/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	9/11/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	9/15/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.22	13.98	34.20	0.4884	9.88	44.08
X3003087	9/16/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	9/18/2003	WONG, FREDERICK S	479719	472320	A213	2.0	40.37	27.85	68.22	0.4884	19.72	87.94
X3003087	9/22/2003	WONG, FREDERICK S	479719	472320	A213	1.5	30.28	20.88	51.16	0.4884	14.79	65.95
X3003087	9/23/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	9/24/2003	WONG, FREDERICK S	479719	472320	A213	2.0	40.37	27.85	68.22	0.4884	19.72	87.94
X3003087	9/30/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.21	13.98	34.19	0.4884	9.87	44.06
X3003087	10/1/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	10/2/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	10/6/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

Expenditure Detail Report

From: 07/01/2003 To: 06/30/2004(13th)

PCA: X3003087

Fund: CP6

X3003087	10/7/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	10/8/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.22	13.97	34.19	0.4884	9.88	44.07
X3003087	10/23/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	10/29/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.18	13.92	34.10	0.4884	9.86	43.96
X3003087	10/30/2003	WONG, FREDERICK S	479719	472320	A213	1.0	20.20	13.94	34.14	0.4884	9.87	44.01
		WONG, FREDERICK S Total (Admin Assistant II)				35.5	716.64	494.48	1,211.12		350.04	1,561.16
X3003087	12/29/2003	WONG, FREDERICK S	479719	472320	A213	3.0	68.07	46.96	115.03	0.4884	33.25	148.28
X3003087	12/30/2003	WONG, FREDERICK S	479719	472320	A213	3.0	68.07	46.96	115.03	0.4884	33.25	148.28
X3003087	12/31/2003	WONG, FREDERICK S	479719	472320	A213	3.0	68.09	47.00	115.09	0.4884	33.26	148.35
		WONG, FREDERICK S Total (Assistant Transit Analyst)				9.0	204.23	140.92	345.15		99.75	444.90
		Grand Total Task 4 - Labor				118.0	3,786.82	2,612.91	6,399.73		1,849.63	8,249.36
		TOTAL FOR 110 LABOR				118.0	3,786.82	2,612.91	6,399.73		1,849.63	8,249.36

GENERAL REPORTING CATEGORY: 120 Equipment

PCA	USAGE DATE	POST DATE	PROPERTY ID	DESCRIPTION	USER CODE 1	OCA	HRS/MILES	TOTAL EXPENDITURES
X3003087	8/11/2003	11/12/2003	02-138	AUTO CHEV/01 MALIBU	A213	472340	103.0M	55.62
X3003087	10/30/2003	11/03/2003	02-994	AUTO FORD/92 TEMPO	A213	472340	9.0M	4.86
				Vehicle Usage (Mileage) Task 4 Equipment			112.0	60.48
				TOTAL FOR 120 Equipment			112.0	60.48

GENERAL REPORTING CATEGORY: Miscellaneous Charges

PCA	POST DATE	CHRG OCA	DOC NO	OBJECT LEVEL 3	OBJECT LEVEL 3 TITLE	VENDOR NAME	PO NO/DOC DESC	TOTAL EXPENDITURES
X3003087	07/24/2003	472300	VO070068	5317	Public Works Infrastructure Improv Contr	LNI CUSTOM MANUFACTURING INC.	EN005477	3,684.60
X3003087	09/04/2003	472300	VO071442	5317	Public Works Infrastructure Improv Contr	LNI CUSTOM MANUFACTURING INC.	EN005477	10,557.93
X3003087	12/15/2003	472300	VO074514	5317	Public Works Infrastructure Improv Contr	LNI CUSTOM MANUFACTURING INC.	EN005477	11,486.21
X3003087	13/01/2004	490000	IV004921	3657	Affirmative Action Comp. Office			10.59
								25,739.33
								TOTAL FOR Miscellaneous Charges
								25,739.33

25,728.74

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

Indirect Cost Worksheet

Fiscal Year 2003-04

Project : X3003087

Fund: CP6

Unit	Description	A			B	C = Ax B	D = C/A
		SALARY	BENEFIT	SALARY & BENEFITS	ICP RATE BY DIV	ICP INDIRECT COST	RATE
472XX	PDD - Department OH	3,786.82	2,612.91	6,399.73	0.48844	1,849.63	
TOTAL 07/01/2003-06/30/2004		3,786.82	2,612.91	6,399.73		1,849.63	0.48844



DEPARTMENT OF TRANSPORTATION
AUDITS AND INVESTIGATIONS
1304 O STREET, Suite 200
P. O. BOX 942874
SACRAMENTO, CA 94274-0001
PHONE (916) 323-7111
FAX (916) 323-7123
TTY: (916) 654-4086

2005 MAR -7 PM 2:

Flex your power!
Be energy efficient!

REVIEW LEVEL ASSURANCE

March 3, 2005

Mr. David Yamashita
Chief Financial Officer
County of Los Angeles
Department of Public Works
900 South Fremont Avenue
Alhambra, CA 91803-1331

Dear Mr. Yamashita:

Re: Los Angeles County Department of Public Works
Review of Indirect Cost Rate Proposal for FY 2003/2004
File No: P1190-0510

We have reviewed the County of Los Angeles Department of Public Works' (DPW's) Indirect Cost Rate Proposal (ICRP) for the fiscal year ended June 30, 2004.

The management of DPW is responsible for ensuring that the ICRP is prepared and presented in compliance with Office of Management and Budget (OMB) Circular A-87 and the Department of Transportation's (Department) Local Programs Procedures (LPP) 04-10.

Our review was conducted in accordance with the Attestation Standards set forth in the General Accounting Office's *Generally Accepted Government Auditing Standards*. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the indirect cost rate proposal. Accordingly, we do not express such an opinion.

The scope of the review was limited to selected financial and compliance activities. The engagement consisted of a review of the ICRP; a comparison of the ICRP to prior audit work performed and a review of single audit report information for the fiscal year ended June 30, 2003.

Mr. David Yamashita

March 3, 2005

Page 2

Based upon our review, nothing came to our attention that caused us to believe that DPW's Indirect Cost Rate Proposal for the fiscal year ended June 30, 2005, is not presented, in all material respects, in conformity with OMB Circular A-87 and LPP 04-10. The following approved indirect cost rates are calculated using a base of total direct salaries and wages plus fringe benefits:

DPW Department	112.999%
Water shed Management Division	130.769%
Aviation Division	122.804%
Survey Division	169.069%
Water Resources Division	142.706%
Environmental Programs Division	172.862%
Administrative Services Division	135.071%
Mapping & Property Management Division	165.735%
Geotechnical & Materials Engineering Division	155.568%
Building & Safety Division	134.491%
Road Maintenance Division	170.797%
Flood Maintenance Division	140.686%
Waterworks & Sewer Maintenance Division	123.705%
Design Division	152.238%
Construction Division	156.493%
Traffic & Lighting Division	164.520%
Land Development Division	150.904%
Architectural Engineering Division	193.829%
Project Management Division I	196.237%
Project Management Division II	232.101%
Public Relations Group	206.779%

The approval is based on the understanding that a carry-forward provision applies and no adjustment will be made to previously approved rates.

The results of this review were communicated to your staff, Leanne Hall, on February 10, 2005. This report is intended solely for the information of Department Management, DPW's Management, Federal Highway Administration (FHWA) and the California Transportation Commission. However, this report is a matter of public record and its distribution is not limited.

DEPARTMENT OF PUBLIC WORKS
INDIRECT COST PROPOSAL
FISCAL YEAR 2003-04

ICP RATE SCHEDULE (ACTUAL FY 2000-01)

DEPT. OH	WATERSHED MGMT. DIV.	AVIATION DIV.	SURVEY DIV.	WATER RESOURCES DIV.	ENVIRONMENTAL PROGRAMS DIV.	ADMINISTRATIVE SERVICES DIV.
Countywide Overhead Rate (Sch 5 a/c)	0.461%	0.461%	0.461%	0.461%	0.461%	0.461%
Departmental Overhead Rate (Sch 5 b/c)	48.383%	48.383%	48.383%	48.383%	48.383%	48.383%
Division Overhead Rate (Sch 5 d/e..pp/qq)	17.770%	9.805%	56.070%	29.707%	59.862%	22.071%
TOTAL OVERHEAD RATE	48.844%	66.614%	104.914%	78.551%	108.706%	70.916%
PAID EB RATE	46.256%	46.256%	46.256%	46.256%	46.256%	46.256%
UNPAID EB RATE	-17.899%	17.899%	17.899%	17.899%	17.899%	17.899%
TOTAL ICP RATE	112.999%	130.769%	122.804%	142.706%	172.862%	135.071%

Source: 2003-04 ICP Schedule 5 -
Total Costs Column (a) thru (qq)

DEPARTMENT OF PUBLIC WORKS
INDIRECT COST PROPOSAL
FISCAL YEAR 2003-04

ICP RATE SCHEDULE (ACTUAL FY 2000-01)

	MAPPING & PROPERTY MGMT. DIV.	GEOTECHNICAL & MATL. ENG. DIV.	BUILDING & SAFETY DIV.	ROAD MAINT. DIV.	FLOOD MAINT. DIV.	WATERWORKS & SEWER MAINT. DIV.	DESIGN DIV.
Countywide Overhead Rate (Sch 5 a/c)	0.461%	0.461%	0.461%	0.461%	0.461%	0.461%	0.461%
Departmental Overhead Rate (Sch 5 b/c)	48.383%	48.383%	48.383%	48.383%	48.383%	48.383%	48.383%
Division Overhead Rate (Sch 5 d/e...pp/qq)	52.736%	42.569%	21.491%	57.798%	27.686%	10.706%	39.23%
TOTAL OVERHEAD RATE	101.580%	91.413%	70.335%	106.642%	76.530%	59.550%	88.083%
PAID EB RATE	46.256%	46.256%	46.256%	46.256%	46.256%	46.256%	46.256%
UNPAID EB RATE	17.899%	17.899%	17.899%	17.899%	17.899%	17.899%	17.899%
TOTAL ICP RATE	165.735%	155.568%	134.491%	170.797%	140.686%	123.705%	152.238%

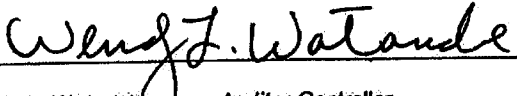
Source: 2003-04 ICP Schedule 5 -
Total Costs Column (a) thru (qq)

**DEPARTMENT OF PUBLIC WORKS
INDIRECT COST PROPOSAL
FISCAL YEAR 2003-04**

ICP RATE SCHEDULE (ACTUAL FY 2000-01)

	CONSTRUCTION DIV.	TRAFFIC & LIGHTING DIV.	LAND DEVELOPMENT DIV.	ARCHITECTURAL ENGINEERING DIV.	PROJECT MGMT. DIV. I	PROJECT MGMT. DIV. II	PUBLIC RELATIONS GROUP
Countywide Overhead Rate (Sch 5 a/c)	0.461%	0.461%	0.461%	0.461%	0.461%	0.461%	0.461%
Departmental Overhead Rate (Sch 5 b/c)	48.383%	48.383%	48.383%	48.383%	48.383%	48.383%	48.383%
Division Overhead Rate (Sch 5 d/e..pp/qq)	43.493%	61.520%	37.904%	80.829%	83.237%	119.101%	93.780%
TOTAL OVERHEAD RATE	92.337%	100.364%	86.748%	129.674%	132.081%	167.945%	142.624%
PAID EB RATE	46.256%	46.256%	46.256%	46.256%	46.256%	46.256%	46.256%
UNPAID EB RATE	17.899%	17.899%	17.899%	17.899%	17.899%	17.899%	17.899%
TOTAL ICP RATE	156.493%	164.520%	150.904%	193.829%	196.237%	232.101%	206.779%

Source: 2003-04 ICP Schedule 5 -
Total Costs Column (a) thru (qq)

CLAIM FOR PAYMENT		For State Controller Use Only	PROGRAM
Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES UNFOUNDED COMPLAINTS AND DISCOVERY		(19) Program Number 00264 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	314
(01) Claimant Identification Number 9919		Reimbursement Claim Data	
(02) Claimant Name Auditor-Controller		(22) FORM -1, (04) A.1.(g)	
County of Location County of Los Angeles		(23) FORM -1, (04) A.2.(g)	
Street Address or P.O. Box 500 West Temple Street, Suite 603		(24) FORM -1, (04) A.3 (g)	
City Los Angeles		(25) FORM -1, (04) A.4.(g)	
State CA		(26) FORM -1, (04) A.5.(g)	
Zip Code 90012		(27) FORM -1, (06)	89,076
Type of Claim (09) Reimbursement <input type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input checked="" type="checkbox"/>		(28) FORM -1, (07)	\$600,372
		(29) FORM -1, (08)	
		(30) FORM -1, (09)	
Fiscal Year of Cost 2004/2005		(31) FORM -1, (10)	\$600,372
Total Claimed Amount		(13) \$600,372	
Less: 10% Late Penalty (refer to attached instructions)		(14) \$16,928	
Less: Prior Claim Payment Received		(15)	
Net Claimed Amount		(16) \$583,444	\$600,372
Due from State		(17) \$583,444	
Due to State		(18)	
(37) CERTIFICATION OF CLAIM			
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have no violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer		Date Signed	Sept 26, 2012
 Wendy L. Watanabe Auditor-Controller		Telephone Number	(213) 974-8302
		E-Mail Address	wwatanabe@auditor.lacounty.gov
		Type or Print Name and Title of Authorized Signatory	
(38) Name of Agency Contact Person for Claim		Telephone Number	(213) 893-0792
Hasmik Yaghobyan		E-Mail Address	hyaghobyan@auditor.lacounty.gov
Name of Consulting Firm / Claim Preparer		Telephone Number	
		E-Mail Address	

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Form 1
(01) Claimant COUNTY OF LOS ANGELES				(02) Fiscal Year 2004-05			
(03)							
Direct Costs				Object Accounts			
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
A. One-time Activities							
1	Identification of locations that are required to have a trash receptacle						
2	Selection/evaluation/and preparation of specifications and drawings						
3	Preparation of contracts/specification review process/advertise/review and award bids						
4	Purchase or construction and installation of receptacles and pads						
5	Moving/restoration at old location/and installation at new location						
(05) Total One-time Costs							0
Reasonable Reimbursement Methodology (RRM)							
B. Ongoing Activity: Maintain Trash Receptacles and Pads				7/1/04-6/30/05			
(06) Annual number of trash collections (Refer to claiming instructions)	547 units x 3 times per week x 52 wks = 85,332* 38 units x 2 times per wk x 52 wks = 3,744*						89,076
(07) Total Ongoing Costs	Line (06) x RRM rate (6.74)						\$ 600,372
Indirect Costs							
(08) Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]						N/A
(09) Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]						0
(10) Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)						\$ 600,372
(11) Less: Offsetting Revenues							0
(12) Less: Other Reimbursements							0
(13) Total Claimed Amount	[Line (10) - {line (11) + line (12)}]						\$ 600,372

New 05/11

* The total number of trash receptacle units are based on the actual counts reflected on the invoices and the lists of locations. *see Tab A*

Transit Trash Collection Count Worksheet

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	FY04-05									[B]							
2		# Trash ***	Unit Cost	Annual Transit Trash Collection Costs (Note 2)								[B] ÷ [A]					
3	North *	Receptacles	P-U / Clean	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace	\$ Other	\$ Total	Unit Cost							
4	Jul.	92	3.85/3.25	7,438.20	1,495.00				8,933.20	97.10							
5	Aug	92		7,792.40	1,495.00				9,287.40	100.95							
6	Sep	92		6,629.70	1,495.00				8,124.70	88.31							
7	Oct	92		7,084.00	1,196.00				8,280.00	90.00							
8	Nov	92		6,729.80	1,495.00				8,224.80	89.40							
9	Dec	92		7,438.20	1,196.00				8,634.20	93.85							
10	Jan 2005	92		7,084.00	1,196.00		33.00		8,313.00	90.36							
11	Feb	92		6,729.80	1,196.00				7,925.80	86.15							
12	Mar	92		8,146.60	1,495.00		684.00		10,325.60	112.23							
13	Apr	92		7,438.20	1,196.00				8,634.20	93.85							
14	May	92		7,438.20	1,495.00				8,933.20	97.10							
15	Jun	92		7,792.40	1,196.00		49.50		9,037.90	98.24							
16				87,741.50	16,146.00		766.50		104,654.00			LA River	Total S. Co.				
17	South **	Non-trash TMDL units										trash TMDL	Reimb. Units	3x / week	2x / week	Reconciliation	
18	Jul.	317	3.85/3.25	25,109.70	5,151.25				30,260.95	95.46		166	483	450	33	483	
19	Aug	316		26,260.85	5,135.00				31,395.85	99.35		167	483	451	32	483	
20	Sep	316		25,075.05	5,135.00		684.00		30,894.05	97.77		163	479	445	34	479	
21	Oct	320		23,870.00	4,160.00		684.00		28,714.00	89.73		169	489	453	36	489	
22	Nov	320		22,641.85	5,200.00		52.25		27,894.10	87.17		170	490	453	37	490	
23	Dec	320		25,028.85	4,160.00		868.50		30,057.35	93.93		176	496	459	37	496	
24	Jan 2005	320		23,823.80	4,160.00				27,983.80	87.45		175	495	458	37	495	
25	Feb	319		22,715.00	4,147.00				26,862.00	84.21		176	495	458	37	495	
26	Mar	319		27,504.40	5,183.75		2,896.00		35,584.15	111.55		175	494	457	37	494	
27	Apr	319		25,086.60	4,147.00				29,233.60	91.64		177	496	459	37	496	
28	May	314		25,109.70	5,102.50		80.00		30,292.20	96.47		181	495	458	37	495	
29	Jun	315		26,295.50	4,095.00				30,390.50	96.48		180	495	458	37	495	
30				298,521.30	55,776.50		5,264.75		359,562.55								
31	Avg. 3x/wk	547	Total	386,262.80	71,922.50	-	6,031.25	-	464,216.55								
32	Avg. 2x/wk	36															
33	Notes:																
34	* N. County- The "Pick-up" costs are based on actual amounts reflected on invoices. The "Cleaning" costs for trash receptacles at bus shelters are based																
35	on the unit cost charged by the contractor. It is not reflected in the invoice because the contractor charged one rate to clean the entire shelter.																
36	** S. County- The "Cleaning" cost for trash receptacle at bus shelters is based on the unit cost charged by the contractor. It is not reflected in the invoice																
37	because the contractor charged one rate to clean the entire shelter. (Formula: No. of stand-alone & at-shelter receptacles x contract rate x frequency)																
38	*** N. County - As of Jul. 2004, we included the trash receptacles at shelter locations. Maintenance contractor invoices reflect a lower no. of NPDES TR's.																
39	Multiple stand-alone TR locations in Santa Clarita were modified to include shelters; These shelter locations include TRs and are subject to NPDES.																

CLAIM FOR PAYMENT			For State Controller Use Only		PROGRAM	
Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES UNFOUNDED COMPLAINTS AND DISCOVERY			(19) Program Number 00264		314	
			(20) Date Filed ___/___/___			
			(21) LRS Input ___/___/___			
(01) Claimant Identification Number 9919			Reimbursement Claim Data			
(02) Claimant Name Auditor-Controller			(22) FORM -1, (04) A.1.(g)			
County of Location County of Los Angeles			(23) FORM -1, (04) A.2.(g)			
Street Address or P.O. Box 500 West Temple Street,			Suite 603		(24) FORM -1, (04) A.3 (g)	
City Los Angeles			State CA		Zip Code 90012	
			Type of Claim		(26) FORM -1, (04) A.5.(g)	
			(09) Reimbursement <input type="checkbox"/>		(27) FORM -1, (06) 90,324	
			(10) Combined <input type="checkbox"/>		(28) FORM -1, (07) \$608,784	
			(11) Amended <input checked="" type="checkbox"/>		(29) FORM -1, (08)	
Fiscal Year of Cost			2005/2006		(30) FORM -1, (09)	
Total Claimed Amount			(13) \$608,784		(31) FORM -1, (10) \$608,784	
Less: 10% Late Penalty (refer to attached instructions)			(14) \$18,400		(32) FORM -1, (11)	
Less: Prior Claim Payment Received			(15)		(33) FORM -1, (12)	
Net Claimed Amount			(16) \$590,384		(34) FORM -1, (13) \$608,784	
Due from State			(17) \$590,384		(35)	
Due to State			(18)		(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have no violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.

I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer

Wendy L. Watanabe

Date Signed Sept 26, 2012

Telephone Number (213) 974-8302

Wendy L. Watanabe Auditor-Controller

E-Mail Address wwatanabe@auditor.lacounty.gov

Type or Print Name and Title of Authorized Signatory

(38) Name of Agency Contact Person for Claim

Telephone Number (213) 893-0792

Hasmik Yaghobyan

E-Mail Address hyaghobyan@auditor.lacountnly.gov

Name of Consulting Firm / Claim Preparer

Telephone Number _____

E-Mail Address _____

PROGRAM 314		MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Form 1
(01) Claimant COUNTY OF LOS ANGELES				(02) Fiscal Year 2005-06				
(03)								
Direct Costs		Object Accounts						
(04)	Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
A. One-time Activities								
1	Identification of locations that are required to have a trash receptacle							
2	Selection/evaluation/and preparation of specifications and drawings					-		
3	Preparation of contracts/specification review process/advertise/review and award bids							
4	Purchase or construction and installation of receptacles and pads							
5	Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs								0
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads					7/1/05-6/30/06			
(06)	Annual number of trash collections (Refer to claiming instructions)	551 units x 3 times per week x 52 wks = 85,956* 42 units x 2 times per week x 52 wks = 4,368*						90,324
(07)	Total Ongoing Costs	Line (06) x RRM rate (6.74)						\$ 608,784
Indirect Costs								
(08)	Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]						N/A
(09)	Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]						0
(10)	Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)						\$ 608,784
(11)	Less: Offsetting Revenues							0
(12)	Less: Other Reimbursements							0
(13)	Total Claimed Amount	[Line (10) - (line (11) + line (12))]						\$ 608,784.

New 05/11

* The total number of trash receptacle units are based on the actual counts reflected on the invoices and the lists of locations. *SEE TAB A*

Transit Trash Collection Count Worksheet

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	FY05-06	[A]							[B]							
2		# Trash ***	Unit Cost	Annual Transit Trash Collection Costs (Note 2)							[B] + [A]					
3	North *	Receptacles	P-U / Cles	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace	\$ Other	\$ Total		Unit Cost					
4	Jul.	92	3.85/3.25	\$7,084.00	\$1,196.00				8,280.00		90.00					
5	Aug	92		\$7,084.00	\$1,196.00				8,280.00		90.00					
6	Sep	92		\$7,438.20	\$1,196.00				8,634.20		93.85					
7	Oct	91		\$7,007.00	\$1,183.00				8,190.00		90.00					
8	Nov	91		\$6,656.65	\$1,183.00				7,839.65		86.15					
9	Dec	91		\$7,357.35	\$1,183.00				8,540.35		93.85					
10	Jan 2006	91		\$7,007.00	\$1,183.00				8,190.00		90.00					
11	Feb	90		\$6,237.00	\$1,170.00				7,407.00		82.30					
12	Mar	91		\$8,139.95	\$1,195.74				9,335.69		102.59					
13	Apr	91	3.94/3.32	\$7,170.80	\$1,208.48				8,379.28		92.08					
14	May	91		\$7,887.88	\$1,208.48				9,096.36		99.96					
15	Jun	91		\$7,887.88	\$1,208.48				9,096.36		99.96					
16				\$88,957.71	\$14,311.18				101,268.89			LA River	Total S. Co.			
17	South **	Non-trash TMDL units										trash TMDL	Reimb. Units	3x / week	2x / week	Reconciliation
18	Jul.	314	3.85/3.25	\$23,900.80	\$4,082.00				27,982.80		89.12	186	500	459	41	500
19	Aug	314		\$27,481.30	\$5,102.50				32,583.80		103.77	186	500	458	42	500
20	Sep	312		\$24,948.00	\$4,056.00				29,004.00		92.96	186	498	456	42	498
21	Oct	313		\$23,823.80	\$4,069.00				27,892.80		89.11	188	501	459	42	501
22	Nov	314		\$22,691.90	\$4,082.00				26,773.90		85.27	187	501	460	41	501
23	Dec	314		\$25,109.70	\$4,082.00				29,191.70		92.97	188	502	461	41	502
24	Jan 2006	313		\$23,846.90	\$5,086.25				28,933.15		92.44	188	501	460	41	501
25	Feb	311		\$22,495.55	\$4,043.00				26,538.55		85.33	189	500	458	42	500
26	Mar	314		\$27,791.70	\$4,125.96				31,917.66		101.65	190	504	462	42	504
27	Apr	313	3.94/3.32	\$24,380.72	\$4,156.64				28,537.36		91.17	190	503	461	42	503
28	May	313		\$26,823.52	\$5,195.80				32,019.32		102.30	190	503	461	42	503
29	Jun	312		\$26,736.84	\$4,143.36				30,880.20		98.98	190	502	460	42	502
30				\$300,030.73	\$52,224.51				352,255.24							
31	Avg.3x/wk	551	Total	386,988.44	66,635.69				453,524.13							
32	Avg.2x/wk	42														
33	Notes:	* N. & S. County- The Pick-up costs are based on actual amounts reflected on invoices. The "Cleaning" costs for receptacles are based														
34		on the unit cost charged by the contractor. It is not reflected in invoice, because the contractor charges one rate to clean the entire shelter.														
35		**South County - Beginning FY05-06, the "Pick-up" costs were based on actual invoice amounts reflected on invoices.														
36		The "Cleaning" costs for trash receptacles are calculated with method same as North County.														
37		*** Maintenance contractor invoices reflect a lower no. of NPDES trash receptacles. Trash receptacles at shelters in Santa Clarita														
38		are also subject to NPDES.														
39	Genera:	Prior to FY2005-06 - The number of NPDES and non-NPDES trash receptacles in the S. County were not separated in different lines														
40		under the maintenance invoices. The pick up and cleaning cost for trash receptacles is based on the unit cost charged by the contractor														
41		and service frequency. Effective FY2005-06 - The "pick up" costs were based on actual amounts charged on invoices.														

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES UNFOUNDED COMPLAINTS AND DISCOVERY			For State Controller Use Only	PROGRAM
			(19) Program Number 00264	314
			(20) Date Filed ___/___/___	
			(21) LRS Input ___/___/___	
(01) Claimant Identification Number 9919			Reimbursement Claim Data	
(02) Claimant Name Auditor-Controller			(22) FORM -1, (04) A.1.(g)	
County of Location County of Los Angeles			(23) FORM -1, (04) A.2.(g)	
Street Address or P.O. Box 500 West Temple Street, Suite 603			(24) FORM -1, (04) A.3 (g)	
City Los Angeles			(25) FORM -1, (04) A.4.(g)	
State CA			(26) FORM -1, (04) A.5.(g)	
Zip Code 90012			(27) FORM -1, (06)	92,176
Type of Claim (09) Reimbursement <input type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input checked="" type="checkbox"/>			(28) FORM -1, (07)	\$624,906
			(29) FORM -1, (08)	
			(30) FORM -1, (09)	
Fiscal Year of Cost 2006/2007			(31) FORM -1, (10)	\$624,906
Total Claimed Amount			(13) \$624,906	
Less: 10% Late Penalty (refer to attached instructions)			(14) \$18,540	
Less: Prior Claim Payment Received			(15)	
Net Claimed Amount			(16) \$606,366	\$624,906
Due from State			(17) \$606,366	
Due to State			(18)	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have no violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer		Date Signed	<u>Sept 26, 2012</u>	
<u>Wendy L. Watanabe</u>		Telephone Number	<u>(213) 974-8302</u>	
Wendy L. Watanabe Auditor-Controller		E-Mail Address	<u>wwatanabe@auditor.lacounty.gov</u>	
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number	<u>(213) 893-0792</u>	
<u>Hasmik Yaghobyan</u>		E-Mail Address	<u>hyaghobyan@auditor.lacountny.gov</u>	
Name of Consulting Firm / Claim Preparer		Telephone Number		
		E-Mail Address		

PROGRAM 314		MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Form 1
(01) Claimant COUNTY OF LOS ANGELES				(02) Fiscal Year 2006-07				
(03)								
Direct Costs		Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total	
A. One-time Activities								
1	Identification of locations that are required to have a trash receptacle							
2	Selection/evaluation/and preparation of specifications and drawings							
3	Preparation of contracts/specification review process/advertise/review and award bids							
4	Purchase or construction and installation of receptacles and pads							
5	Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs							0	
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads				7/1/06-6/30/07				
(06) Annual number of trash collections (Refer to claiming instructions)		587 units x 3 times per week x 52 wks = 88,452*				92,716		
		41 units x 2 times per week x 52 wks = 4,264*						
(07) Total Ongoing Costs		Line (06) x RRM rate (6.74)				\$ 624,906		
Indirect Costs								
(08) Indirect Cost Rate for A. One-time Activities		[From ICRP or 10%]				N/A		
(09) Total Indirect Costs for A. One-time Activities		Line (05)(a) x 10% or [Refer to Claming Instructions for ICRP over 10%]				0		
(10) Total Direct and Indirect Costs		Line (05)(g) + line (07) + line (09)				\$ 624,906		
(11) Less: Offsetting Revenues						0		
(12) Less: Other Reimbursements						0		
(13) Total Claimed Amount		[Line (10) - {line (11) + line (12)}]				\$ 624,906		

New 05/11

* The total number of trash receptacle units are based on the actual counts reflected on the invoices and the lists of locations. See Tab A

Transit Trash Collection Count Worksheet

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	FY06-07	[A]							[B]								
2		# Trash **	Unit Cost	Annual Transit Trash Collection Costs (Note 2)							[B] ÷ [A]						
3	North *	Receptacles	P-U / Clea	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Repla	\$ Other	\$ Total		Unit Cost						
4	Jul.	91	3.94/3.32	\$7,170.80	\$1,510.60				8,681.40		95.40						
5	Aug	91		\$8,243.32	\$1,510.60				9,753.92		107.19						
6	Sep	93		\$7,328.40	\$1,235.04				8,563.44		92.08						
7	Oct	93		\$7,694.82	\$1,543.80				9,238.62		99.34						
8	Nov	93		\$6,961.98	\$1,235.04				8,197.02		88.14						
9	Dec	93		\$7,328.40	\$1,235.04				8,563.44		92.08						
10	Jan 2007	93		\$7,328.40	\$1,543.80				8,872.20		95.40						
11	Feb	93		\$6,961.98	\$1,235.04				8,197.02		88.14						
12	Mar	93		\$8,126.34	\$1,246.20				9,372.54		100.78						
13	Apr	92	4.01/3.32	\$8,191.53	\$1,554.80				9,746.33		105.94						
14	May	92		\$8,116.24	\$1,243.84				9,360.08		101.74						
15	Jun	92		\$7,747.20	\$1,243.84				8,991.04		97.73						
16				\$91,199.41	\$16,337.64				107,537.05			LA River	Total S. Co.				
17	South *	Non-trash TMDL units										trash TMDL	Reimb. Units	3x / week	2x / week	Reconciliation	
18	Jul.	312	3.94/3.32	\$24,278.28	\$5,179.20				29,457.48		94.42	189	501	460	41	501	
19	Aug	324		\$29,053.56	\$5,378.40				34,431.96		106.27	195	519	478	41	519	
20	Sep	324		\$25,247.52	\$4,302.72				29,550.24		91.20	195	519	478	41	519	
21	Oct	323		\$26,441.34	\$5,361.80				31,803.14		98.46	195	518	477	41	518	
22	Nov	321		\$23,770.02	\$4,262.88				28,032.90		87.33	191	512	471	41	512	
23	Dec	327		\$25,483.92	\$4,342.56				29,826.48		91.21	187	514	473	41	514	
24	Jan 2007	326		\$25,428.76	\$5,411.60				30,840.36		94.60	187	513	472	41	513	
25	Feb	328		\$24,294.04	\$4,355.84				28,649.88		87.35	187	515	474	41	515	
26	Mar	329		\$28,438.18	\$4,408.60				32,846.78		99.84	187	516	475	41	516	
27	Apr	329	4.01/3.32	\$27,392.31	\$5,560.10				32,952.41		100.16	187	516	475	41	516	
28	May	329		\$28,735.66	\$4,448.08				33,183.74		100.86	188	517	475	42	517	
29	Jun	330		\$27,476.52	\$4,461.60				31,938.12		96.78	186	516	474	42	516	
30				\$316,040.11	\$57,473.38				373,513.49								
31	Avg. 3x/wk	567	Total	407,239.52	73,811.02				481,050.54								
32	Avg. 2x/wk	41															
33	Notes:	* N. & S. County- The Pick-up costs are based on actual amounts reflected on invoices. The "Cleaning" costs for receptacles are based															
34		on the unit cost charged by the contractor. It is not reflected in invoice, because the contractor charges one rate to clean the entire shelter.															
35		** Maintenance contractor invoices reflect a lower no. of NPDES trash receptacles. Trash receptacles at shelters in Santa Clarita															
36		are also subject to NPDES.															

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES UNFOUNDED COMPLAINTS AND DISCOVERY			For State Controller Use Only	PROGRAM 314								
(01) Claimant Identification Number 9919			Reimbursement Claim Data									
(02) Claimant Name Auditor-Controller			(22) FORM -1, (04) A.1.(g)									
County of Location County of Los Angeles			(23) FORM -1, (04) A.2.(g)									
Street Address or P.O. Box 500 West Temple Street, Suite 603			(24) FORM -1, (04) A.3 (g)									
City Los Angeles			(25) FORM -1, (04) A.4.(g)									
State CA			(26) FORM -1, (04) A.5.(g)									
Zip Code 90012			(27) FORM -1, (06)	94,068								
<table border="0"> <tr> <td colspan="2" style="text-align: center;">Type of Claim</td> </tr> <tr> <td>(09) Reimbursement</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(10) Combined</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(11) Amended</td> <td><input checked="" type="checkbox"/></td> </tr> </table>			Type of Claim		(09) Reimbursement	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>	(11) Amended	<input checked="" type="checkbox"/>	(28) FORM -1, (07)	\$634,018
			Type of Claim									
			(09) Reimbursement	<input type="checkbox"/>								
(10) Combined	<input type="checkbox"/>											
(11) Amended	<input checked="" type="checkbox"/>											
(29) FORM -1, (08)												
Fiscal Year of Cost 2007/2008			(30) FORM -1, (09)									
Total Claimed Amount			(31) FORM -1, (10)	\$634,018								
Less: 10% Late Penalty (refer to attached instructions)			(32) FORM -1, (11)									
Less: Prior Claim Payment Received			(33) FORM -1, (12)									
Net Claimed Amount			(34) FORM -1, (13)	\$634,018								
Due from State			(35)									
Due to State			(36)									
(37) CERTIFICATION OF CLAIM												
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have no violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>												
Signature of Authorized Officer		Date Signed	<u>Sept 26, 2012</u>									
<u>Wendy L. Watanabe</u>		Telephone Number	<u>(213) 974-8302</u>									
Wendy L. Watanabe Auditor-Controller		E-Mail Address	<u>wwatanabe@auditor.lacounty.gov</u>									
Type or Print Name and Title of Authorized Signatory												
(38) Name of Agency Contact Person for Claim		Telephone Number	<u>(213) 893-0792</u>									
Hasmik Yaghobyan		E-Mail Address	<u>hyaghobyan@auditor.lacountny.gov</u>									
Name of Consulting Firm / Claim Preparer		Telephone Number										
		E-Mail Address										

PROGRAM 314		MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Form 1
(01) Claimant COUNTY OF LOS ANGELES				(02) Fiscal Year 2007-08				
(03)								
Direct Costs		Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total	
A. One-time Activities								
1	Identification of locations that are required to have a trash receptacle							
2	Selection/evaluation/and preparation of specifications and drawings							
3	Preparation of contracts/specification review process/advertise/review and award bids							
4	Purchase or construction and installation of receptacles and pads							
5	Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs							0	
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads		7/1/07-6/30/08						
(06)	Annual number of trash collections (Refer to claiming instructions)	573 units x 3 times per week x 52 wks = 89,388* 45 units x 2 times per week x 52 wks = 4,680*					94,068	
(07)	Total Ongoing Costs	Line (06) x RRM rate (6.74)					\$ 634,018	
Indirect Costs								
(08)	Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]					N/A	
(09)	Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]					0	
(10)	Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)					\$ 634,018	
(11)	Less: Offsetting Revenues						0	
(12)	Less: Other Reimbursements						0	
(13)	Total Claimed Amount	[Line (10) - {line (11) + line (12)}]					\$ 634,018	

New 05/11

* The total number of trash receptacle units are based on the actual counts reflected on the invoices and the lists of locations. See Tab A

Transit Trash Collection Count Worksheet

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	FY07-08	[A]							[B]							
2		# Trash **	Unit Cost	Annual Transit Trash Collection Costs (Note 2)							[B] ÷ [A]					
3	North *	Receptacles	P-U / Clean	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace	\$ Other	\$ Total		Unit Cost					
4	Jul.	92	4.25/4.59	\$8,211.00	\$2,111.40				10,322.40		112.20					
5	Aug	91		\$8,895.25	\$1,670.76				10,566.01		116.11					
6	Sep	91		\$7,348.25	\$1,670.76				9,019.01		99.11					
7	Oct	93		\$8,695.50	\$2,134.35				10,829.85		116.45					
8	Nov	92		\$7,429.00	\$1,689.12				9,118.12		99.11					
9	Dec	92		\$7,820.00	\$2,111.40				9,931.40		107.95					
10	Jan 2008	92		\$8,211.00	\$1,689.12				9,900.12		107.61					
11	Feb	92		\$7,820.00	\$1,689.12				9,509.12		103.36					
12	Mar (2 wk)	92		\$4,301.00	\$1,266.84				5,567.84		60.52					
13	Mar (2 wk)	92	0.98/8.00	\$911.40	\$1,472.00				2,383.40		25.91					
14	Apr	92		\$1,983.52	\$3,680.00				5,663.52		61.56					
15	May	92		\$1,893.36	\$2,944.00				4,837.36		52.58					
16	Jun	92		\$1,893.36	\$2,944.00				4,837.36		52.58					
17				\$75,412.64	\$27,072.87				102,485.51			LA River	Total S. Co.			
18	South *	Non-trash TMDL units										trash TMDL	Reimb. Units	3x / week	2x / week	reconciliat
19	Jul.	330	4.22/4.43	\$28,940.76	\$7,309.50				36,250.26	109.85	186	516	474	42	516	
20	Aug	327		\$31,384.14	\$5,794.44				37,178.58	113.70	187	514	472	42	514	
21	Sep	328		\$26,020.52	\$5,812.16				31,832.68	97.05	187	515	473	42	515	
22	Oct	334		\$30,679.40	\$7,398.10				38,077.50	114.00	193	527	481	46	527	
23	Nov	339		\$26,902.50	\$6,007.08				32,909.58	97.08	193	532	486	46	532	
24	Dec	337		\$28,138.96	\$7,464.55				35,603.51	105.65	191	528	482	46	528	
25	Jan 2008	337		\$29,561.10	\$5,971.64				35,532.74	105.44	191	528	482	46	528	
26	Feb	338		\$28,223.36	\$5,989.36				34,212.72	101.22	192	530	484	46	530	
27	Mar	338		\$29,624.40	\$7,486.70				37,111.10	109.80	192	530	485	45	530	
28	Apr	338		\$30,029.52	\$5,989.36				36,018.88	106.56	192	530	484	46	530	
29	May	351		\$30,801.78	\$6,219.72				37,021.50	105.47	181	532	486	46	532	
30	Jun	352		\$30,865.08	\$7,796.80				38,661.88	109.83	182	534	488	46	534	
31				\$351,171.52	\$79,239.41				430,410.93							
32	Avg. 3x/wk	573	Total	426,584.16	106,312.28				532,896.44							
33	Avg. 2x/wk	45														
34	Notes:	* N. & S. County- The Pick-up costs are based on actual amounts reflected on invoices. The "Cleaning" costs for receptacles are based														
35		on the unit cost charged by the contractor. It is not reflected in invoice, because the contractor charges one rate to clean the entire shelter.														
36		** Maintenance contractor invoices reflect a lower no. of NPDES trash receptacles. Trash receptacles at shelters in Santa Clarita														
37		are also subject to NPDES.														

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES UNFOUNDED COMPLAINTS AND DISCOVERY			For State Controller Use Only (19) Program Number 00264 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	PROGRAM 314
(01) Claimant Identification Number 9919	Reimbursement Claim Data			
(02) Claimant Name Auditor-Controller	(22) FORM -1, (04) A.1.(g)			
County of Location County of Los Angeles	(23) FORM -1, (04) A.2.(g)			
Street Address or P.O. Box 500 West Temple Street, Suite 603	(24) FORM -1, (04) A.3 (g)			
City Los Angeles	State CA	Zip Code 90012	(25) FORM -1, (04) A.4.(g)	
		Type of Claim		
(03)	(09) Reimbursement	<input type="checkbox"/>	(26) FORM -1, (04) A.5.(g)	
(04)	(10) Combined	<input type="checkbox"/>	(27) FORM -1, (06)	79,128
(05)	(11) Amended	<input checked="" type="checkbox"/>	(28) FORM -1, (07)	\$533,323
(06)			(29) FORM -1, (08)	
Fiscal Year of Cost	(08)	2008/2009	(30) FORM -1, (09)	
Total Claimed Amount	(09)	\$533,323	(31) FORM -1, (10)	\$533,323
Less: 10% Late Penalty (refer to attached instructions)	(14)	\$3,915	(32) FORM -1, (11)	
Less: Prior Claim Payment Received	(15)		(33) FORM -1, (12)	
Net Claimed Amount	(16)	\$529,408	(34) FORM -1, (13)	\$533,323
Due from State	(08)	\$529,408	(35)	
Due to State	(18)		(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have no violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.

I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer: Wendy L. Watanabe Date Signed: Sept 26, 2012

Telephone Number: (213) 974-8302

E-Mail Address: wwatanabe@auditor.lacounty.gov

Type or Print Name and Title of Authorized Signatory: Wendy L. Watanabe Auditor-Controller

(38) Name of Agency Contact Person for Claim: Hasmik Yaghobyan Telephone Number: (213) 893-0792

E-Mail Address: hyaghobyan@auditor.lacountnity.gov

Name of Consulting Firm / Claim Preparer: _____ Telephone Number: _____

E-Mail Address: _____

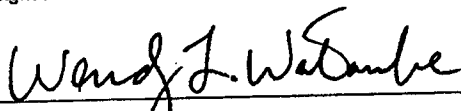
PROGRAM 314		MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Form 1
(01) Claimant COUNTY OF LOS ANGELES				(02) Fiscal Year 2008-09				
(03)								
Direct Costs		Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total	
A. One-time Activities								
1	Identification of locations that are required to have a trash receptacle							
2	Selection/evaluation/and preparation of specifications and drawings							
3	Preparation of contracts/specification review process/advertise/review and award bids							
4	Purchase or construction and installation of receptacles and pads							
5	Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs							0	
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads		7/1/08 - 6/30/09						
(06) Annual number of trash collections (Refer to claiming instructions)	588 units x 3 times per week x 12 wks = 21,168* 45 units x 2 times per week x 12 wks = 1,080* 474 units x 3 times per week x 40 wks = 56,880*						79,128	
(07) Total Ongoing Costs	Line (06) x RRM rate (6.74)						\$ 533,323	
Indirect Costs								
(08) Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]						N/A	
(09) Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claming Instructions for ICRP over 10%]						0	
(10) Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)						\$ 533,323	
(11) Less: Offsetting Revenues							0	
(12) Less: Other Reimbursements							0	
(13) Total Claimed Amount	[Line (10) - {(line (11) + line (12))}]						\$ 533,323	

New 05/11

* The total number of trash receptacle units are based on the actual counts reflected on the invoices and the lists of locations. See Tab A

Transit Trash Collection Count Worksheet

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	FY08-09	[A]									[B]						
2		# Trash **	Unit Cost	Annual Transit Trash Collection Costs (Note 2)								[B] + [A]					
3	North *	Receptacles	P-U / Clean	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace	\$ Other	\$ Total		Unit Cost						
4	Jul.	91	0.98/8.00	1,961.96	3,640.00				5,601.96		61.56						
5	Aug	91		1,872.78	2,912.00				4,784.78		52.58						
6	Sep	95		1,955.10	3,800.00			20.58	5,775.68		60.80						
7	Oct	95		2,048.20	3,040.00				5,088.20		53.56						
8	Nov	95		1,768.90	3,040.00				4,808.90		50.62						
9	Dec	95		2,048.20	3,800.00				5,848.20		61.56						
10	Jan 2009	96		1,881.60	3,072.00				4,953.60		51.60						
11	Feb	96		1,787.52	3,072.00				4,859.52		50.62						
12	Mar	96		2,069.76	3,840.00				5,909.76		61.56						
13	Apr	96		2,069.76	3,072.00				5,141.76		53.56						
14	May	96		1,881.60	3,072.00			2.94	4,956.54		51.63					*	
15	Jun	103		2,220.68	4,120.00				6,340.68		61.56						
16				23,566.08	40,480.00			23.52	64,069.58		671.21	LA River	Total S. Co.				
17	South *	Non-trash TMDL units										trash TMDL	Reimb. Units	3x / week	2x / week	Reconciliation	
18	Jul.	352	4.22/4.43	\$30,835.08	\$7,796.80	\$42.00			38,673.88		109.87	182	534	489	45	534	
19	Aug	367		\$32,194.38	\$6,603.24	\$55.80			38,753.42		105.60	182	549	505	45	549	
20	Sep	376		\$33,017.28	\$8,328.40	\$25.00			41,370.68		110.03						
21	Oct	378		\$34,764.36	\$8,698.16	\$0.00			41,462.52		109.69						
22	Nov	379	4.35/2.30	\$19,653.30	\$3,486.80	\$0.00			23,140.10		61.06						
23	Dec	379		\$22,924.50	\$4,358.50	\$48.00			27,331.00		72.11						
24	Jan 2009	377		\$19,601.10	\$3,468.40	\$73.00			23,142.50		61.39						
25	Feb	379		\$19,679.40	\$3,486.80	\$48.00			23,214.20		61.25						
26	Mar	379		\$21,328.05	\$4,358.50	\$0.00			25,686.55		67.77						
27	Apr	381		\$21,441.15	\$3,505.20	\$144.00			25,090.35		65.85						
28	May	375		\$19,470.60	\$3,450.00	\$48.00			22,968.60		61.25						
29	Jun	375		\$20,935.95	\$4,312.50	\$0.00			25,248.45		67.33						
30	Before 9/22 **			\$295,845.15	\$59,753.30	\$483.80			356,082.25								
31	Avg. 3x/wk	588	Total	319,411.21	100,233.30	483.80		23.52	420,151.83								
32	Avg. 2x/wk	45															
33	After 9/22 ***	474															
34	Notes:	* N. & S. County- The Pick-up costs are based on actual amounts reflected on invoices. The "Cleaning" costs for receptacles are based															
35		on the unit cost charged by the contractor. It is not reflected in invoice, because the contractor charges one rate to clean the entire shelter.															
36		** Maintenance contractor invoices reflect a lower no. of NPDES trash receptacles. Trash receptacles at shelters in Santa Clarita															
37		are also subject to NPDES.															
38																	
39		** From 7/1/08 to 9/22/08, the unit counts for 3-times-per week collection were based on the sum of average counts of July and August															
40		in the North and South County, and same months were used to calculate the unit counts for 2-times-per-week collection prior to 9/22/08															
41																	
42		*** From 9/23/08 to 6/30/09, the unit counts for 3-times-per-week collection were based on the average counts from Sep. 08 through Jun. 09.															

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed (21) LRS Input	314	
(01) Claimant Identification Number 9919		Reimbursement Claim Data		
(02) Claimant Name Auditor-Controller		(22) FORM-1, (04) A.1.(g)		
County of Location County of Los Angeles		(23) FORM-1, (04) A.2.(g)		
Street Address or P.O. Box 500 West Temple Street Suite 603		(24) FORM-1, (04) A.3.(g)		
City Los Angeles State CA Zip Code 90012		(25) FORM-1, (04) A.4.(g)		
		Type of Claim		(26) FORM-1, (04) A.5.(g)
		(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1, (06)	77,376
		(10) Combined <input type="checkbox"/>	(28) FORM-1, (07)	\$524,609
		(11) Amended <input type="checkbox"/>	(29) FORM-1, (08)	
Fiscal Year of Cost		(12) 2009/2010	(30) FORM-1, (11)	
Total Claimed Amount		(13) \$524,609	(31) FORM-1, (12)	
Less: (refer to attached Instructions)		(14)	(32)	
Less: Prior Claim Payment Received		(15)	(33)	
Net Claimed Amount		(16) \$524,609	(34)	
Due from State		(17) \$524,609	(35)	
Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer		Date Signed	9/22/2011	
 Wendy L. Watanabe Auditor-Controller		Telephone Number	(213) 974-8302	
		E-mail Address	wwatanabe@auditor.lacounty.gov	
Type or Print Name and Title of Authorized Signatory		Telephone Number	(213) 893-0792	
(38) Name of Agency Contact Person for Claim		E-mail Address	hyaghobyan@auditor.lacounty.gov	
Hasmik Yaghobyan		Telephone Number		
Name of Consulting Firm / Claim Preparer		E-mail Address		

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Form 1		
(01) Claimant County of Los Angeles				(02) Fiscal Year 2009/2010					
(03) Department									
Direct Costs			Object Accounts						
			(a)	(b)	(c)	(d)	(e)	(f)	(g)
(04) Reimbursable Activities			Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total
A. One-time Activities									
1. Identification of locations that are required to have a trash receptacle									
2. Selection/evaluation/and preparation of specifications and drawings									
3. Preparation of contracts/specification review process/advertise/review and award bids									
4. Purchase or construction and installation of receptacles and pads									
5. Moving/restoration at old location/and installation at new location									
(05) Total One-time Costs									
Reasonable Reimbursement Methodology (RRM).									
B. Ongoing Activity: Maintain Trash Receptacles and Pads									
(06) Annual number of trash collections (Refer to claiming instructions)							(1), (2)	77,376	
(07) Total Ongoing Costs							Line (06) x RRM rate (\$6.78)		\$524,609
Indirect Costs									
(08) Indirect Cost Rate for A. One-time Activities			[From ICRP or 10%]						%
(09) Total Indirect Costs for A. One-time Activities			Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]						
(10) Total Direct and Indirect Costs			Line (05)(g)+ line (07) + line (09)						\$524,609
(11) Less: Offsetting Revenues									
(12) Less: Other Reimbursements									
(13) Total Claimed Amount			[Line (10) - (line (11) + line (12))]						\$524,609

New 05/11

(1) 496 units x 3 times per week x 52 weeks = 77,376

(2) See Tab A

FY09-10	[A]		[B]					[B] + [A]	
	# Trash **	Unit Cost	Annual Transit Trash Collection Costs (Note 2)						Unit Cost
North *	Receptacles	P-U / Clean	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace	\$ Other	\$ Total	Unit Cost
Jul.	101	0.98/8.00	2,276.54	3,232.00				5,508.54	54.54
Aug	101		2,078.58	4,040.00				6,118.58	60.58
Sep	103		2,119.74	3,296.00				5,415.74	52.58
Oct 1-17	101		1,187.76	1,616.00				2,803.76	27.76
Oct 18-31	101	0.90/7.36	910.62	1,486.72				2,397.34	23.74
Nov	100		1,713.04	3,680.00				5,393.04	53.93
Dec	100		1,983.52	2,944.00				4,927.52	49.28
Jan 2010	100		1,713.04	2,944.00				4,657.04	46.57
Feb	100		1,713.04	2,944.00				4,657.04	46.57
Mar	100		2,073.68	3,680.00				5,753.68	57.54
Apr	100		1,983.52	2,944.00				4,927.52	49.28
May	100		1,493.21	3,680.00				5,173.21	51.73
Jun	100		1,983.52	2,944.00				4,927.52	49.28
			23,229.81	39,430.72				62,660.53	623.36
South *									
Jul.	396	4.35/2.30	\$22,289.40	\$3,643.20	\$75.00		48.00	\$26,055.60	65.80
Aug	399		\$20,723.40	\$4,588.50		1,570.00	144.00	\$27,025.90	67.73
Sep	399		\$ 20,723.40	\$3,670.80				\$24,394.20	61.14
Oct	397	4.13/2.19	\$ 19,600.98	\$3,477.72			45.60	\$23,124.30	58.25
Nov	398		\$ 19,625.76	\$3,486.48			136.80	\$23,249.04	58.41
Dec	394		\$19,477.08	\$3,451.44			45.60	\$22,974.12	58.31
Jan 2010	395		\$17,870.51	\$3,460.20				\$21,330.71	54.00
Feb	396		\$17,915.94	\$3,468.96			478.80	\$21,863.70	55.21
Mar	396		\$22,772.82	\$4,336.20	\$128.25		228.00	\$27,465.27	69.36
Apr	394		\$21,054.74	\$3,451.44	\$85.50		136.80	\$24,728.48	62.76
May	391		\$19,311.88	\$3,425.16	\$85.50		45.60	\$22,868.14	58.49
Jun	394		\$21,054.74	\$3,464.58				\$24,519.32	62.23
			\$242,420.65	\$43,924.68	\$374.25	\$1,570.00	\$1,309.20	289,598.78	
Average	496	Total	265,650.46	83,355.40	374.25	1,570.00	1,309.20	352,259.31	

Notes: * N. & S. County- The Pick-up costs are based on actual amounts reflected on invoices. The "Cleaning" costs for receptacles are based on the unit cost charged by the contractor. It is not reflected in invoice, because the contractor charges one rate to clean the entire shelter.
 ** Maintenance contractor invoices reflect a lower no. of NPDES trash receptacles. Trash receptacles at shelters in Santa Clarita are also subject to NPDES.

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed (21) LRS Input		314
(01) Claimant Identification Number 9919		Reimbursement Claim Data		
(02) Claimant Name Auditor-Controller		(22) FORM-1, (04) A.1.(g)		
County of Location County of Los Angeles		(23) FORM-1, (04) A.2.(g)		
Street Address or P.O. Box 500 West Temple Street Suite 603		(24) FORM-1, (04) A.3.(g)		
City Los Angeles State CA Zip Code 90012		(25) FORM-1, (04) A.4.(g)		
Type of Claim (09) Reimbursement <input checked="" type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input type="checkbox"/>		(26) FORM-1, (04) A.5.(g)		
		(27) FORM-1, (06)		77,688
		(28) FORM-1, (07)		\$528,278
(12) Fiscal Year of Cost 2010/2011		(29) FORM-1, (08)		
(13) Total Claimed Amount \$528,278		(30) FORM-1, (11)		
(14) Less: (refer to attached Instructions)		(31) FORM-1, (12)		
(15) Less: Prior Claim Payment Received		(32)		
(16) Net Claimed Amount \$528,278		(33)		
(17) Due from State \$528,278		(34)		
(18) Due to State		(35)		
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.				
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed <u>12/15/2011</u>		
<u>Wendy L. Watanabe</u> Wendy L. Watanabe Auditor-Controller Type or Print Name and Title of Authorized Signatory		Telephone Number <u>(213) 974-8302</u>		
		E-mail Address <u>wwatanabe@auditor.lacounty.gov</u>		
(38) Name of Agency Contact Person for Claim		Telephone Number <u>(213) 893-0792</u>		
<u>Hasmik Yaghobyan</u> Name of Consulting Firm / Claim Preparer		E-mail Address <u>hyaghobyan@auditor.lacounty.gov</u>		
		Telephone Number _____		
		E-mail Address _____		

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Form 1
(01) Claimant County of Los Angeles					(02) Fiscal Year 2010/2011		
(03) Department							
Direct Costs			Object Accounts				
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
A. One-time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluation/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs							
Reasonable Reimbursement Methodology (RRM).							
B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (Refer to claiming instructions)						(1)	77,688
(07) Total Ongoing Costs				Line (06) x RRM rate		(2)	\$528,278
Indirect Costs							
(08) Indirect Cost Rate for A. One-time Activities				[From ICRP or 10%]			%
(09) Total Indirect Costs for A. One-time Activities				Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]			
(10) Total Direct and Indirect Costs				Line (05)(g)+ line (07) + line (09)			\$528,278
(11) Less: Offsetting Revenues							
(12) Less: Other Reimbursements							
(13) Total Claimed Amount				[Line (10) - {line (11) + line (12)}]			\$528,278

New 05/11 (1) 498units x 3times per week x 52weeks = 77,688 See Tab A
 (2) 77,688 x \$6.80 = \$528,278

Unit Cost Survey - Transit Trash Collection Reimbursement Program (Note 1)

Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4F5c3

Survey Respondent

Please Send Survey Response to:

Jurisdiction : LA County unincorporated area Jean Hurst, California State Association of Counties jhurst@counties.org
 and cc: Howard Gest , City Representative hgest@burhenngest.com
 Leonard Kaye, County Representative lkaye@auditor.lacounty.gov

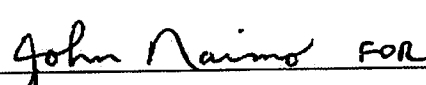
Contact Person : Wendy Bui
 Phone : (626) 458-3968
 E-Mail : wbui@dpw.lacounty.gov

Cost Survey

<u>Fiscal Year</u>	<u>Avg. # Trash Receptacles</u>	<u>Annual Transit Trash Collection Costs (Note 2)</u>					<u>\$ Total</u>	<u>[B] ÷ [A]</u> <u>Unit Cost</u>
		<u>\$ Pick-up</u>	<u>\$ Cleaning</u>	<u>\$ Repair</u>	<u>\$ Replace</u>	<u>\$ Other</u>		
2010-11 No June #	498	\$245,029	\$76,474	\$ 122	\$ 2,237	\$ 1,049	\$ 324,911	\$651.95
2009-10	496	\$265,650	\$83,355	\$ 374	\$ 1,570	\$ 1,309	\$ 352,259	\$709.79
2008-09	470	\$319,411	\$100,233	\$ 484	\$ -	\$ 24	\$420,152	\$893.62
2007-08	429	\$426,584	\$106,312				\$532,896	\$1,241.20
2006-07	418	\$407,240	\$73,811				\$481,051	\$1,151.99
2005-06	404	\$386,988	\$66,536				\$453,524	\$1,121.89
2004-05	410	\$386,263	\$71,923	\$ -	\$ 6,031	\$ -	\$464,217	\$1,132.47
2003-04	389	\$370,224	\$66,931	\$ -	\$ 2,132	\$ 53	\$439,339	\$1,128.92
2002-03	329	\$86,151	\$16,023	\$ -	\$ -	\$ 230	\$102,404	\$311.57
		\$2,893,540	\$661,597	\$ 980	\$ 11,971	\$ 2,665	\$3,570,752	

Notes

- (1) This reimbursement program is effective on and after July 1, 2002 and is for placing trash receptacles at all transit stops that have shelters no later than August 1, 2002, and at all transit stops no later than February 3, 2003. Recurring reimbursable costs include those specified above. Nonrecurring costs for identification of transit sites, design and construction of receptacle pads are also reimbursable. However, these costs are not repetitive and therefore are not included in this unit cost survey.
- (2) The 'total cost' and 'unit cost' columns will compute automatically. Include the costs of trash receptacle liners with pick-up costs. Please identify 'other costs' here: _____

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only	PROGRAM
		(19) Program Number 00314 (20) Date Filed (21) LRS Input	314
(01) Claimant Identification Number 9919		Reimbursement Claim Data	
(02) Claimant Name Auditor-Controller		(22) FORM-1, (04) A.1.(g)	
County of Location County of Los Angeles		(23) FORM-1, (04) A.2.(g)	
Street Address or P.O. Box 500 West Temple Street Suite 603		(24) FORM-1, (04) A.3.(g)	
City Los Angeles State CA Zip Code 90012		(25) FORM-1, (04) A.4.(g)	
Type of Claim (09) Reimbursement <input checked="" type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input type="checkbox"/>		(26) FORM-1, (04) A.5.(g)	
		(27) FORM-1, (06)	\$78,936
		(28) FORM-1, (07)	\$564,392
		(29) FORM-1, (08)	
Fiscal Year of Cost		(12) 2011/2012	(30) FORM-1, (11)
Total Claimed Amount		(13) \$564,392	(31) FORM-1, (12)
Less: (refer to attached Instructions)		(14)	(32)
Less: Prior Claim Payment Received		(15)	(33)
Net Claimed Amount		(16) \$564,392	(34)
Due from State		(17) \$564,392	(35)
Due to State		(18)	(36)
(37) CERTIFICATION OF CLAIM			
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer		Date Signed	2/11/13
 Wendy L. Watanabe Auditor-Controller		Telephone Number	(213) 974-8302
Type or Print Name and Title of Authorized Signatory		E-mail Address	wwatanabe@auditor.lacounty.gov
(38) Name of Agency Contact Person for Claim		Telephone Number	(213) 893-0792
Hasmik Yaghobyan		E-mail Address	hyaghobyan@auditor.lacounty.gov
Name of Consulting Firm / Claim Preparer		Telephone Number	
		E-mail Address	

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	Form 1
------------------------------	--	-------------------------

(01) Claimant County of Los Angeles	(02) Fiscal Year 2011/2012
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(03) Department	
-----------------	--

Direct Costs	Object Accounts						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
(04) Reimbursable Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total
A. One-time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluation/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs							

Reasonable Reimbursement Methodology (RRM).

B. Ongoing Activity: Maintain Trash Receptacles and Pads		
(06) Annual number of trash collections (Refer to claiming instructions)	(1)	78,936
(07) Total Ongoing Costs	Line (06) x RRM rate (2)	\$564,392.40
Indirect Costs		
(08) Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]	%
(09) Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]	
(10) Total Direct and Indirect Costs	Line (05)(g)+ line (07) + line (09)	\$564,392.40
(11) Less: Offsetting Revenues		
(12) Less: Other Reimbursements		
(13) Total Claimed Amount	[Line (10) - (line (11) + line (12))]	\$564,392.40

New 05/11
 (1) 502 units x 3times per week x 52 weeks = 78,312 See Tab A
 (1) 6 units x 2 times per week x 52 weeks = 624 See Tab A
 (2) 78,936 x \$7.15 = \$564,392.40 - Tab B

Unit Cost Survey - Transit Trash Collection Reimbursement Program (Note 1)

Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4F5c3

Survey Respondent

Please Send Survey Response to:

Jurisdiction :	LA County unincorporated area	Jean Hurst, California State Association of Counties	ihurst@counties.org
		and cc: Howard Gest, City Representative	hgest@burhenngest.com
Contact Person :	John Huang	Leonard Kaye, County Representative	lkaye@auditor.lacounty.gov
Phone :	(626) 458-3968		
E-Mail :	jhuang@dpw.lacounty.gov		

Cost Survey

	[A]							502-00 x
	Avg. # Trash	/// -----	Annual Transit Trash Collection Costs (Note 2)					3-00 x
<u>Fiscal Year</u>	<u>Receptacles</u>	<u>\$ Pick-up</u>	<u>\$ Cleaning</u>	<u>\$ Repair</u>	<u>\$ Replace</u>	<u>\$</u>		52-00 =
2011-12	3 Times/Wk 502	\$0	\$0	\$ -	\$ -	\$		78,312-00 *
2011-12	2 Times/Wk 6	\$0	\$0	\$ -	\$ -	\$		0-00 T

Notes

- | | | |
|-----|---|----------|
| (1) | This reimbursement program is effective on and after July 1, 2002 and is for placing trash receptacle no later than August 1, 2002, and at all transit stops no later than February 3, 2003. Recurring reimb above. Nonrecurring costs for identification of transit sites, design and construction of receptacle pac these costs are not repetitive and therefore are not included in this unit cost survey. | 6-00 x |
| | | 2-00 x |
| | | 52-00 = |
| | | 624-00 * |
| (2) | The 'total cost' and 'unit cost' columns will compute automatically. Include the costs of trash recepta identify 'other costs' here: _____ | 0-00 T |

P:\dpub\ACCTREC\SPEC_ACC\SB90\Municipal Storm Water And Urban Runoff Discharges\FY 1112 SB90 Storm Water Revenue Accrual\County Transit Tr

78,312.00 +
624.00 +
78,936.00 T

FY11-12	[A]		Annual Transit Trash Collection Costs (Note 2)					[B]	[B] ÷ [A] Unit Cost
	# Trash **	Unit Cost	/// -----	----- ///	----- ///	----- ///	----- ///	----- ///	
North *	<u>Receptacles</u>	P-U / Clean	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace	\$ Other	\$ Total	<u>Unit Cost</u>
	<u>3 Times/Wk</u>	<u>2 Times/Wk</u>							
Jul.	100								
Aug	100								
Sep	100								
Oct	100								
Nov	100								
Dec	100								
Jan 2012	100								
Feb	100								
Mar	100								
Apr	100								
May	100								
Jun	100								
<hr/>									
South *									
Jul.	400		6						
Aug	398		6						
Sep	401		6						
Oct	401		6						
Nov	401		6						
Dec	403		6						
Jan 2012	403		6						
Feb	403		6						
Mar	402		6						
Apr	402		6						
May	402		6						
Jun	402		6						

Notes: * N. & S. County- The Pick-up costs are based on actual amounts reflected on invoices. The "Cleaning" costs for receptacles are based on the unit cost charged by the contractor. It is not reflected in invoice, because the contractor charges one rate to clean the entire shelter.
 ** Maintenance contractor invoices reflect a lower no. of NPDES trash receptacles. Trash receptacles at shelters in Santa Clarita are also subject to NPDES.



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE:

F1-8

November 15, 2012

TO: Wendy L. Watanabe
Auditor-Controller

Attention Hasmik Yaghobyan

FROM: Mark Blank, Chief
Fiscal Division

**SB90 CLAIMS FOR REIMBURSEMENT
OPEN MEETINGS ACT/BROWN ACT REFORM AND
MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES
FISCAL YEAR 2011-12**

In response to your letter dated October 5, 2012, regarding the State Controller's Office claiming instructions to recover County costs for the State Mandated Programs for the period of July 1, 2011 through June 30, 2012, we are submitting Claim for Payment Forms for Fiscal Year 2011-12.

If you have any questions in regard to these claims, please contact Ms. Vi Nguyen of our Accounts Receivable Section at vngu@dpw.lacounty.gov or (626) 458-6938.

VN:cf

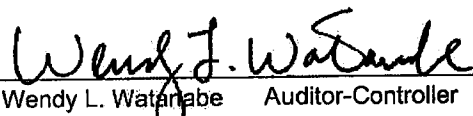
P:\dpub\ACCTREC\SPEC_ACC\SB90\218 Open Meeting Brown Act\SB90 FY11-12\SB90 Cover Letter 2011-2012.doc

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY INSTRUCTIONS	FORM 1
------------------------------	---	-------------------------

- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of claim.
- (03) If more than one department has incurred costs for this mandate, give the name of each department. A separate Form 1 should be completed for each department.
- (04) A. **One-time Activities (Actual Costs)**
For each reimbursable activity, enter the total from Form 2, line (05), columns (d) through (i) to Form 1, block (04), columns (a) through (f) in the appropriate row. Total each row.
- (05) Total each column (a) through (g).
- (04) B. **Ongoing Activity- Reasonable Reimbursement Methodology (RRM)**
- (06) Enter the product of (number of receptacles) x (pick up events) for each receptacle, subject to the limitation of no more than three pickups per week.
Example: 10 receptacles x 2 times per week x 52 weeks = 1,040
- (07) Total Cost = Result from line (06) above x RRM rate for the applicable fiscal year.
Example: 1,040 x \$6.74 = \$7,010

Fiscal Year	RRM Rate
2002-03 to 2008-09	\$6.74
2009-2010	6.78
2010-2011	6.80
2011-2012	7.15

- (08) Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an Indirect Cost Rate Proposal (ICRP). If an indirect cost rate of greater than 10% is used, include the ICRP with the claim.
- (09) Local agencies have the option of using 1) the flat rate of 10% of direct labor costs or 2) a department's ICRP in accordance with the Office of Management and Budget OMB Circular A-87 (Title 2 CFR Part 225). If the flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by 10%. If an ICRP is used, multiply applicable costs used in the distribution base for the computation of the indirect cost rate by the Indirect Cost Rate, line (08). If more than one department is reporting costs, each must have its own ICRP for the program. [Line (08) x (line (05) (g) – costs not used in distribution base)].
- (10) Enter the sum of line (05)(g) + line (07) + line (09).
- (11) If applicable, enter any revenue received by the claimant for this mandate from any state or federal source.
- (12) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (13) From Total Direct and Indirect Costs, line (10), subtract the sum of Offsetting Revenues, line 11, and Other Reimbursements, line (12). Enter the total on this line and carry the amount forward to Form FAM-27, line (14) for the Reimbursement Claim.

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM 314	
		(19) Program Number 00314 (20) Date Filed (21) LRS Input			
(01) Claimant Identification Number 9919		Reimbursement Claim Data			
(02) Claimant Name Auditor-Controller		(22) FORM 1, (04) A.1.(g)			
County of Location County of Los Angeles		(23) FORM 1, (04) A.2.(g)			
Street Address or P.O. Box 500 W. Temple Street Suite 603		(24) FORM 1, (04) A.3.(g)			
City Los Angeles State CA Zip Code 90012		(25) FORM 1, (04) A.4.(g)			
Type of Claim (09) Reimbursement <input checked="" type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input type="checkbox"/>		(26) FORM 1, (04) A.5.(g)			
		(27) FORM 1, (06)		78,468	
		(28) FORM 1, (07)		\$573,601	
(12) Fiscal Year of Cost 2012 / 2013		(29) FORM 1, (08)			
(13) Total Claimed Amount \$573,601		(30) FORM 1, (11)			
(14) Less: 10% Late Penalty (refer to attached Instructions)		(31) FORM 1, (12)			
(15) Less: Prior Claim Payment Received		(32)			
(16) Net Claimed Amount \$573,601		(33)			
(17) Due from State \$573,601		(34)			
(18) Due to State		(35)			
(18)		(36)			
(37) CERTIFICATION OF CLAIM In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code. I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant. The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.					
Signature of Authorized Officer  Wendy L. Watanabe Auditor-Controller		Date Signed <u>2/4/14</u> Telephone Number (213) 974-8302 E-mail Address wwatanabe@auditor.lacounty.gov			
Type or Print Name and Title of Authorized Signatory (38) Name of Agency Contact Person for Claim Hasmik Yaghobyan		Telephone Number (213) 974-9653 E-mail Address hyaghobyan@auditor.lacounty.gov			
Name of Consulting Firm / Claim Preparer		Telephone Number E-mail Address			

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1					
(01) Claimant County of Los Angeles		(02) Fiscal Year 2012 /2013					
(03) Department							
Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total
A. One-time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluation/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs							
Reasonable Reimbursement Methodology (RRM)							
B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (Refer to claiming instructions)						(1)	78,468.00
(07) Total Ongoing Costs	[Line (06) x RRM rate]					(7.31)	573,601.08
Indirect Costs							
(08) Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]						%
(09) Total Indirect Costs for A. One-time Activities	[Line (05)(a) x 10%] or [Refer to Claim Summary Instructions]						
(10) Total Direct and Indirect Costs	[Line (05)(g)+ line (07) + line (09)]						573,601.08
(11) Less: Offsetting Revenues							
(12) Less: Other Reimbursements							
(13) Total Claimed Amount	[Line (10) - (line (11) + line (12))]						573,601.08

Revised 07/13 (1) See Tab A - 499 units x 3 times per week x 52 weeks = 77,844 +
6 units x 2 times per week x 52 weeks = 624

Unit Cost Survey - Transit Trash Collection Reimbursement Program (Note 1)
Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4F5c3

Survey Respondent

Jurisdiction : LA County unincorporated area
 Contact Person : John Huang
 Phone : (626) 458-3968
 E-Mail : jhuang@dpw.lacounty.gov

Please Send Survey Response to:

Jean Hurst, California State Association of Counties jhurst@counties.org
 and cc: Howard Gest, City Representative hgest@burherngest.com
 Leonard Kaye, County Representative lkaye@auditor.lacounty.gov

Cost Survey

	[A]	///	Annual Transit Trash Collection Costs (Note 2)					[B]	
<u>Fiscal Year</u>	<u>Avg. # Trash Receptacles</u>		<u>\$ Pick-up</u>	<u>\$ Cleaning</u>	<u>\$ Repair</u>	<u>\$ Replace</u>	<u>\$ Other</u>	<u>\$ Total</u>	<u>[B] + [A]</u> <u>Unit Cost</u>
2012-13	505		\$0	\$0	\$ -	\$ -	\$ -	\$ -	\$0.00

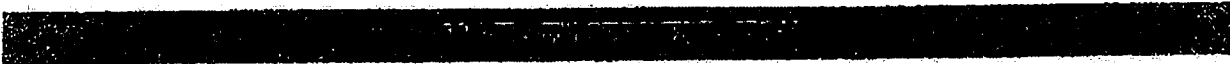
Notes

- (1) This reimbursement program is effective on and after July 1, 2002 and is for placing trash receptacles at all transit stops that have shelters no later than August 1, 2002, and at all transit stops no later than February 3, 2003. Recurring reimbursable costs include those specified above. Nonrecurring costs for identification of transit sites, design and construction of receptacle pads are also reimbursable. However, these costs are not repetitive and therefore are not included in this unit cost survey.
- (2) The 'total cost' and 'unit cost' columns will compute automatically. Include the costs of trash receptacle liners with pick-up costs. Please identify 'other costs' here:
-



FY12-13	[A]	Unit Cost	Annual Transit Trash Collection Costs (Note 2)					[B]	[B] ÷ [A] Unit Cost
	# Trash **		P-U / Clean	\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace	\$ Other	
North *	<u>Receptacles</u>								
Jul.	100								
Aug	100								
Sep	100								
Oct	100								
Nov	100								
Dec	100								
Jan 2013	100								
Feb	100								
Mar	100								
Apr	100								
May	88								
Jun	88								0.00M*
South *									
Jul.	406								0.0
Aug	405								
Sep	406								499. x
Oct	407								3. x
Nov	407								52. =
Dec	407								
Jan 2013	407								77,844.00 *
Feb	407								
Mar	407								
Apr	407								77,844.00M+
May	407								0.0
Jun	407								
Average	505 Total		3 times per week collection		499				6. x
			2 times per week collection (Malibu)		6+				2. x
Notes:					505				52. =
			* N. & S. County- The Pick-up costs are based on actual amounts reflected on invoices. The "Cleaning" costs for receptacles are based on the unit cost charged by the contractor. It is not reflected in invoice, because the contractor charges one rate to clean the entire shelter.						624.00 *
			** Maintenance contractor invoices reflect a lower no. of NPDES trash receptacles. Trash receptacles at shelters in Santa Clarita are also subject to NPDES.						624.00M+
									78,468.00M*
									78,468.00 x
									7.31 =
									573,601.08 *

SECTION 12
CERTIFICATION



*Read, sign, and date this section and insert at the end of the incorrect reduction claim submission. **

This claim alleges an incorrect reduction of a reimbursement claim filed with the State Controller's Office pursuant to Government Code section 17561. This incorrect reduction claim is filed pursuant to Government Code section 17551, subdivision (d). I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this incorrect reduction claim submission is true and complete to the best of my own knowledge or information or belief.

Arlene Barrera
Print or Type Name of Authorized Local Agency
or School District Official

Auditor-Controller
Print or Type Title

Arlene Barrera
Signature of Authorized Local Agency or
School District Official

11/5/20
Date

** If the declarant for this Claim Certification is different from the Claimant contact identified in section 2 of the incorrect reduction claim form, please provide the declarant's address, telephone number, fax number, and e-mail address below.*

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On December 10, 2020, I served the:

- **Notice of Complete Incorrect Reduction Claim with Intent to Consolidate, Schedule for Comments, and Notice of Tentative Hearing Date issued December 10, 2020**
- **Incorrect Reduction Claim (IRC) filed by the County of Los Angeles on November 5, 2020**

Municipal Storm Water and Urban Runoff Discharges, 20-0304-I-08

Los Angeles Regional Quality Control Board Order No. 01-182,

Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on December 10, 2020 at Sacramento, California.



Jill L. Magee

Commission on State Mandates

980 Ninth Street, Suite 300

Sacramento, CA 95814

(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 12/10/20

Claim Number: 20-0304-I-08

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimant: County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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Projects, Revenue and Grants Accounting, 5530 Overland Avenue, Ste. 410 , MS:O-53, San Diego, CA 92123

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Arlene Barrera, Auditor-Controller, *County of Los Angeles*

Claimant Contact

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Brittany.Thompson@dof.ca.gov

**NOTICE OF INTENT TO JOIN A CONSOLIDATED
INCORRECT REDUCTION CLAIM**

<i>For CSM Use Only</i>
Filing Date: <div style="border: 2px solid blue; border-radius: 15px; padding: 5px; text-align: center; color: blue;">RECEIVED February 10, 2021 Commission on State Mandates</div>
20-0304-I-06 (20-0304-I-08)
Consolidated IRC #:

1. TITLE OF CONSOLIDATED INCORRECT REDUCTION CLAIM

City of Claremont Consolidated Municipal Storm Water &
Urban Discharges Runoff with Los Angeles County IRC

2. JOINT-CLAIMANT INFORMATION

City of Claremont
Name of Local Agency or School District
Adam Pirrie
Joint-Claimant Contact
Finance Director
Title
207 Harvard Avenue
Street Address
Claremont, CA 91711
City, State, Zip
909-399-5328
Telephone Number
909-399-5366
Fax Number
apirrie@ci.claremont.ca.us
E-Mail Address

3. AMOUNT OF INCORRECT REDUCTION

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

Fiscal Year	Amount of Reduction	Fiscal Year	Amount of Reduction
2002-03	\$ 16,473	2008-09	\$ 16,473
2003-04	\$ 16,472	2009-10	\$ 16,570
2004-05	\$ 16,473	2010-11	\$ 16,619
2005-06	\$ 16,473	2011-12	\$ 17,846
2006-07	\$ 16,473		
2007-08	\$ 16,473		
TOTAL:			\$ 166,345

4. FINAL STATE AUDIT REPORT OR OTHER WRITTEN NOTICE OF ADJUSTMENT

Please include a copy of the final state audit report, letter, remittance advice, or other written notice of adjustment from the Office of State Controller that explains the reason(s) for the reduction or disallowance.

5. REIMBURSEMENT CLAIMS

Please include a copy of the subject reimbursement claims submitted to the Office of State Controller.

6. OPTING OUT PROCEDURES FOR A CLAIMANT-INITIATED CONSOLIDATION

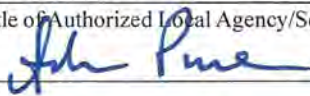
To opt out of a consolidated incorrect reduction claim, a joint-claimant shall file a written notice with the Commission within fifteen (15) days of service of the Office of State Controller's comments. A copy of the notice must be served on all parties and interested parties on the mailing list. Proof of service shall be filed with the notice pursuant to section 1181.2.

No later than one (1) year after opting out, or within the statute of limitations under section 1185(b) of the Commission's regulations, whichever is later, a claimant that opts out of a consolidated claim shall file an individual incorrect reduction claim pursuant to Commission requirements in order to preserve its right to challenge a reduction made by the Controller on that same mandate.

If a claimant opts out of a consolidated incorrect reduction claim and an individual incorrect reduction claim for that entity is already on file with the Commission, the individual filing is automatically reinstated.

7. CLAIM CERTIFICATION

Joint-Claimant authorizes the original claimant in the above-named incorrect reduction claim to act as its representative in this consolidated incorrect reduction claim, which is filed pursuant to Government Code section 17558.7. I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this intent to join a consolidated incorrect reduction claim is true and complete to the best of my own knowledge or information or belief.

Adam Pirrie, Finance Director
Name & Title of Authorized Local Agency/School District Official

Signature
1/27/2021
Date

SECTION 4:
Final State Audit Report



BETTY T. YEE
California State Controller

October 20, 2017

Adam Pirrie, Finance Director/Treasurer
City of Claremont
207 Harvard Avenue
Claremont, CA 91711

Dear Mr. Pirrie:

The State Controller's Office (SCO) performed a desk review of costs claimed by the City of Claremont for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3) for the period of July 1, 2002, through June 30, 2012. We conducted our review under the authority of Government Code (GC) sections 12410, 17558.5, and 17561. Our review was limited to verifying the funding sources used to pay for the mandated activities.

The city claimed \$170,182 for the mandated program. Our review found that \$3,837 is allowable and \$166,345 is unallowable. The costs are unallowable because the city did not offset the restricted revenues used to fund the mandated activities, as described in the attached Summary of Program Costs and Review Results section. The State made no payments to the city. The SCO's Local Government Programs and Services Division will send the city a separate notification letter to resolve unpaid allowable costs. The letter will be sent within 30 days from the issuance date of this report.

We informed you of the review finding via email on August 25, 2017. We did not receive a response from the city.

This final letter report contains an adjustment to costs claimed by the city. If you disagree with the review finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on the State Mandates (Commission). Pursuant to Section 1185, subdivision (c), of the Commission's regulations (*California Code of Regulations*, Title 3), an IRC challenging this adjustment must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. You may obtain IRC information on the Commission's website at www.csm.ca.gov/forms/IRCFForm.pdf.

If you have any questions, please contact Jim L. Spano, CPA, Assistant Division Chief, by telephone at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/rg

Attachments

RE: S18-MCC-9000

cc: Chris Hill, Principal Program Budget Analyst
Local Government Unit, California Department of Finance
Steven Pavlov, Finance Budget Analyst
Local Government Unit, California Department of Finance
Anita Dagan, Manager
Local Government Programs and Services Division
State Controller's Office

Attachment 1— Summary of Program Costs July 1, 2002, through June 30, 2012

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2002, through June 30, 2003</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 47	× 47	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	16,473	16,473	-
Less offsetting revenues and reimbursements	-	(16,473)	(16,473)
Total program costs	<u>\$ 16,473</u>	-	<u>\$ (16,473)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2003, through June 30, 2004</u>			
One-time activities:			
Materials and supplies	\$ 3,837	\$ 3,837	\$ -
Total one-time costs	3,837	3,837	-
Ongoing activities:			
Unit cost rate	6.74	6.74	-
Number of transit receptacles	× 47	× 47	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	16,472	16,472	-
Total one-time costs and ongoing costs	20,309	20,309	-
Less offsetting revenues and reimbursements	-	(16,472)	(16,472)
Total program costs	<u>\$ 20,309</u>	3,837	<u>\$ (16,472)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 3,837</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 47	× 47	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	16,473	16,473	-
Less offsetting revenues and reimbursements	-	(16,473)	(16,473)
Total program costs	<u>\$ 16,473</u>	-	<u>\$ (16,473)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2005, through June 30, 2006</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 47	× 47	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	16,473	16,473	-
Less offsetting revenues and reimbursements	-	(16,473)	(16,473)
Total program costs	<u>\$ 16,473</u>	-	<u>\$ (16,473)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 47	× 47	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	16,473	16,473	-
Less offsetting revenues and reimbursements	-	(16,473)	(16,473)
Total program costs	<u>\$ 16,473</u>	-	<u>\$ (16,473)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 47	× 47	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	16,473	16,473	-
Less offsetting revenues and reimbursements	-	(16,473)	(16,473)
Total program costs	<u>\$ 16,473</u>	-	<u>\$ (16,473)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 47	× 47	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	16,473	16,473	-
Less offsetting revenues and reimbursements	-	(16,473)	(16,473)
Total program costs	<u>\$ 16,473</u>	-	<u>\$ (16,473)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2009, through June 30, 2010</u>			
Ongoing activities:			
Unit cost rate	\$ 6.78	\$ 6.78	\$ -
Number of transit receptacles	× 47	× 47	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	16,570	16,570	-
Less offsetting revenues and reimbursements	-	(16,570)	(16,570)
Total program costs	<u>\$ 16,570</u>	-	<u>\$ (16,570)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Ongoing activities:			
Unit cost rate	\$ 6.80	\$ 6.80	\$ -
Number of transit receptacles	× 47	× 47	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	16,619	16,619	-
Less offsetting revenues and reimbursements	-	(16,619)	(16,619)
Total program costs	<u>\$ 16,619</u>	-	<u>\$ (16,619)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>July 1, 2011, through June 30, 2012</u>			
Ongoing activities:			
Unit cost rate	\$ 7.15	\$ 7.15	\$ -
Number of transit receptacles	× 48	× 48	× -
Annual number of trash collections	× 52	× 52	× -
Total ongoing costs	17,846	17,846	-
Less offsetting revenues and reimbursements	-	(17,846)	(17,846)
Total program costs	<u>\$ 17,846</u>	-	<u>\$ (17,846)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>Summary: July 1, 2002, through June 30, 2012</u>			
One-time costs	\$ 3,837	\$ 3,837	\$ -
Ongoing costs	166,345	166,345	-
Total one-time costs and ongoing costs	170,182	170,182	-
Less offsetting revenues and reimbursements	-	(166,345)	(166,345)
Total program costs	<u>\$ 170,182</u>	3,837	<u>\$ (166,345)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 3,837</u>	

¹ See Attachment 2, Review Results.

Attachment 2— Review Results July 1, 2002, through June 30, 2012

BACKGROUND—

The California Regional Water Quality Control Board, Los Angeles Region (Board), adopted a 2001 storm water permit (Permit CAS004001) that requires local jurisdictions to:

Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

On July 31, 2009, the Commission determined that Part 4F5c3 of the permit imposes a state mandate reimbursable under GC section 17561 and adopted the Statement of Decision. The Commission further clarified that each local agency subject to the permit, and not subject to a trash total maximum daily load, is entitled to reimbursement.

The Commission also determined that the period of reimbursement for the mandated activities begins July 1, 2002, and continues until a new National Pollutant Discharge Elimination System (NPDES) permit issued by the Board is adopted. On November 8, 2012, the Board adopted a new NPDES permit, Order No. R4-2012-0175, which became effective on December 28, 2012.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on March 24, 2011. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies, school districts, and community college districts in claiming mandated program reimbursable costs.

FINDING— Unreported offsetting revenues

The city did not offset any revenues on its claim forms for the review period. We found that the city should have offset \$166,345 in Proposition C funding used to pay for the ongoing maintenance of transit stop trash receptacles during the review period.

The ongoing maintenance costs are recorded in the Community Services Department, Maintenance/Bus Stops Division (Account 128-4339). The entire amount recorded is funded by Proposition C, a Special Revenue fund. Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proposition C is a half-cent sales tax measure approved by Los Angeles County voters in 1980 to finance transit programs. Twenty percent of the Proposition C tax is designated for the Local Return Program to be used by cities in developing and/or improving public transit and related transportation infrastructure. Local Return funds are distributed monthly to cities based on a "per capita" basis.

The Proposition A and Proposition C Local Return Guidelines, section II. Project Eligibility, identify reimbursement for ongoing trash receptacle maintenance as follows:

2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Codes 150, 160, & 170)

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings – in street for buses and at sidewalk for passengers
- Bus turn-outs
- Benches
- Shelters
- Trash receptacles
- Curb cuts
- Concrete of electrical work directly associated with the above items

We confirmed that there were no General Fund transfers into the Proposition C Local Return Fund during the audit period. As the city used Proposition C funds authorized to be used on the mandated activities, it was not required to rely on the use of discretionary general funds to pay for the mandated activities.

Section VIII. (Offsetting Revenues and Reimbursements) of the parameters and guidelines state:

Any offsetting revenue the claimant experiences in the same program as a result of the same statues or executive orders found to contain the mandate shall be deducted for the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012.

SECTION 5: Reimbursement Claims

State Mandate Reimbursement Claims Receipt

City of Claremont

September 28, 2011

Mandate/Program

Amount Claimed

Municipal Stormwater & Urban Runoff Discharges, Prog 314

Actual	2002-03	\$	16,473
Actual	2003-04	\$	20,309
Actual	2004-05	\$	16,473
Actual	2005-06	\$	16,473
Actual	2006-07	\$	16,473
Actual	2007-08	\$	16,473
Actual	2008-09	\$	16,473
Actual	2009-10	\$	16,570
Actual	2010-11	\$	16,619

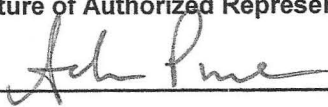
Total Claimed \$ 152,336

*The following claims were submitted to and received by the State Controller's Office
by Cost Recovery Systems on behalf of the City of Claremont*

Signed by: Lindsey Bailey

Date: 9/28/11



Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314	Program 314
(01) Claimant Identification Number			9819159	
(02) Claimant Name			City of Claremont	
Mailing Address			207 Harvard Ave.	(22) FORM-1 (04)(A)(1)(g)
Street Address or P.O. Box			P.O. Box 880	
City			Claremont	(23) FORM-1 (04)(A)(2)(g)
State CA			Zip Code 91711	
Type of Claim	Estimated Claim	Reimbursement Claim	(24) FORM-1 (04)(A)(3)(g)	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(25) FORM-1 (04)(A)(4)(g)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(26) FORM-1 (04)(A)(5)(g)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(27) FORM-1,(06)	2,444
Fiscal Year of Cost	(06)	(12) 2002-03	(28) FORM-1,(07)	16,473
Total Claimed	(07)	(13) \$16,473	(29) FORM-1,(08)	
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(30) FORM-1,(11)
Less: Estimated Claim Payment Received			(15)	(32) FORM-1,(12)
Net Claimed Amount		(16) \$16,473	(32)	
Due from State	(08)	(17) \$16,473	(33)	
Due to State	(09)	(18)	(34)	
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Representative				
 _____ Adam Pirrie			Date Signed <u>9-24-11</u>	
Finance Director			Telephone Number <u>APirrie@ci.claremont.ca.us</u>	
			Email Address <u>(909) 399-5328</u>	
Name of Contact Person for Claim			Telephone Number	E-Mail Address
Annette S. Chinn (CRS)			(916) 939-7901	ACHinnCRS@aol.com

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2002-03 <small>(see FAM-27 for estimate)</small>
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Claim Statistics

(03) Department	Public Works
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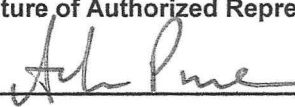
Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total

A. ONE-TIME ACTIVITIES						
1. ID of locations that are required to have receptacle						
2. Select/Eval /& preparation of specs and drawings						
3. Prep of contract specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads						
(06) Annual number of trash collections						2444
(07) Total Ongoing Costs (Line (06) x RRM rate)						\$16,473

Indirect Costs						
(08) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)					
(09) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]					
(10) Total Direct and Indirect Costs	Line (05)(d) + line (07)					\$16,473

Cost Reductions						
(11) Less: Offsetting Savings, if applicable						
(12) Less: Other Reimbursements, if applicable						
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10))					\$16,473

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 314
(01) Claimant Identification Number			9819159	
(02) Claimant Name			City of Claremont	
Mailing Address			207 Harvard Ave.	
Street Address or P.O. Box			P.O. Box 880	
City			Claremont	
State			CA	
Zip Code			91711	
Type of Claim	Estimated Claim		Reimbursement Claim	
	(03) Estimated	<input type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>
	(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>
	(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>
Fiscal Year of Cost	(06)	(12)	2003-04	(28) FORM-1,(07)
Total Claimed	(07)	(13)	\$20,309	(29) FORM-1,(08)
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(30) FORM-1,(11)
Less: Estimated Claim Payment Received			(15)	(32) FORM-1,(12)
Net Claimed Amount		(16)	\$20,309	(32)
Due from State	(08)	(17)	\$20,309	(33)
Due to State	(09)	(18)		(34)
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Representative				
			Date Signed	
Adam Pirrie			9-24-11	
Finance Director			Telephone Number	
			APirrie@ci.claremont.ca.us	
			Email Address	
			(909) 399-5328	
Name of Contact Person for Claim			Telephone Number	E-Mail Address
Annette S. Chinn (CRS)			(916) 939-7901	AChinnCRS@aol.com

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2003-04 <small>(see FAM-27 for estimate)</small>
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Claim Statistics

(03) Department	Public Works
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Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Total

A. ONE-TIME ACTIVITIES						
1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations			\$3,837			\$3,837
(05) Total Direct Costs			\$3,837			\$3,837

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads						
(06) Annual number of trash collections						2444
(07) Total Ongoing Costs (Line (06) x RRM rate)						\$16,473

Indirect Costs						
(08) Indirect Cost Rate (applied to salaries)						
			<small>(from ICRP)</small>			<small>(Applied to Salaries)</small>
(09) Total Indirect Costs						
						<small>Line (06) x line (05)(a) or line(06) x [(line (05)(a) + line(05)(b))]</small>
(10) Total Direct and Indirect Costs						\$20,309
						<small>Line (05)(d) + line (07)</small>

Cost Reductions						
(11) Less: Offsetting Savings, if applicable						
(12) Less: Other Reimbursements, if applicable						
(13) Total Claimed Amount						\$20,309
						<small>Line (08) - [(line(09) + Line(10))]</small>

Program 314	MANDATED COSTS MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	FORM 2
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(01) Claimant: City of Claremont (02) Fiscal Year Costs Were Incurred: 2003-04

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

<input type="checkbox"/>	ID locations that are required to have a trash receptacle	<input type="checkbox"/>	Purchase or construct/install receptacles and pads
<input type="checkbox"/>	Select/eval. & prep of specifications & drawings	<input type="checkbox"/>	Move/restore at old location and install at new location
<input type="checkbox"/>	Prep of contracts/specs review, process, award bid...	<input checked="" type="checkbox"/>	

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
<u>Dave Bang Assoc. Inc.</u> Purchase of 5 transit trash receptacles + shipping & tax. Moved (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs or removal and restoration of property at former receptacle location and installation at new location.						\$3,837			
(05) Total						\$3,837			



CITY OF CLAREMONT

207 HARVARD AVE.
CLAREMONT, CA 91711
(909) 399-5459

PURCHASE ORDER

8653

24151

THIS NUMBER MUST APPEAR
ON ALL PACKAGES, INVOICES
AND CORRESPONDENCE

JUL 9 PM 1:32

DATE 4/13/04	REQUESTING DEPARTMENT COMM SERVICES	REQUESTED BY DARYL P. QUINN	VENDOR NUMBER	SHIP VIA
-----------------	--	--------------------------------	---------------	----------

VENDOR DAVE BANG ASSOCIATED INC PO BOX 1088 TUSTIN CA 92781	SHIP TO COMMUNITY SERVICES DEPT 318 CORNELL AVENUE CLAREMONT CA 91711
--	--

- INSTRUCTIONS
1. Address all correspondence to: _____
 2. Render invoices in triplicate to the requesting department, P.O. Box 880, Claremont, CA 91711-0880.
 3. If material is not available for stated delivery, advise.
 4. No deviation in price nor substitution in kind will be permitted. Permission in writing should be secured or a new purchase order requested if any change is necessary.
 5. All merchandise must be PREPAID to POINT OF DESTINATION.
 6. This order is subject to state sales tax; exempt from federal tax.

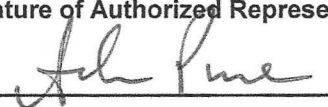
QUANTITY	UNITS	DESCRIPTION	UNIT PRICE	TOTAL	ACCOUNT NUMBER
5	EA	VICTOR STANLEY ES-142 36-GALLON HEAVY DUTY LITTER RECEPTABLE WITH STEEL TAPERED LID, HIGH DENSITY PLASTIC LINER	\$698.00	\$3,490.00	128-4500-5101
		GLOSS BLACK	TAX	248.68	(APPROX)
			SHIPPING	800.00	
Original Amount of P.O.			\$ 3,836.68		
Amount Already Paid			0		
Amount of This Payment			3,836.68		
Balance Remaining on P.O.			0		

Handwritten notes and signatures:
 OK to pay
 6-29-04
 X. [Signature]
 [Signature]

TOTAL AMOUNT F.O.B. CLAREMINT, CALIFORNIA	UNLESS OTHERWISE INDICATED	\$ 3,836.68
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RE: THIS CAREFULLY - ALL MATERIAL FURNISHED ON THIS ORDER WILL BE SUBJECT TO TEST AND INSPECTION. THE CITY OF CLAREMONT WILL NOT BE RESPONSIBLE FOR MATERIALS OR SUPPLIES FURNISHED WITHOUT AN ORDER PROPERLY APPROVED BY ISSUING MANAGER, DEPARTMENT MANAGER OR CITY MANAGER

If less than \$1,000, approved by Designated Supervisor:	If over \$1,000, approved by Division Head	If over \$5,000, approved by Department Director	White • Vendor's Copy Canary • Department File Copy Pink • Finance Copy Goldenrod • Department Receiving/Finance File Copy
--	--	--	---

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314	Program 314
(01) Claimant Identification Number			9819159	
(02) Claimant Name			City of Claremont	
Mailing Address			207 Harvard Ave.	(22) FORM-1 (04)(A)(1)(g)
Street Address or P.O. Box			P.O. Box 880	
City			Claremont	(23) FORM-1 (04)(A)(2)(g)
State CA			Zip Code 91711	
Type of Claim	Estimated Claim	Reimbursement Claim	(24) FORM-1 (04)(A)(3)(g)	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(25) FORM-1 (04)(A)(4)(g)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(26) FORM-1 (04)(A)(5)(g)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(27) FORM-1,(06)	2,444
Fiscal Year of Cost	(06)	(12) 2004-05	(28) FORM-1,(07)	16,473
Total Claimed	(07)	(13) \$16,473	(29) FORM-1,(08)	
<i>Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)</i>		(14)	(30) FORM-1,(11)	
<i>Less: Estimated Claim Payment Received</i>		(15)	(32) FORM-1,(12)	
Net Claimed Amount		(16) \$16,473	(32)	
Due from State	(08)	(17) \$16,473	(33)	
Due to State	(09)	(18)	(34)	
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Representative				
			Date Signed	9-24-11
Adam Pirrie			Telephone Number	APirrie@ci.claremont.ca.us
Finance Director			Email Address	(909) 399-5328
Name of Contact Person for Claim		Telephone Number	E-Mail Address	
Annette S. Chinn (CRS)		(916) 939-7901	AChinnCRS@aol.com	

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2004-05 <small>(see FAM-27 for estimate)</small>
------------------------------------	---	--

Claim Statistics

(03) Department	Public Works
-----------------	--------------

Direct Costs	Object Accounts					
---------------------	------------------------	--	--	--	--	--

(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
------------------------------	-----------------	-----------------	-------------------------------	--------------------------	---------------------	--------------

A. ONE-TIME ACTIVITIES

1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract,specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads

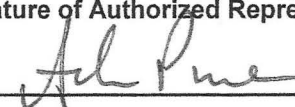
(06) Annual number of trash collections	2444
(07) Total Ongoing Costs (Line (06) x RRM rate)	\$16,473

Indirect Costs

(08) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	
(09) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	
(10) Total Direct and Indirect Costs	Line (05)(d) + line (07)	\$16,473

Cost Reductions

(11) Less: Offsetting Savings, if applicable	
(12) Less: Other Reimbursements, if applicable	
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)) \$16,473

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only		
			(19) Program Number: 000314 (20) Date Filed ___/___/___ (21) LRS Input ___/___/___	Program 314	
(01) Claimant Identification Number			9819159		
(02) Claimant Name			City of Claremont		
Mailing Address			207 Harvard Ave.	(22) FORM-1 (04)(A)(1)(g)	
Street Address or P.O. Box			P.O. Box 880		
City			Claremont	(23) FORM-1 (04)(A)(2)(g)	
State CA			Zip Code 91711		
Type of Claim	Estimated Claim		Reimbursement Claim		(24) FORM-1 (04)(A)(3)(g)
	(03) Estimated	<input type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>	(25) FORM-1 (04)(A)(4)(g)
	(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>	(26) FORM-1 (04)(A)(5)(g)
	(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>	(27) FORM-1,(06)
Fiscal Year of Cost	(06)	(12)	2005-06	(28) FORM-1,(07)	2,444
Total Claimed	(07)	(13)	\$16,473	(29) FORM-1,(08)	16,473
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(30) FORM-1,(11)	
Less: Estimated Claim Payment Received			(15)	(32) FORM-1,(12)	
Net Claimed Amount		(16)	\$16,473	(32)	
Due from State	(08)	(17)	\$16,473	(33)	
Due to State	(09)	(18)		(34)	
(38) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Representative					
			Date Signed <u>9-24-11</u>		
Adam Pirrie			Telephone Number <u>APirrie@ci.claremont.ca.us</u>		
Finance Director			Email Address <u>(909) 399-5328</u>		
Name of Contact Person for Claim		Telephone Number		E-Mail Address	
Annette S. Chinn (CRS)		(916) 939-7901		ACHinnCRS@aol.com	

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-06 <small>(see FAM-27 for estimate)</small>
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Claim Statistics

(03) Department	Public Works
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Direct Costs	Object Accounts
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(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
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A. ONE-TIME ACTIVITIES

1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads

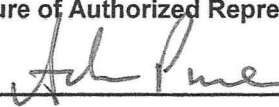
(06) Annual number of trash collections	2444
(07) Total Ongoing Costs (Line (06) x RRM rate)	\$16,473

Indirect Costs

(08) Indirect Cost Rate (applied to salaries)	<small>(from ICRP) (Applied to Salaries)</small>	
(09) Total Indirect Costs	<small>Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]</small>	
(10) Total Direct and Indirect Costs	<small>Line (05)(d) + line (07)</small>	\$16,473

Cost Reductions

(11) Less: Offsetting Savings, if applicable	
(12) Less: Other Reimbursements, if applicable	
(13) Total Claimed Amount	\$16,473

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only		
			(19) Program Number: 000314	Program 314	
(01) Claimant Identification Number			9819159		
(02) Claimant Name			City of Claremont		
Mailing Address			207 Harvard Ave.	(22) FORM-1 (04)(A)(1)(g)	
Street Address or P.O. Box			P.O. Box 880		
City			Claremont	(23) FORM-1 (04)(A)(2)(g)	
State CA			Zip Code 91711		
Type of Claim	Estimated Claim		Reimbursement Claim		(24) FORM-1 (04)(A)(3)(g)
	(03) Estimated	<input type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>	(25) FORM-1 (04)(A)(4)(g)
	(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>	(26) FORM-1 (04)(A)(5)(g)
	(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>	(27) FORM-1,(06)
Fiscal Year of Cost	(06)	(12)	2006-07	(28) FORM-1,(07)	2,444
Total Claimed	(07)	(13)	\$16,473	(29) FORM-1,(08)	16,473
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(30) FORM-1,(11)	
Less: Estimated Claim Payment Received			(15)	(32) FORM-1,(12)	
Net Claimed Amount		(16)	\$16,473	(32)	
Due from State	(08)	(17)	\$16,473	(33)	
Due to State	(09)	(18)		(34)	
(38) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Representative					
			Date Signed	9-24-11	
Adam Pirrie			Telephone Number	APirrie@ci.claremont.ca.us	
Finance Director			Email Address	(909) 399-5328	
Name of Contact Person for Claim			Telephone Number	E-Mail Address	
Annette S. Chinn (CRS)			(916) 939-7901	AChinnCRS@aol.com	

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2006-07 <small>(see FAM-27 for estimate)</small>
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Claim Statistics

(03) Department	Public Works
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Direct Costs	Object Accounts
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(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
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A. ONE-TIME ACTIVITIES

1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract.specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections	2444
(07) Total Ongoing Costs (Line (06) x RRM rate)	\$16,473

Indirect Costs

(08) Indirect Cost Rate (applied to salaries)	<small>(from ICRP) (Applied to Salaries)</small>	
(09) Total Indirect Costs	<small>Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]</small>	
(10) Total Direct and Indirect Costs	<small>Line (05)(d) + line (07)</small>	\$16,473

Cost Reductions

(11) Less: Offsetting Savings, if applicable	
(12) Less: Other Reimbursements, if applicable	
(13) Total Claimed Amount	<small>Line (08)- [(line(09) + Line(10))]</small> \$16,473

Claim for Payment
Pursuant to Government Code Section 17561
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES

For State Controller Use Only

(19) Program Number: 000314
 (20) Date Filed ___/___/___
 (21) LRS Input ___-___-___

Program
314

(01) Claimant Identification Number		9819159		
(02) Claimant Name		City of Claremont		
Mailing Address		207 Harvard Ave.	(22) FORM-1 (04)(A)(1)(g)	
Street Address or P.O. Box		P.O. Box 880	(23) FORM-1 (04)(A)(2)(g)	
City		Claremont	(24) FORM-1 (04)(A)(3)(g)	
State		CA	(25) FORM-1 (04)(A)(4)(g)	
Zip Code		91711	(26) FORM-1 (04)(A)(5)(g)	
Type of Claim	Estimated Claim	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1,(06)
	Combined	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	
	Amended	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	
Fiscal Year of Cost	(06)	(12) 2007-08	(28) FORM-1,(07)	2,444
Total Claimed	(07)	(13) \$16,473	(29) FORM-1,(08)	16,473
<i>Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)</i>		(14)	(30) FORM-1,(11)	
<i>Less: Estimated Claim Payment Received</i>		(15)	(32) FORM-1,(12)	
Net Claimed Amount		(16) \$16,473	(32)	
Due from State	(08)	(17) \$16,473	(33)	
Due to State	(09)	(18)	(34)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Adam Pirrie

Date Signed 9-24-11

Adam Pirrie

Telephone Number APirrie@ci.claremont.ca.us

Finance Director

Email Address (909) 399-5328

Name of Contact Person for Claim

Annette S. Chinn (CRS)

Telephone Number

916 939-7901

E-Mail Address

AChinnCRS@aol.com

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2007-08 <small>(see FAM-27 for estimate)</small>
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Claim Statistics

(03) Department	Public Works
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Direct Costs	Object Accounts					
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(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Total

A. ONE-TIME ACTIVITIES						
1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract.specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

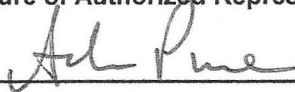
B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads						
(06) Annual number of trash collections						2444
(07) Total Ongoing Costs (Line (06) x RRM rate)						\$16,473

Indirect Costs

(08) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	
(09) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [(line (05)(a) + line(05)(b))]	
(10) Total Direct and Indirect Costs	Line (05)(d) + line (07)	\$16,473

Cost Reductions

(11) Less: Offsetting Savings, if applicable	
(12) Less: Other Reimbursements, if applicable	
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)) \$16,473

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314	Program 314
(01) Claimant Identification Number			9819159	
(02) Claimant Name			City of Claremont	
Mailing Address			207 Harvard Ave.	(22) FORM-1 (04)(A)(1)(g)
Street Address or P.O. Box			P.O. Box 880	
City			Claremont	(23) FORM-1 (04)(A)(2)(g)
State CA			Zip Code 91711	
Type of Claim	Estimated Claim	Reimbursement Claim		(24) FORM-1 (04)(A)(3)(g)
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>		(25) FORM-1 (04)(A)(4)(g)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>		(26) FORM-1 (04)(A)(5)(g)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>		(27) FORM-1,(06)
Fiscal Year of Cost	(06)	(12) 2008-09	(28) FORM-1,(07)	2,444
Total Claimed	(07)	(13) \$16,473	(29) FORM-1,(08)	16,473
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(30) FORM-1,(11)
Less: Estimated Claim Payment Received			(15)	(32) FORM-1,(12)
Net Claimed Amount		(16) \$16,473	(32)	
Due from State	(08)	(17) \$16,473	(33)	
Due to State	(09)	(18)	(34)	
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Representative				
			Date Signed	9-24-11
Adam Pirrie			Telephone Number	APirrie@ci.claremont.ca.us
Finance Director			Email Address	(909) 399-5328
Name of Contact Person for Claim			Telephone Number	E-Mail Address
Annette S. Chinn (CRS)			(916) 939-7901	ACHinnCRS@aol.com

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2008-09 <small>(see FAM-27 for estimate)</small>
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Claim Statistics

(03) Department	Public Works
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Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Total

A. ONE-TIME ACTIVITIES

1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads

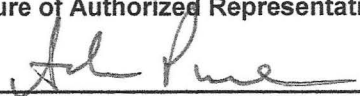
(06) Annual number of trash collections	2444
(07) Total Ongoing Costs (Line (06) x RRM rate)	\$16,473

Indirect Costs

(08) Indirect Cost Rate (applied to salaries)	<small>(from ICRP) (Applied to Salaries)</small>	
(09) Total Indirect Costs	<small>Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]</small>	
(10) Total Direct and Indirect Costs	<small>Line (05)(d) + line (07)</small>	\$16,473

Cost Reductions

(11) Less: Offsetting Savings, if applicable	
(12) Less: Other Reimbursements, if applicable	
(13) Total Claimed Amount	\$16,473

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314	Program 314
(01) Claimant Identification Number			9819159	
(02) Claimant Name			City of Claremont	
Mailing Address			207 Harvard Ave.	(22) FORM-1 (04)(A)(1)(g)
Street Address or P.O. Box			P.O. Box 880	
City			Claremont	(23) FORM-1 (04)(A)(2)(g)
State CA			Zip Code 91711	
Type of Claim	Estimated Claim		Reimbursement Claim	
	(03) Estimated	<input type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>
	(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>
	(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>
				(24) FORM-1 (04)(A)(3)(g)
				(25) FORM-1 (04)(A)(4)(g)
				(26) FORM-1 (04)(A)(5)(g)
				(27) FORM-1,(06)
				2,444
Fiscal Year of Cost	(06)	(12)	2009-10	(28) FORM-1,(07)
				16,570
Total Claimed	(07)	(13)	\$16,570	(29) FORM-1,(08)
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(30) FORM-1,(11)
Less: Estimated Claim Payment Received			(15)	(32) FORM-1,(12)
Net Claimed Amount		(16)	\$16,570	(32)
Due from State	(08)	(17)	\$16,570	(33)
Due to State	(09)	(18)		(34)
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Representative				
			Date Signed	9-24-11
Adam Pirrie			Telephone Number	APirrie@ci.claremont.ca.us
Finance Director			Email Address	(909) 399-5328
Name of Contact Person for Claim		Telephone Number		E-Mail Address
Annette S. Chinn (CRS)		(916) 939-7901		ACHinnCRS@aol.com

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2009-10 <small>(see FAM-27 for estimate)</small>
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Claim Statistics

(03) Department	Public Works
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Direct Costs	Object Accounts
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(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
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A. ONE-TIME ACTIVITIES

1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads

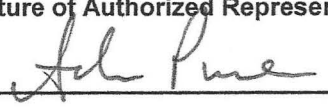
(06) Annual number of trash collections	2444
(07) Total Ongoing Costs (Line (06) x RRM rate)	\$16,570

Indirect Costs

(08) Indirect Cost Rate (applied to salaries)	<small>(from ICRP) (Applied to Salaries)</small>	
(09) Total Indirect Costs	<small>Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]</small>	
(10) Total Direct and Indirect Costs	<small>Line (05)(d) + line (07)</small>	\$16,570

Cost Reductions

(11) Less: Offsetting Savings, if applicable	
(12) Less: Other Reimbursements, if applicable	
(13) Total Claimed Amount	Line (08)- {(line(09) + Line(10))} \$16,570

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314	Program 314
(01) Claimant Identification Number			9819159	
(02) Claimant Name			City of Claremont	
Mailing Address			207 Harvard Ave.	(22) FORM-1 (04)(A)(1)(g)
Street Address or P.O. Box			P.O. Box 880	
City			Claremont	(23) FORM-1 (04)(A)(2)(g)
State CA			Zip Code 91711	
Type of Claim	Estimated Claim	Reimbursement Claim		(24) FORM-1 (04)(A)(3)(g)
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>		(25) FORM-1 (04)(A)(4)(g)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>		(26) FORM-1 (04)(A)(5)(g)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>		(27) FORM-1,(06)
Fiscal Year of Cost	(06)	(12) 2010-11	(28) FORM-1,(07)	2,444
Total Claimed	(07)	(13) \$16,619	(29) FORM-1,(08)	16,619
<i>Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)</i>			(14)	(30) FORM-1,(11)
<i>Less: Estimated Claim Payment Received</i>			(15)	(32) FORM-1,(12)
Net Claimed Amount		(16) \$16,619	(32)	
Due from State	(08)	(17) \$16,619	(33)	
Due to State	(09)	(18)	(34)	
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Representative				
			Date Signed	9-24-11
Adam Pirrie			Telephone Number	APirrie@ci.claremont.ca.us
Finance Director			Email Address	(909) 399-5328
Name of Contact Person for Claim			Telephone Number	E-Mail Address
Annette S. Chinn (CRS)			(916) 939-7901	ACHinnCRS@aol.com

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2010-11 <small>(see FAM-27 for estimate)</small>
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Claim Statistics

(03) Department	Public Works
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Direct Costs	Object Accounts					
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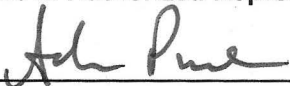
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
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A. ONE-TIME ACTIVITIES						
1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads						
(06) Annual number of trash collections						2444
(07) Total Ongoing Costs (Line (06) x RRM rate)						\$16,619

Indirect Costs						
(08) Indirect Cost Rate (applied to salaries)	(from ICRP)	(Applied to Salaries)				
(09) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [(line (05)(a) + line(05)(b))]					
(10) Total Direct and Indirect Costs	Line (05)(d) + line (07)					\$16,619

Cost Reductions						
(11) Less: Offsetting Savings, if applicable						
(12) Less: Other Reimbursements, if applicable						
(13) Total Claimed Amount	Line (08) - (line(09) + Line(10))					\$16,619

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only		
			(19) Program Number: 000314	Program 314	
(01) Claimant Identification Number			9819159		
(02) Claimant Name			City of Claremont		
Mailing Address			207 Harvard Ave.	(22) FORM-1 (04)(A)(1)(g)	
Street Address or P.O. Box			P.O. Box 880		
City			Claremont	(23) FORM-1 (04)(A)(2)(g)	
State CA			Zip Code 91711		
Type of Claim	Estimated Claim		Reimbursement Claim		(24) FORM-1 (04)(A)(3)(g)
	(03) Estimated	<input type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>	(25) FORM-1 (04)(A)(4)(g)
	(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>	(26) FORM-1 (04)(A)(5)(g)
	(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>	(27) FORM-1,(06)
Fiscal Year of Cost	(06)	(12)	2011-12	(28) FORM-1,(07)	2,496
Total Claimed	(07)	(13)	\$17,846	(29) FORM-1,(08)	17,846
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(30) FORM-1,(11)	
Less: Estimated Claim Payment Received			(15)	(32) FORM-1,(12)	
Net Claimed Amount		(16)	\$17,846	(32)	
Due from State	(08)	(17)	\$17,846	(33)	
Due to State	(09)	(18)		(34)	
(38) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Representative					
			Date Signed	1-22-13	
Adam Pirrie			Telephone Number	APirrie@ci.claremont.ca.us	
Finance Director			Email Address	(909) 399-5328	
Name of Contact Person for Claim			Telephone Number	E-Mail Address	
Annette S. Chinn (CRS)			(916) 939-7901	AChinnCRS@aol.com	

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Claremont	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2011-12 <small>(see FAM-27 for estimate)</small>
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Claim Statistics

(03) Department	Public Works
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Direct Costs **Object Accounts**

(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
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A. ONE-TIME ACTIVITIES

1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract.specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections	2496
(07) Total Ongoing Costs (Line (06) x RRM rate)	\$17,846

Indirect Costs

(08) Indirect Cost Rate (applied to salaries)	<small>(from ICRP) (Applied to Salaries)</small>	
(09) Total Indirect Costs	<small>Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]</small>	
(10) Total Direct and Indirect Costs	<small>Line (05)(d) + line (07)</small>	\$17,846

Cost Reductions

(11) Less: Offsetting Savings, if applicable	
(12) Less: Other Reimbursements, if applicable	
(13) Total Claimed Amount	\$17,846 <small>Line (08)- (line(09) + Line(10))</small>

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On February 19, 2021, I served the:

- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Claremont) issued February 19, 2021**
- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Santa Clarita) issued February 19, 2021**
- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Signal Hill) issued February 19, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Claremont on February 10, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Santa Clarita on February 9, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Signal Hill on February 9, 2021**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, and 20-0304-I-11
Los Angeles Regional Quality Control Board Order No. 01-182,
Permit CAS004001, Part 4F5c3
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012
City of Claremont, Claimant
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006
City of Downey, Claimant
Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012
City of Glendora, Claimant
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009
City of Santa Clarita, Claimant
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013
City of Signal Hill, Claimant
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013
County of Los Angeles, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on February 19, 2021 at Sacramento, California.



Jill L. Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 2/19/21

Claim Number: 20-0304-I-08 Consolidated with 19-0304-I-04, 20-0304-I-06, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Claremont
City of Downey
City of Glendora
City of Santa Clarita
City of Signal Hill
County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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**NOTICE OF INTENT TO JOIN A CONSOLIDATED
INCORRECT REDUCTION CLAIM**

**1. TITLE OF CONSOLIDATED INCORRECT
REDUCTION CLAIM**

Municipal Storm Water and Urban Runoff Discharges
20-0304-I-08

2. JOINT-CLAIMANT INFORMATION

City of Downey
Name of Local Agency or School District
Anil Gandhi
Joint-Claimant Contact
Finance Director
Title
1111 Brookshire Avenue
Street Address
Downey, CA 90241
City, State, Zip
562-904-7265
Telephone Number
562-904-7270
Fax Number
agandhy@downeyca.org
E-Mail Address

3. AMOUNT OF INCORRECT REDUCTION

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

<u>Fiscal Year</u>	<u>Amount of Reduction</u>
2002-03	\$48,381.00
2003-04	\$16,877.00
2004-05	\$79,780.00
2005-06	\$41,883.00

TOTAL: \$186,921.00

**4. FINAL STATE AUDIT REPORT OR OTHER
WRITTEN NOTICE OF ADJUSTMENT**

Please include a copy of the final state audit report, letter, remittance advice, or other written notice of adjustment from the Office of State Controller that explains the reason(s) for the reduction or disallowance.

5. REIMBURSEMENT CLAIMS

Please include a copy of the subject reimbursement claims submitted to the Office of State Controller.

<i>For CSM Use Only</i>	
Filing Date	RECEIVED February 4, 2021 Commission on State Mandates
19-0304-I-04 (20-0304-I-08)	
Consolidated IRC #	

**6. OPTING OUT PROCEDURES FOR A
CLAIMANT-INITIATED CONSOLIDATION**

To opt out of a consolidated incorrect reduction claim, a joint-claimant shall file a written notice with the Commission within fifteen (15) days of service of the Office of State Controller's comments. A copy of the notice must be served on all parties and interested parties on the mailing list. Proof of service shall be filed with the notice pursuant to section 1181.2.

No later than one (1) year after opting out, or within the statute of limitations under section 1185(b) of the Commission's regulations, whichever is later, a claimant that opts out of a consolidated claim shall file an individual incorrect reduction claim pursuant to Commission requirements in order to preserve its right to challenge a reduction made by the Controller on that same mandate.

If a claimant opts out of a consolidated incorrect reduction claim and an individual incorrect reduction claim for that entity is already on file with the Commission, the individual filing is automatically reinstated.

7. CLAIM CERTIFICATION

Joint-Claimant authorizes the original claimant in the above-named incorrect reduction claim to act as its representative in this consolidated incorrect reduction claim, which is filed pursuant to Government Code section 17558.7. I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this intent to join a consolidated incorrect reduction claim is true and complete to the best of my own knowledge or information or belief.

Anil Gandhi
Name & Title of Authorized Local Agency/School District Official

Anil n Gandhi
Signature

3/2/21
Date

SECTION 4
FINAL STATE AUDIT REPORT FOR CITY
OF DOWNEY

CITY OF DOWNEY

Audit Report

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES PROGRAM

Los Angeles Regional Water Quality Control Board,
Order No. 01-182, Permit CAS004001, Part 4F5c3

July 1, 2002, through June 30, 2014



BETTY T. YEE
California State Controller

June 2017



BETTY T. YEE
California State Controller

June 30, 2017

The Honorable Fernando Vasquez
Mayor of the City of Downey
11111 Brookshire Avenue
Downey, CA 90241

Dear Mayor Vasquez:

The State Controller's Office audited the costs claimed by the City of Downey for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3) for the period of July 1, 2002, through June 30, 2014.

The city claimed \$716,563 for the mandated program. Our audit found that \$63,911 is allowable and \$652,652 is unallowable. The costs are unallowable because the city claimed reimbursement for costs not incurred and did not offset the revenues used to fund mandated activities. The State made no payments to the city. The State will pay \$63,911, contingent upon available appropriations.

This final audit report contains an adjustment to costs claimed by the city. If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on the State Mandates (Commission). Pursuant to Section 1185, subdivision (c), of the Commission's regulations (*California Code of Regulations*, Title 3), an IRC challenging this adjustment must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. You may obtain IRC information on the Commission's website at www.csm.ca.gov/forms/IRCForm.pdf.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, by telephone at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/rg

cc: Anil H. Gandhi, Director
Finance and Information Technology, City of Downey
Mohammad Mostahkami, P.E., Director
Public Works, City of Downey
Yvette M. Abich Garcia, City Attorney
City of Downey
James Fructuoso, Assistant Finance Director
Finance and Information Technology, City of Downey
Daniel Mueller, Principal Engineer
Public Works, City of Downey
Chris Hill, Principal Program Budget Analyst
Local Government Unit, California Department of Finance
Steven Pavlov, Finance Budget Analyst
Local Government Unit, California Department of Finance
Anita Dagan, Manager
Local Government Programs and Services Division
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City of Downey for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3) for the period of July 1, 2002, through June 30, 2014.

The city claimed \$716,563 for the mandated program. Our audit found that \$63,911 is allowable and \$652,652 is unallowable. The costs are unallowable because the city claimed reimbursement for costs not incurred and did not offset the revenues used to fund mandated activities. The State made no payments to the city. The State will pay \$63,911, contingent upon available appropriations.

Background

The California Regional Water Quality Control Board, Los Angeles Region (Board), adopted a 2001 storm water permit (Permit CAS004001) that requires local jurisdictions to:

Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

On July 31, 2009, the Commission on State Mandates (Commission) determined that part 4F5c3 of the permit imposes a state mandate reimbursable under Government Code (GC) section 17561 and adopted the Statement of Decision. The Commission further clarified that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL) is entitled to reimbursement.

The Commission also determined that the period of reimbursement for the mandated activities begins July 1, 2002, and continues until a new National Pollutant Discharge Elimination System (NPDES) permit issued by the Board is adopted. On November 8, 2012, the Board adopted a new NPDES permit, Order No. R4-2012-0175, which became effective on December 28, 2012.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on March 24, 2011. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies, school districts, and community college districts in claiming mandated program reimbursable costs.

Objectives, Scope, and Methodology

We conducted this performance audit to determine whether costs claimed represent increased costs resulting from the Municipal Storm Water and Urban Runoff Discharges Program for the period of July 1, 2002, through June 30, 2014.

The legal authority to conduct this audit is provided by GC sections 12410, 17558.5, and 17561. We did not audit the city's financial statements. We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review of the city's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations.

The objectives of our audit were to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

To achieve our audit objectives, we:

- Reviewed the annual claims filed with the SCO to identify any mathematical errors and performed analytical procedures to determine any unusual or unexpected variances from year-to-year;
- Completed an internal control questionnaire and performed a walk-through of the claim preparation process to determine what information was used, who obtained it, and how it was obtained;
- Assessed whether computer-processed data provided by the city to support claimed costs was complete and accurate and could be relied upon;
- Researched the city's location in relation to the Los Angeles River watershed, the San Gabriel River watershed, and the Los Cerritos Channel and Alamitos Bay watershed and gained an understanding of the trash TMDL effective dates;
- Reviewed the documentation provided to support the one-time costs claimed;
- Determined whether the city claimed reimbursement using the correct unit cost rate;
- Reviewed the documentation provided to support the number of transit stops containing trash receptacles. Corroborated the supporting documentation with physical inspections of a number of current transit stops;
- Reviewed the documentation provided to support the city's process in performing weekly transit stop trash collections; and
- Determined whether the city realized any revenue from the statutes that created the mandated program or reimbursements from any federal, state or non-local source.

Conclusion

Our audit found instances of noncompliance with the requirements outlined in the Objectives section. These instances are described in the accompanying Schedule (Summary of Program Costs) and in the Findings and Recommendations section of this report.

For the audit period, the city claimed \$716,563 for costs of the Municipal Storm Water and Urban Runoff Discharges Program. Our audit found that \$63,911 is allowable and \$652,652 is unallowable. The State made no payments to the city. The State will pay \$63,911, contingent upon available appropriations.

Views of Responsible Officials

We issued a draft audit report on May 23, 2017. Anil Gandhi, Director of Finance and Information Technology, responded by letter dated June 5, 2017 (Attachment), disagreeing with the audit results. This final audit report includes the city's response.

Restricted Use

This report is solely for the information and use of the City of Downey, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

June 30, 2017

**Schedule—
Summary of Program Costs
July 1, 2002, through June 30, 2014**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003</u>				
One-time activities:				
Salaries and benefits	\$ 1,126	\$ 1,126	\$ -	
Materials and supplies	+ 18,129	+ 18,129	+ -	
Related indirect costs	+ 85	+ 85	+ -	
Total one-time activities	<u>19,340</u>	<u>19,340</u>	<u>-</u>	
Ongoing activities:				
Unit cost rate	6.74	6.74	-	
Number of transit receptacles	× 151	× 151	× -	
Annual number of trash pickups	× 52	× 52	× -	
Total ongoing activities	<u>52,922</u>	<u>52,922</u>	<u>-</u>	
Total one-time and ongoing activities	72,262	72,262	-	
Less offsetting revenues and reimbursements	-	(48,381)	(48,381)	Finding 2
Total program costs	<u>\$ 72,262</u>	23,881	<u>\$ (48,381)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 23,881</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ -	
Number of transit receptacles	× 151	× 151	× -	
Annual number of trash pickups	× 52	× 52	× -	
Total ongoing activities	<u>52,922</u>	<u>52,922</u>	<u>-</u>	
Less offsetting revenues and reimbursements	-	(16,877)	(16,877)	Finding 2
Total program costs	<u>\$ 52,922</u>	36,045	<u>\$ (16,877)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 36,045</u>		
<u>July 1, 2004, through June 30, 2005</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ -	
Number of transit receptacles	× 239	× 239	× -	
Annual number of trash pickups	× 52	× 52	× -	
Total ongoing activities	<u>83,765</u>	<u>83,765</u>	<u>-</u>	
Less offsetting revenues and reimbursements	-	(79,780)	(79,780)	Finding 2
Total program costs	<u>\$ 83,765</u>	3,985	<u>\$ (79,780)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 3,985</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2005, through June 30, 2006</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Number of transit receptacles	× 239	× 239	× 239	
Annual number of trash pickups	× 52	× 26	× (26)	
Total ongoing activities	<u>83,765</u>	<u>41,883</u>	<u>(41,882)</u>	Finding 1
Less offsetting revenues and reimbursements	<u>-</u>	<u>(41,883)</u>	<u>(41,883)</u>	Finding 2
Total program costs	<u>\$ 83,765</u>	<u>-</u>	<u>\$ (83,765)</u>	
Less amount paid by the State		<u>-</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2006, through June 30, 2007</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Number of transit receptacles	× 239	× 239	× 239	
Annual number of trash pickups	× 52	× -	× (52)	
Total program costs	<u>\$ 83,765</u>	<u>-</u>	<u>\$ (83,765)</u>	Finding 1
Less amount paid by the State		<u>-</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2007, through June 30, 2008</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Number of transit receptacles	× 239	× 239	× 239	
Annual number of trash pickups	× 52	× -	× (52)	
Total program costs	<u>\$ 83,765</u>	<u>-</u>	<u>\$ (83,765)</u>	Finding 1
Less amount paid by the State		<u>-</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2008, through June 30, 2009</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Number of transit receptacles	× 143.75	× 144	× 144	
Annual number of trash pickups	× 52	× -	× (52)	
Total program costs	<u>\$ 50,382</u>	<u>-</u>	<u>\$ (50,382)</u>	Finding 1
Less amount paid by the State		<u>-</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2009, through June 30, 2010</u>				
Ongoing activities:				
Unit cost rate	\$ 6.78	\$ 6.78	\$ 6.78	
Number of transit receptacles	× 112	× 112	× 112	
Annual number of trash pickups	× 52	× -	× (52)	
Total program costs	<u>\$ 39,487</u>	-	<u>\$ (39,487)</u>	Finding 1
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2010, through June 30, 2011</u>				
Ongoing activities:				
Unit cost rate	\$ 6.80	\$ 6.80	\$ 6.80	
Number of transit receptacles	× 112	× 112	× 112	
Annual number of trash pickups	× 52	× -	× (52)	
Total program costs	<u>\$ 39,603</u>	-	<u>\$ (39,603)</u>	Finding 1
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2011, through June 30, 2012</u>				
Ongoing activities:				
Unit cost rate	\$ 7.15	\$ 7.15	\$ 7.15	
Number of transit receptacles	× 112	× 112	× 112	
Annual number of trash pickups	× 52	× -	× (52)	
Total program costs	<u>\$ 41,642</u>	-	<u>\$ (41,642)</u>	Finding 1
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2012, through June 30, 2013</u>				
Ongoing activities:				
Unit cost rate	\$ 7.31	\$ 7.31	\$ 7.31	
Number of transit receptacles	× 112	× 112	× 112	
Annual number of trash pickups	× 52	× -	× (52)	
Total program costs	<u>\$ 42,573</u>	-	<u>\$ (42,573)</u>	Finding 1
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2013, through June 30, 2014</u>				
Ongoing activities:				
Unit cost rate	\$ 7.32	\$ 7.32	\$ (7.32)	
Number of transit receptacles	× 112	× -	× (112)	
Annual number of trash pickups	× 52	× -	× (52)	
Total program costs	<u>\$ 42,632</u>	-	<u>\$ (42,632)</u>	Finding 1
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>Summary: July 1, 2002, through June 30, 2014</u>				
One-time activities	\$ 19,340	\$ 19,340	\$ -	
Ongoing activities	697,223	231,492	(465,731)	
Total one-time and ongoing activities	716,563	250,832	(465,731)	
Less offsetting revenues and reimbursements	-	(186,921)	(186,921)	
Total program costs	<u>\$ 716,563</u>	63,911	<u>\$ (652,652)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 63,911</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Overstated ongoing maintenance costs

The city claimed \$697,223 for the ongoing maintenance of transit stop trash receptacles for the audit period. We found that \$231,492 is allowable and \$465,731 is unallowable. The costs are unallowable because the city claimed reimbursement for costs not incurred.

The city claimed reimbursement for the ongoing maintenance costs using the Commission-adopted reasonable reimbursement methodology (RRM). Under the RRM, the unit cost (which is \$6.74 during the period of July 1, 2002, through June 30, 2009, and is, thereafter, adjusted annually by the implicit price deflator) is multiplied by the number of city-wide transit stop trash receptacles and by the number of annual trash collections.

A summary of the claimed, allowable, and audit adjustment amounts are as follows:

Fiscal Year	Amount Claimed				Amount Allowable				Audit Adjustment
	Number of Trash Receptacles	No. of Annual Trash Collections	Unit Cost Rate	Total	Number of Trash Receptacles	No. of Annual Trash Collections	Unit Cost Rate	Total	
2002-03	151	52	\$ 6.74	\$ 52,922	151	52	\$ 6.74	\$ 52,922	\$ -
2003-04	151	52	6.74	52,922	151	52	6.74	52,922	-
2004-05	239	52	6.74	83,765	239	52	6.74	83,765	-
2005-06	239	52	6.74	83,765	239	26	6.74	41,883	(41,882)
2006-07	239	52	6.74	83,765	239	-	6.74	-	(83,765)
2007-08	239	52	6.74	83,765	239	-	6.74	-	(83,765)
2008-09	143,75	52	6.74	50,382	144	-	6.74	-	(50,382)
2009-10	112	52	6.78	39,487	112	-	6.78	-	(39,487)
2010-11	112	52	6.80	39,603	112	-	6.80	-	(39,603)
2011-12	112	52	7.15	41,642	112	-	7.15	-	(41,642)
2012-13	112	52	7.31	42,573	112	-	7.31	-	(42,573)
2013-14	112	52	7.32	42,632	-	-	-	-	(42,632)
Total ongoing costs				<u>\$ 697,223</u>				<u>\$ 231,492</u>	<u>\$ (465,731)</u>

Agreement with CalMet Services, Inc.

For the period of January 1, 2006, through June 30, 2014, the city claimed \$465,731 for ongoing maintenance of transit stop trash receptacles. We found that none of the costs claimed are allowable because the services rendered by CalMet Services, Inc., were provided at no cost to the city.

On January 1, 2006, the city entered into an agreement with CalMet Services, Inc. for the collection, transportation, and disposal of solid waste. The contract term is from January 1, 2006, through March 31, 2016.

The agreement with CalMet Services, Inc. (Article IV., Section 4.1, (M) – Solid Waste Collection from City Facilities and Operations) states:

The Contractor will Collect Solid Waste from the City Facilities and Bus Bench Locations specified in Appendix D. More locations may be added to this list. The size of Containers for each site and the existing frequency of collection are shown on Appendix D ... *No charges will be made to the City for the services described in the Section. [Emphasis added].*

The parameters and guidelines (Section IV. Reimbursable Activities) state:

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

Recommendation

No recommendation is applicable for this finding as the period of reimbursement expired on December 27, 2012, with the adoption of a new permit.

City's Response

Finding No. 1 disallows all reimbursement for costs incurred subsequent to January 1, 2006, the effective date of the CalMet contract. Finding No. 1 makes this disallowance based on a provision in the CalMet contract that provided that no charge will be made to the City for the cost of collective solid waste from the trash receptacles in question (CalMet Contract, Article IV., section 4.1(M)).

Finding No. 1 erroneously disallows reimbursement, however, for the *maintenance, repair and replacement* of the trash receptacles. The Parameters and Guidelines provide that the City is entitled to be reimbursed for:

1. Collection and disposal of trash at a disposal/recycling facility;
2. Inspection of receptacles and pads for wear, cleaning, emptying, and other maintenance needs;
3. Maintenance of receptacles and pads, including painting, cleaning, and repairing receptacles and replacing liners; and
4. Replacing individual damaged or missing receptacles and pads.

Parameters and Guidelines, adopted March 24, 2011, at p.4. The services provided by CalMet under the contract, however, addressed only the first of the four lines for which the City is entitled to reimbursement. The City is still entitled to a subvention of funds for the other three activities.

It appears that Finding No. 1 disallowed reimbursement for the maintenance, repair, and replacement of the trash receptacles because, under the reasonable reimbursement methodology, the unit cost is multiplied by the annual number of trash collections. This procedure for determining reimbursement, however, does not supersede the Parameter and Guideline's provision that the City is entitled to reimbursement not only for the collection of the trash, but also the maintenance, repair, and replacement of the trash receptacles (Parameters and Guidelines at p.4). Therefore, even if the Controller's office is going to disallow the costs from the collection, which the City does not concede is appropriate, the Controller's office still must allow reimbursement for the maintenance, repair, and replacement of the trash receptacles, services which the CalMet contract did not cover.

The City has incurred \$19,424 in personnel costs for these other mandates from January 1, 2006 to June 30, 2014. (The backup documentation support the employee time devoted to these mandates has

been previously provided to you.) The City also incurred capital costs for the replacement of receptacles when required. The audit must either modify the unit cost to continue to reflect reimbursement for the maintenance, repair and replacement of the trash receptacles, or allow the City to claim the actual costs. If the Controller's office believes that it does not have the authority under the Parameters and Guidelines to modify the unit cost or allow the City to be reimbursed for actual costs, then it should provide reimbursement at the full unit cost minus the savings the City realized as a result of the CalMet contract.

SCO's Comments

The finding and recommendation remain unchanged.

Trash Collection Activities

In regards to the CalMet contract, the city states that it "does not concede" that the costs for the trash collection are unallowable; however, the city has not provided any documentation to support that it incurred a cost for the trash collection activities of the transit stop trash receptacles for the period of January 1, 2006, through June 30, 2014. In addition, the city's comment that it "does not concede" is in conflict with its statement at the end of the response to Finding 1 that the SCO "should provide reimbursement at the full unit cost minus the savings the City realized as a result of the CalMet contract."

Repair, Maintenance, and Replacement of Trash Receptacles

The city believes that the SCO should allow reimbursement for repair, maintenance, and replacement of the trash receptacles as it "has incurred \$19,424 in personnel costs for these other mandates from January 1, 2006 to June 30, 2014. (The backup documentation support the employee time devoted to these mandates has been previously reported to you). The City also incurred capital costs for the replacement of receptacles when required."

In regards to the \$19,424 in personnel costs, the city provided no documentation to support this exact amount for the period of July 1, 2006, through June 30, 2014. During audit fieldwork, the city provided us with incomplete maintenance work logs for 2002 through 2010. While the maintenance work logs do document that city employees sporadically replaced damaged receptacles, there is no time associated with this activity. In reviewing the city's adopted budget for FY 2006-07 through FY 2013-14, we can confirm that the salaries and benefits for one to two maintenance workers was posted to the Transit (Prop A) Fund (Fund No. 55) for each fiscal year; however, there is no breakdown that specifies the length of time the maintenance workers spent repairing, maintaining, and replacing the trash receptacles. In addition, the salaries and benefits for the maintenance workers were paid for with Proposition A funds, which would have been offset if the costs had been found to be allowable (see Finding 2).

In regards to the capital costs, the city provided purchase orders and payment requests from eight projects completed between 2002 and 2012. The purchase orders and the payment requests did not identify any salaries

and benefits. The scope of the eight projects included furnishing and installing trash receptacles, one among several activities. After analyzing the documents provided, we found that the purchase orders and payment requests are insufficient because they do not clarify that the trash receptacles were installed at transit stops, and if they were, whether the receptacles are replacement receptacles or newly installed receptacles at new transit locations. Additionally, the projects were funded with restricted resources such as Proposition A, county grants, state gas taxes, and contributions from private sources and would have been offset if the costs had been found to be allowable (see Finding 2).

The city states that the SCO “must either modify the unit cost to continue to reflect reimbursement for the maintenance, repair, and replacement of the trash receptacles, or allow the city to claim actual costs.” We have no authority to modify a unit cost rate which has been adopted and included in the regulations. In addition, reimbursement for maintenance, repair, and replacement of the trash receptacles is allowable only through the Commission-adopted RRM.

To conclude, the city states, “If the Controller’s office believes that it does not have the authority under the Parameters and Guidelines to modify the unit cost or allow the City to be reimbursed for its actual costs, then it should provide reimbursement at full unit cost minus the savings the City realized as a result of the CalMet contract.” We disagree. The parameters and guidelines state that to claim reimbursement, the unit cost rate is multiplied by the number of city-wide transit stop trash receptacles and by the number of annual trash collections. The parameters and guidelines provide no alternative to this methodology.

The city was a test claimant for this mandate (03-TC-21) and one of eight respondents to the survey used to develop the unit cost rate of \$6.74. The city was aware of what was included in the development of the unit cost rate and the application of the adopted unit cost rate.

**FINDING 2—
Unreported offsetting
revenues and
reimbursements**

The city did not offset any revenues or reimbursements on its claim forms for the audit period. We found that the city should have offset \$186,921 for the audit period.

The following table summarizes the unreported offsetting revenues for the audit period:

Fiscal Year	Offset Reported	Unreported Offset	Audit Adjustment
2002-03	\$ -	\$ (48,381)	\$ (48,381)
2003-04	-	(16,877)	(16,877)
2004-05	-	(79,780)	(79,780)
2005-06	-	(41,883)	(41,883)
2006-07	-	-	-
2007-08	-	-	-
2008-09	-	-	-
2009-10	-	-	-
2010-11	-	-	-
2011-12	-	-	-
2012-13	-	-	-
2013-14	-	-	-
Total	\$ -	\$ (186,921)	\$ (186,921)

Proposition A Local Return Program

The city adopted its Bus Bench Program for maintaining the city's bus benches and trash receptacles. The bus bench program is fully funded by Proposition A.

Proposition A is a one-half cent sales tax approved by Los Angeles County voters in 1980. As a condition of voter approval, the sales tax revenue is restricted to benefiting public transit.

The proposition A Local Return Guidelines, section II. Project Eligibility, identify reimbursement for bus stop improvement and maintenance projects such as installation, replacement, and/or maintenance as follows:

2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Codes 150, 160, & 170)

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings – in street for buses and at sidewalk for passengers
- Bus turn-outs
- Benches
- Shelters
- Trash receptacles
- Curb cuts
- Concrete or electrical work directly associated with the above items

One-time activities

We found that the city should have offset \$17,699 in Proposition A funds used to purchase trash receptacles.

For FY 2002-03, the city claimed reimbursement of \$19,340 to purchase and install 50 transit stop trash receptacles. We reviewed the city's adopted budget and confirmed that \$17,699 of the amount claimed was posted to the Bus Bench Program and funded with Proposition A funds. As the city used Proposition A funds, which are authorized to be used on the mandated activities, it did not have to rely solely on discretionary general funds to pay for the mandated activities.

Ongoing activities

We found that the city should have offset \$169,222 in Proposition A funds used to pay for the ongoing maintenance of transit stop trash receptacles during the audit period.

As stated in Finding 1, we found that from July 1, 2002 through December 31, 2005, \$231,492 in ongoing maintenance costs of transit stop trash receptacles is allowable. We reviewed the city's adopted budget and confirmed that \$169,222 was posted to the Bus Bench Program and funded with Proposition A funds. As the city used Proposition A funds, which are authorized to be used on the mandated activities, it did not have to rely solely on discretionary general funds to pay for the mandated activities.

The parameters and guidelines, section VIII. Offsetting Revenues and Reimbursements, state:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.

Recommendation

No recommendation is applicable for this finding as the period of reimbursement expired on December 27, 2012, with the adoption of a new permit.

City's Response

Excerpts of the city's response letter is as follows:

Finding No. 2 reduces the City's claim in the amount of \$186,921 based on the assertion that the City used Proposition A funds for the purchase and maintenance of the trash receptacles. Finding No. 2 is also erroneous. The Parameters and Guidelines provide that reimbursement for this mandate received from any "federal, state or non-local source" shall be identified and deducted from the City's claim. Proposition A is not a federal, state or non-local source within the meaning of the Parameters and Guidelines.

1. Proposition A

Proposition A is a one-half cent sales tax approved by Los Angeles County voters in 1980. The tax is imposed on the sale of tangible personal property at every retailer in the County and upon the storage, use or other consumption in the County of tangible personal property

purchased from any retailer for storage, use or other consumption in the County. See Los Angeles County Metropolitan Transportation Authority Administrative Code, sections 3-05-020 and 3-05-030.

Proposition A provides that twenty-five percent of the sales tax revenue will be returned to local jurisdictions for local transit purposes. These funds are generally referred to as "Local Return funds."

Under guidelines adopted by the Metropolitan Transportation Authority for the use of Local Return funds, the city has discretion as to the use of those funds as long as the eligible uses is for bus stop improvement and maintenance. Local Return Guidelines, Section II.A.2. The City was not required, however, to use the funds for that purpose. Instead, the City had the discretion to use the funds for any appropriate project.

The guidelines specifically provide the Proposition A Local Return funds may be used as an advance with respect to a project, with the funds subsequently being returned to the Proposition A account when the advance is reimbursed from another source. The guidelines specifically provide, "Local Return funds may be used to advance a project which will subsequently be reimbursed by federal, state or local grant funding, or private funds, if the project itself is eligible under the Local Return Guidelines." In that case, the reimbursement must be returned to the appropriate Proposition A Local Return fund. Guidelines, Section 4.C.10.

2. The Draft Audit's Conclusion that Proposition A Funds Constituted Reimbursement from a Federal, State, or Non-Local Source is Erroneous

Finding No. 2 disallows \$186,921 of the City's costs based on the assertion that the Proposition A funds advanced by the City should be offset against the City's claim. In support of this disallowance, Finding No. 2 cites the Parameter and Guidelines provision quoted above, that "reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim." This finding is erroneous for several reasons.

First, Proposition A is a local tax. It is therefore not a federal or state source.

Second, Proposition A is not a non-local source. It is a local sales tax imposed on local citizens.

Third, it was entirely proper for the City to use Proposition A funds as an advance, with the exception that the funds would be paid back to the Proposition A account to be used for other transit purposes when the City recovers the funds pursuant to its Test Claim. As discussed, Proposition A guidelines specifically provided that "Local Returns funds may be used to advance a project which will subsequently be reimbursed by federal, state or local grant funding, or private funds, if the project itself is eligible under the Local Return Guidelines." In this regard, Proposition A did not require the City to use Proposition A funds for the installation and maintenance of trash receptacle; the City had discretion to use Proposition A funds as an advance and then to use those funds for other transit projects upon their recovery pursuant to the Test Claim. (It should be noted that the draft audit on page 9 contain an erroneous statement that the City adopted a Bus Bench Program that was fully funded by Proposition A. Instead, the City included a statement in its budget about its obligation to install and maintain trash receptacles.)

Thus, it cannot be said that the City's lawful use of Proposition A funds to advance the installation and maintenance of the trash receptacles, with the understanding that, upon reimbursement through the Test Claim, those funds would be returned to the appropriate Proposition A fund for use on other transit projects, was reimbursement from a non-local source. Because the Proposition A funds will be returned to the Proposition A fund to be used for other purposes, the advances (not payment) of those funds was not a reimbursement.

To find differently would be contrary to article XIII, section 6, of the California Constitution. That section was adopted to protect local government's tax revenues. There would be no reduction of the City's claim if the City had used other sales tax revenue to pay for the installation and maintenance of the trash receptacles. Proposition A funds are no different. They are also derived from a one-half cent sales tax, no different from any other sales tax.

The authorities that the Controller's office shared with the City in conjunction with the exit interview are not to the contrary. *County of Fresno v. State of California* held that Article XIII, section 6 was designed to protect the tax revenues of local governments from state mandates that would require expenditures of such revenues." *County of Fresno v. State of California (1991)* 53 Cal.3d 482, 487. Based on this holding, the Controller's office noted that "costs" within the mean of Article XIII, section 6, excludes expenses recoverable from sources other than taxes. Here, however, Proposition A is a local sales tax, one which falls directly within the protection of Article XIII B, section 6. Reimbursement of these tax revenues is therefore not inconsistent with the *County of Fresno*.

The Commission's decision in *Animal Adoption*, Commission on State Mandates Case No. 13-9811-I-02, is also inapplicable. This Improper Reduction Claim addressed the use of Proposition F funds, which were funds obtained through bonds issued pursuant to a ballot measure. Again, that is not the case here. Proposition A is a local sales tax.

The Commission's decisions in the *Two-Way Traffic Signal Program* and that *Behavioral Intervention Plans* claims are likewise inapplicable. In *Two-Way Signal* the funds were derived from a state gas tax, not a local sales tax which Article XIII B, section 6 is meant to protect. Similarly, in *Behavioral Intervention Plans*, the funds were also state funds, not sales taxes. As the Commission said in *Behavioral Intervention Plans* "when funds other than the local proceeds of taxes are thus applied, the Controller may reduce reimbursement accordingly. Commission on State Mandates Case No. CSM4464, State of Decision at 54 (2013) (emphasis added).

C. Finding No. 2 is an Unlawful Retroactive Application of the Parameters and Guidelines

There is another reason why Finding No. 2 is erroneous. The City commenced the advancement of Proposition A funds on or around July 1, 2002, the commencement of the first audit period, or shortly thereafter. As discussed above, at the time the City advanced the Proposition A funds for the installation and maintenance of the trash receptacles, the Proposition A guidelines specifically provided that the City could advance these funds and then return them to its Proposition A account when the expenditures were reimbursed.

The Parameters and Guidelines, on the other hand, were not adopted until March 24, 2011. It would be arbitrary and capricious to find that the Parameters and Guidelines retroactively prohibited an advancement of Proposition A funds in a way that was lawful when those funds were advanced.

In this regard, as a general rule a regulation will not be given a retroactive effect unless it merely clarifies existing law. *People ex rel. Deukmejian v. CHE, Inc.* (1983) 150 Cal.App.3d 123, 135. Retroactivity is not favored in the law. *Aktar v. Anderson* (1957) 58 Cal.App.4th 1166, 1179. Regulations that “substantially change the legal effect of past events” cannot be applied retroactively. *Santa Clarita Organization for Planning and the Environment v. Abercrombie* (2015) 240 Cal.App.4th 300, 315.

That rule applies here. At the time the City advanced its Proposition A funds to use for the installation and maintenance of the trash receptacles, it was operating under the understanding, consisting with Proposition A Guidelines, that the City could advance those funds and then return them to the Proposition A account for other use once the City obtained a subvention of funds from the state. To retroactively apply the Parameters and Guidelines, adopted in 2011, to preclude a subvention, i.e., to now fund that the City did not use its Proposition A fund as an advance only, substantially changes the legal effect of these past events. Such an application is unlawful.

SCO’s Comments

The finding and recommendation remain unchanged. We will respond to the city’s comments in the sequence presented.

1. Proposition A

The city quotes section 4.C. of the Proposition A and C Local Return Guidelines which allows Local Return funds to be advanced on a project subsequently reimbursed from “federal, state or local grant funding.” The Proposition A and Proposition C Local Return Guidelines state that Local Return funds may be advanced only for other grant funding. A mandate payment is a subvention of funds to reimburse local governments for the costs of the program, which is different than a grant. For grants, an applicant must submit an application or proposal on how being awarded the money will benefit the community. An applicant will not always be awarded the grant. Therefore, we disagree with any comments regarding the advancement of Proposition A funds pending mandate reimbursement from the State.

2. The Draft Audit’s Conclusion that Proposition A Funds Constituted Reimbursement from a Federal, State, or Non Local Source is Erroneous

The city states, “There would be no reduction of the City’s claim if the City had used other sales tax revenue to pay for the installation and maintenance of the trash receptacles. Proposition A funds are no different. They are also derived from a one-half cent sales tax, no different from any other sales tax.” We disagree.

There are two types of sale taxes: unrestricted general sales tax and special supplementary sales tax. An unrestricted general sales tax can be spent for any general governmental purpose, including public employee salaries and benefits. A special supplementary sales tax is dedicated for a specific purpose. Proposition A is a special supplementary sales tax approved by Los Angeles County voters in 1980. Proposition A sales tax revenue is restricted to benefiting public transit. For example, the Proposition A funds cannot be used to purchase a new ambulance or pay for park landscaping, unlike unrestricted general sales tax. As such, we do not agree that the Proposition A funds “are no different from any other sales tax.”

3. Finding No. 2 is an Unlawful Retroactive Application of the Parameters and Guidelines

The city states that “it commenced the advancement of Proposition A funds on or around July 1, 2002, the commencement of the first audit period, or shortly thereafter.” We disagree.

The city has not provided us with any documentation to support that the Metropolitan Transportation Authority (MTA) approved the advancement of the Proposition A funds. We reviewed both the city’s financial statements and adopted budgets for the Transit Fund (Fund No. 55) for FY 2002-03 through FY 2005-06 and found no footnotes indicating that the Proposition A funds were advanced. Our review of the City Manager’s Transmittal Letter in the FY 2003-04 adopted budget states that the Proposition A Local Return funds are being used for its intended purposes, which is to “to support” the “bus bench maintenance program,” as follows:

Transit (Prop A) Fund. This fund accounts for the special revenues the City receives pursuant to a County ballot measure. The City uses the funds to support the City’s senior citizen and handicapped bus operation. It also includes special recreation transportation programs and our *bus bench maintenance program*. Unlike the Water and Golf Course Funds, this fund is not fee supported. Revenues from the Proposition A sales tax provides about \$1,500,000 *to support these programs*. The programs are operated under regulations issued by Metropolitan Transportation Authority. [Emphasis added]

The city concludes that it is “arbitrary and capricious to find that the Parameters and Guidelines retroactively prohibited an advancement of Proposition A funds in a way that was lawful when those funds were advanced.” We disagree. The city claimed reimbursement for eligible mandated costs that were funded by Proposition A. However, the parameters and guidelines state that costs funded by non-local sources (e.g. Proposition A) must be offset from claimed costs. Also, the MTA guidelines, rather than the parameters and guidelines, “prohibit” advancement.

**Attachment—
City's Response to
Draft Audit Report**



City of Downey

June 5, 2017

VIA EMAIL: jspano@sco.ca.gov and U.S. MAIL

Jim L. Spano, Chief
Mandated Costs Audit Bureau
State Controller's Office
Division of Audits
P.O. Box 942850
Sacramento, CA 94250

Re: *City of Downey, Draft Audit Report*

Dear Mr. Spano:

Thank you for the opportunity to comment on the Draft Audit Report for the costs claimed by the City of Downey under the Municipal Storm Water and Urban Runoff Discharge Program (Los Angeles Regional Water Quality Control Board Order No. 01-182) for the period of July 1, 2002 through June 30, 2014. For the reasons set forth below, we submit that the draft audit is erroneous in several respects.

I. The City's Claim

The City has sought \$716,563 in reimbursement for the cost of installing and maintaining trash receptacles at transit locations from July 1, 2002, through June 30, 2014. On July 31, 2009, the Commission on State Mandates found that the installation and maintenance of these trash receptacles is a state mandate for which the City is entitled to reimbursement. On March 24, 2011, the Commission issued Parameters and Guidelines setting forth reimbursement criteria. The City filed its claim in accordance with the Parameters and Guidelines and the State Controller's office's claiming instructions.

II. The Draft Audit

The draft audit finds that \$652,652 of the City's costs are not reimbursable. The draft audit bases this conclusion on two findings. Finding No. 1 disallows reimbursement for all costs incurred after the City's entry into a solid waste collection and disposal contract with CalMet Services, Inc., in the amount of \$465,731. Finding No. 2 disallows \$186,921 on the grounds that the City used this amount in Proposition A funds to pay for the installation and maintenance of the trash receptacles.

Future Unlimited

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1111 BROOKSHIRE AVE.
PO BOX 7016
DOWNEY, CALIFORNIA
90241-7016
562-889-7331
www.downeyca.org

LIBRARY
1121 BROOKSHIRE AVE.
DOWNEY, CALIFORNIA
90241-7016
562-904-7360
www.downeylibrary.org

POLICE DEPARTMENT
10911 BROOKSHIRE AVE.
PO BOX 7016
DOWNEY, CALIFORNIA
90241-7016
562-861-0771

PARKS & RECREATION
7850 QUILL DR.
DOWNEY, CALIFORNIA
90242
562-904-7230

UTILITIES DIVISION
6252 STEWART A GRAY RD.
DOWNEY, CALIFORNIA
90241-7016
562-904-7202

MAINTENANCE SERVICES
12324 BELFLOWER BLVD.
DOWNEY, CALIFORNIA
90242
562-904-7184

A. Finding No. 1

Finding No. 1 disallows all reimbursement for costs incurred subsequent to January 1, 2006, the effective date of the CalMet contract. Finding No. 1 makes this disallowance based on a provision in the CalMet contract that provided that no charge will be made to the City for the cost of collecting solid waste from the trash receptacles in question (CalMet Contract, Article IV., section 4.1(M)).

Finding No. 1 erroneously disallows reimbursement, however, for the *maintenance, repair and replacement* of the trash receptacles. The Parameters and Guidelines provide that the City is entitled to be reimbursed for:

1. Collection and disposal of trash at a disposal/recycling facility;
2. Inspection of receptacles and pads for wear, cleaning, emptying, and other maintenance needs;
3. Maintenance of receptacles and pads, including painting, cleaning and repairing receptacles and replacing liners; and
4. Replacing individual damaged or missing receptacles and pads.

Parameters and Guidelines, adopted March 24, 2011, at p. 4. The services provided by CalMet under the contract, however, addressed, only the first of the four items for which the City is entitled to reimbursement. The City is still entitled to a subvention of funds for the other three activities.

It appears that Finding No. 1 disallowed reimbursement for the maintenance, repair, and replacement of the trash receptacles because, under the reasonable reimbursement methodology, the unit cost is multiplied by the annual number of trash collections. This procedure for determining reimbursement, however, does not supersede the Parameter and Guideline's provision that the City is entitled to reimbursement not only for collection of the trash, but also the maintenance, repair, and replacement of the trash receptacles (Parameters and Guidelines at p. 4). Therefore, even if the Controller's office is going to disallow the cost for the collection, which the City does not concede is appropriate, the Controller's office still must allow reimbursement for the maintenance, repair, and replacement of the trash receptacles, services which the CalMet contract did not cover.

The City has incurred \$19,424 in personnel costs for these other mandates from January 1, 2006 to June 30, 2014. (The backup documentation supporting the employee time devoted to these mandates has been previously provided to you.) The City also incurred capital costs for the replacement of receptacles when

required. The audit must either modify the unit cost to continue to reflect reimbursement for the maintenance, repair and replacement of the trash receptacles, or allow the City to claim the actual costs. If the Controller's office believes that it does not have the authority under the Parameters and Guidelines to modify the unit cost or allow the City to be reimbursed for its actual costs, then it should provide reimbursement at the full unit cost minus the savings the City realized as a result of the CalMet contract.

B. Finding No. 2

Finding No. 2 reduces the City's claim in the amount of \$186,921 based on the assertion that the City used Proposition A funds for the purchase and maintenance of the trash receptacles. Finding No. 2 is also erroneous. The Parameters and Guidelines provide that reimbursement for this mandate received from any "federal, state or non-local source" shall be identified and deducted from the City's claim. Proposition A is not a federal, state or non-local source within the meaning of the Parameters and Guidelines.

1. Proposition A

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Proposition A provides that twenty-five percent of the sales tax revenue will be returned to local jurisdictions for local transit purposes. These funds are generally referred to as "Local Return funds."

Under guidelines adopted by the Metropolitan Transportation Authority for the use of Local Return funds, the City has discretion as to the use of those funds as long as the use complies with the guidelines and is for public transit purposes. One of the eligible uses is for bus stop improvements and maintenance. Local Return Guidelines, Section II.A.2. The City was not required, however, to use the funds for that purpose. Instead, the City had the discretion to use the funds for any appropriate project.

The guidelines specifically provide that Proposition A Local Return funds may be used as an advance with respect to a project, with the funds subsequently being returned to the Proposition A account when the advance is reimbursed from another source. The guidelines specifically provide, "Local Return funds may be used to advance a project which will subsequently be reimbursed by federal, state or local grant funding, or private funds, if the project itself is eligible under the Local Return Guidelines." In that case, the reimbursement must be returned to the appropriate Proposition A Local Return fund. Guidelines, Section 4.C.10.

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Finding No. 2 disallows \$186,921 of the City's costs based on the assertion that the Proposition A funds advanced by the City should be offset against the City's claim. In support of this disallowance, Finding No. 2 cites the Parameter and Guidelines provision quoted above, that "reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim." This finding is erroneous for several reasons.

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Second, Proposition A is not a non-local source. It is a local sales tax imposed on local citizens.

Third, it was entirely proper for the City to use Proposition A funds as an advance, with the expectation that the funds would be paid back to the Proposition A account to be used for other transit purposes when the City recovers the funds pursuant to its Test Claim. As discussed, Proposition A guidelines specifically provide that "Local Return funds may be used to advance a project which will subsequently be reimbursed by federal, state or local grant funding, or private funds, if the project itself is eligible under the Local Return Guidelines." In this regard, Proposition A did not require the City to use Proposition A funds for the installation and maintenance of trash receptacles; the City had discretion to use Proposition A funds as an advance and then to use those funds for other transit projects upon their recovery pursuant to the Test Claim. (It should be noted that the draft audit on page 9 contains the erroneous statement that the City adopted a Bus Bench Program that was fully funded by Proposition A. Instead, the City included a statement in its budget about its obligation to install and maintain trash receptacles.)

Thus, it cannot be said that the City's lawful use of Proposition A funds to advance the installation and maintenance of the trash receptacles, with the understanding that, upon reimbursement through the Test Claim, those funds would be returned to the appropriate Proposition A fund for use on other transit projects, was reimbursement from a non-local source. Because the Proposition A funds will be returned to the Proposition A fund to be used for other purposes, the advancement (not payment) of those funds was not a reimbursement.

To find differently would be contrary to article XIII B, section 6, of the California Constitution. That section was adopted to protect local government's tax revenues. There would be no reduction of the City's claim if the City had used other sales tax revenue to pay for the installation and maintenance of the trash receptacles. Proposition A funds are no different. They are also derived from a one-half cent sales tax, no different from any other sales tax.

The authorities that the Controller's office shared with the City in conjunction with the exit interview are not to the contrary. *County of Fresno v. State of California*

held that Article XIII B, section 6 was designed "to protect the tax revenues of local governments from state mandates that would require expenditures of such revenues." *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487. Based on this holding, the Controller's office noted that "costs" within the meaning of Article XIII B, section 6, excludes expenses recoverable from sources other than taxes. Here, however, Proposition A is a local sales tax, one which falls directly within the protection of Article XIII B, section 6. Reimbursement of these tax revenues is therefore not inconsistent with the *County of Fresno*.

The Commission's decision in *Animal Adoption*, Commission on State Mandates Case No. 13-9811-I-02, is also inapplicable. This Improper Reduction Claim addressed the use of Proposition F funds, which were funds obtained through bonds issued pursuant to a ballot measure. Again, that is not the case here. Proposition A is a local sales tax.

The Commission's decisions in the *Two-Way Traffic Signal Program* and the *Behavioral Intervention Plans* claims are likewise inapplicable. In *Two-Way Signal* the funds were derived from a *state* gas tax, not from a local sales tax which Article XIII B, section 6 is meant to protect. Similarly, in *Behavioral Intervention Plans*, the funds were also state funds, not sales taxes. As the Commission said in *Behavioral Intervention Plans* "when funds *other than local proceeds of taxes* are thus applied, the Controller may reduce reimbursement accordingly. Commission on State Mandates Case No. CSM4464, Statement of Decision at 54 (2013) (emphasis added).

C. Finding No. 2 is an Unlawful Retroactive Application of the Parameters and Guidelines

There is another reason why Finding No. 2 is erroneous. The City commenced the advancement of Proposition A funds on or around July 1, 2002, the commencement of the first audit period, or shortly thereafter. As discussed above, at the time the City advanced the Proposition A funds for the installation and maintenance of the trash receptacles, the Proposition A guidelines specifically provided that the City could advance these funds and then return them to its Proposition A account when the expenditures were reimbursed.

The Parameters and Guidelines, on the other hand, were not adopted until March 24, 2011. It would be arbitrary and capricious to find that the Parameters and Guidelines retroactively prohibited an advancement of Proposition A funds in a way that was lawful when those funds were advanced.

In this regard, as a general rule a regulation will not be given retroactive effect unless it merely clarifies existing law. *People ex rel. Deukmejian v. CHE, Inc.* (1983) 150 Cal.App.3d 123, 135. Retroactivity is not favored in the law. *Akbar v. Anderson* (1997) 58 Cal.App.4th 1166, 1179. Regulations that "substantially change the legal effect of past events" cannot be applied retroactively. *Santa Clarita*

Organization for Planning and the Environment v. Abercrombie (2015) 240 Cal.App.4th 300, 315.

That rule applies here. At the time the City advanced its Proposition A funds to use for the installation and maintenance of the trash receptacles, it was operating under the understanding, consistent with the Proposition A Guidelines, that the City could advance those funds and then return them to the Proposition A account for other use once the City obtained a subvention of funds from the state. To retroactively apply the Parameters and Guidelines, adopted in 2011, to preclude a subvention, *i.e.*, to now find that the City could not use its Proposition A funds as an advance only, substantially changes the legal effect of these past events. Such an application is unlawful.

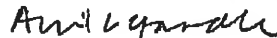
III. Conclusion

For the foregoing reasons, the draft audit should be modified. The City is entitled to reimbursement for time and resources expended in maintaining and repairing the trash receptacles during the entire audit period, including from January 1, 2006 forward, and there should be no offset for the City's advancement of Proposition A funds, which upon reimbursement will be returned to the Proposition A account.

Please call me at (562) 904-7265 if you have any questions.

Sincerely,

CITY OF DOWNEY



Anil Gandhi
Director of Finance and Information Technology

c: Lisa Kurokawa, Audit Manager lkurokawa@sco.ca.gov

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>

SECTION 5
REIMBURSEMENT CLAIMS

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314	Program
			(20) Date Filed ___/___/___	314
			(21) LRS Input ___/___/___	
(01) Claimant Identification Number 9819258				
(02) Claimant Name City of Downey			(22) FORM-1 (04)(A)(1)(g)	
Mailing Address 1111 Brookshire Blvd.			(23) FORM-1 (04)(A)(2)(g)	
Street Address or P.O. Box				
City Downey				
State CA Zip Code 90241				
Type of Claim	Estimated Claim	Reimbursement Claim	(24) FORM-1 (04)(A)(3)(g)	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(25) FORM-1 (04)(A)(4)(g)	19,254
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(26) FORM-1 (04)(A)(5)(g)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(27) FORM-1,(06)	7,852
Fiscal Year of Cost (06)		(12) 2002-03	(28) FORM-1,(07)	85
Total Claimed (07)		(13) \$72,262	(29) FORM-1,(08)	10
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)		(14)	(30) FORM-1,(11)	
Less: Estimated Claim Payment Received		(15)	(32) FORM-1,(12)	
Net Claimed Amount		(16) \$72,262	(32)	
Due from State (08)		(17) \$72,262	(33)	
Due to State (09)		(18)	(34)	

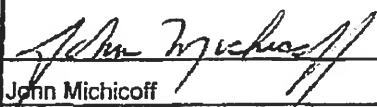
(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1093, inclusive.

I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative


 John Michicoff
 Finance Director

Date Signed 9/21/11
 Telephone Number (562) 904-7265
 Email Address jmichicoff@downeyca.org

Name of Contact Person for Claim Annette S. Chinn (CRS) Telephone Number (916) 939-7901 E-Mail Address ACHinnCRS@aol.com

MANDATED COSTS MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Prog 314 FORM 1
(01) Claimant City of Downey		(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2002-03 <small>(see FAM-27 for estimate)</small>		
(03) Department					Public Works	
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
A. ONE-TIME ACTIVITIES						
1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract specs, review process/award bid						
4. Purchase or construct and install receptacle & pad	\$853	\$273	\$18,129			\$19,254
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs	\$853	\$273	\$18,129			\$19,254
B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads						
(06) Annual number of trash collections						7852
(07) Total Ongoing Costs (Line (06) x RRM rate)						\$52,922
(08) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)					10.0%
(09) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]					\$85
(10) Total Direct and Indirect Costs	Line (05)(d) + line (07)					\$72,262
(11) Less: Offsetting Savings, if applicable						
(12) Less: Other Reimbursements, if applicable						
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10))					\$72,262

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
ACTIVITY COST DETAIL**

FORM 2

(01) Claimant: **City of Downey** (02) Fiscal Year Costs Were Incurred: **2002-03**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

- | | |
|--|--|
| <input type="checkbox"/> ID locations that are required to have a trash receptacle | <input checked="" type="checkbox"/> Purchase or construct/install receptacles and pads |
| <input type="checkbox"/> Select/eval. & prep of specifications & drawings | <input type="checkbox"/> Move/restore at old location and install at new location |
| <input type="checkbox"/> Prep of contracts/specs review, process, award bid... | |

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
<u>Seating Component MGF, Anaheim, CA</u> Purchased 50 trash receptacles for Transit stops						\$17,699			
<u>Maintenance Worker II</u> - Installation of 50 trash receptacles per State Mandate - Equipment Usage Charge \$8.59 per receptacle	\$17.05	32.0%	50.00	\$853	\$273	\$430			\$1,125
(05) Total			50.00	\$853	\$273	\$18,129			\$1,125



City of Downey

1111 BROOKSHIRE AVENUE
DOWNEY, CALIF. 90241

PHONE: (562) 904-7287

FAX: (562) 904-7270

VENDOR: 106086

SEATING COMPONENT MFG.

4520 E. L.A. PALMA AVENUE

ANNETT, 92807

FOR PHONE DESTINATION

TERMS NET 30 DAYS

Req. Del. Date:

Special Note:

ATTENTION: SONJA

SHIP TO:

MAINTENANCE SERVICES YARD
12226 BELLFLOWER BLVD
DOWNEY, CA 90242

Req. No.:

Dept: BUS BENCH

Contact: SHIRLEY BENNETT/RM

Contacting? N

Date: 03/27/02

PO Number: 201-11115

Quantity	UOM	Description	Unit Price	Ext. Price
50.00	Each	1102456VDR-055 GALLON EXPANDED VINYL COATED TRASH UNIT WITH DOME LID, LEVER AND SURFACE MOUNT. POCESITOL COLOR: ROYAL BLUE	327.00	16,350.00
SUBTOTAL				16,350.00
TAX				1,398.88
FREIGHT				.00
TOTAL				17,748.88

14 25-02

BELL TO CITY OF DOWNEY
PO BOX 7016
DOWNEY, CA 90241

Account Number	Amount	Account Number	Amount

1111 BROOKSHIRE AVENUE, DOWNEY, CALIF. 90241
PHONE: (562) 904-7287 FAX: (562) 904-7270
Shirley Bennett

[Signature]
Authorized Signature

State of California
Business, Transportation, and Housing Agency

Department of Transportation
Division of Construction

Labor Surcharge & Equipment Rental Rates

*(Cost of Equipment
Ownership)*



Effective April 1, 2002 Through March 31, 2003



ELECTRIC GENERATORS & LIGHT PLANTS [ELGEN]

DELAY FACTOR = 0.22 OVERTIME FACTOR = 0.80
Rates are for gas or diesel power and alternating or direct current.

GENERATOR [GEN]

Rated in accordance with Mfr's output in kilowatts.

OVER	TO	Code	Rate
0	1	000-001	\$0.37
1	3	001-003	\$0.82
3	7.5	003-008	\$1.74
7.5	15	008-015	\$3.94
15	25	015-025	\$6.12
25	50	025-050	\$6.45
50	100	050-100	\$11.00
100	200	100-200	\$21.30
200	300	200-300	\$34.87
300	400	300-400	\$48.32
400	500	400-500	\$61.01

LIGHTS [LITE]

Includes trailer, pole and generator.

Model	Code	Rate
2 Light Set	2 LIGHT	\$2.15
4 Light Set	4 LIGHT	\$4.78

ELECTRIC POWERED HAND TOOLS [ELTOL]

DELAY FACTOR = 0.64 OVERTIME FACTOR = 0.38
Includes electric powered, hand held tools not listed elsewhere in this book. Expendable bits, blades, discs, wheels, etc. shall be paid by separate invoice. Rated in accordance with Mfr's suggested retail price.

TOOLS [TOOL]

OVER	TO	Code	Rate
450	600	045-060	\$0.23
600	800	060-080	\$0.31
800	1000	080-100	\$0.39

FORK LIFT TRUCKS [FKLFT]

DELAY FACTOR = 0.35 OVERTIME FACTOR = 0.67
Includes attachments and accessories. Listed in accordance with the Mfr's maximum rated capacity in kilograms(pounds).

FORK LIFT TRUCKS [FLT]

OVER	TO	Code	Rate
454 (1000)	1814 (4000)	010-040	\$13.97
1814 (4000)	2722 (6000)	040-060	\$18.54
2722 (6000)	3629 (8000)	060-080	\$21.08
3629 (8000)	5443 (12000)	080-120	\$28.20
5443 (12000)	7258 (16000)	120-160	\$31.00
7258 (1600)	9072 (20000)	160-200	\$36.71
9072 (20000)	11340 (25000)	200-250	\$37.49
11340 (25000)	13608 (30000)	250-300	\$40.69

13608 (30000)	18144 (40000)	300-400	\$54.12
18144 (40000)	22680 (50000)	400-500	\$68.29
22680 (50000)	34020 (75000)	500-750	\$95.27

GRADERS [GRADR]

DELAY FACTOR = 0.24 OVERTIME FACTOR = 0.78

Includes ripper and scarifier attachments and all accessories. Electronic blade control and specialty cutting tools shall be paid separately.

BLADE-MOR [BMOR]

Model	Code	Rate
727	2173	\$10.99
747	2178	\$17.11

CATERPILLAR [CAT]

Model	Code	Rate
120G 87V serial	2685	\$38.92
130G 74V serial	2695	\$44.09
12E 99E serial	2710	\$19.89
12F 73G serial	2768	\$29.84
12F 13K serial	2826	\$25.83
12F 89H serial	2884	\$26.36
12G 61M serial	2890	\$45.96
12H	2895	\$50.50
14E 72G serial	3174	\$32.10
14G	3180	\$68.83
14H	3185	\$76.14
140 14U serial	3250	\$33.25
140G 72V serial	3260	\$48.61
140H	3265	\$53.93
16 49G serial	3290	\$43.06
16 49G800 serial	3348	\$62.68
16 G93U serial	3360	\$98.17
16H	3380	\$105.11

JOHN DEERE [DEER]

Model	Code	Rate
JD-570A	3890	\$25.40
JD-570B	3892	\$32.47
JD-670	3900	\$28.47
JD-670A	3905	\$35.23
JD-770	3910	\$32.39
JD-770A, 770A-H	3915	\$41.60
JD-770B	3916	\$52.12

GALION [GALN]

Model	Code	Rate
A-400E	4940	\$33.71
T-400A	4980	\$30.85
T-500C	5150	\$35.73
T-500L	5204	\$31.96
T-500M	5210	\$36.76

OVER 37.3 kW (50 HP) [>50]

Including, but not limited to the following:

- Bobcat-- 853, 863, 873, 943, 953, 980
- Case-- 1845C
- Deere-- 5300, 5400, 6200, 6300, 6400, 8875
- Ford-- L783, L785, 250C, 260C
- Gehl-- SL5625, SL6625, SL6635
- Hydra-Mac-- 1850, 2650, 2650D
- JCB-- 185Robot
- Massey-Ferguson-- MF40E, MF50EX
- Mustang-- 960, 2060
- New Holland-- 4630, 5030, 5640, 6640, 7740, 7840, 8240, 8340, L865,
- LX865, LX885, 345D, 545D
- Ramrod-- 1750, 1950
- Thomas-- T-173HL, T-173HLS, T173HLS II, T-203HD, T-233HD
- Trak-- 1700HD, 1700C, 1700CX, 1700XHP

<u>Model</u>	Code	Rate
with loader or dozer	A	\$15.88
auger, w/ or w/o loader or dozer	B	\$16.24
backhoe, w/ or w/o loader or dozer	C	\$17.45

**TRAFFIC CONTROL & SAFETY DEVICES [TRAF A]
(HOURLY RATES)**

DELAY FACTOR = 0.43 OVERTIME FACTOR = 0.61

**CHANGEABLE MESSAGE [CMSN]
SIGN**

<u>Model</u>	Code	Rate
Generator	GEN1	\$9.37
Generator w/ cell remote	GEN2	\$10.35
Solar	SOL1	\$7.54
Solar w/ cell remote	SOL2	\$8.52

FLASHING ARROW SIGN [FLAS]

Including supplies, replacements and servicing.

<u>Model</u>	Code	Rate
Roof mounted	RM	\$0.67
Trailer mounted	TM	\$1.88

**TRAFFIC CONTROL & SAFETY DEVICES [TRAF C]
(DAILY RATES)**

DELAY FACTOR = 0.73 OVERTIME FACTOR = 1.00

Includes supplies and servicing. The following allowance is entered on the extra work by using days instead of hours worked. Crash cushion barrels and K-rail sections are now listed with Non-Operated items[NONOP].

(1) BARRICADES [1BAR]

- (A) 750 mm to 900 mm high & 600 mm to 900 mm wide (30 to 36 inches high & 24 to 36 inches wide)
- (B) 1500 mm high by 1200 mm wide min. (60" high by 48" wide min.)

<u>Model</u>	Code	Rate
each with flasher	A1	\$0.34
each without flasher	A2	\$0.18
each	B3	\$0.77

(2) TRAFFIC CONES [2TC]

Lost or destroyed are no longer paid on invoice.

<u>Model</u>	Code	Rate
450 mm (18") high, per 100	A100	\$6.21
700 mm (28") high, per 100	B100	\$10.83

700 mm (28") high w/ refl sleeve, per 100	D100	\$16.66
1,050 mm (42") high w/ refl sleeve, per 100	E100	\$27.71

(3) PORTABLE DELINEATOR [3DEL]

Lost or destroyed are no longer paid on invoice.

<u>Model</u>	Code	Rate
per 100	100	\$17.76

(4) ILLUMINATED SIGNS [4SIG]

<u>Model</u>	Code	Rate
incl 900 mm x900 mm (3'x3') sign & batteries	12V	\$4.28

(5) FLASHING BEACON [5BEA]

<u>Model</u>	Code	Rate
portable 12 volt	12V	\$4.37

(6) FLAG/SIGN STAND [6FSS]

<u>Model</u>	Code	Rate
incl sign, stand & 3 flags	EACH	\$1.98

(7) DELINEATOR DRUM [7DDR]

<u>Model</u>	Code	Rate
Del. drum w/ base per 100	100	\$43.77

TRAILERS, EQUIPMENT, LOW BED [TRAIL]

DELAY FACTOR = 0.47 OVERTIME FACTOR = 0.58

Includes all attachments and accessories related to hauling. The rates cover drop deck type with and without folding/removable gooseneck or oscillating trunion. Pilot vehicles are extra. Listed in accordance with number of axles and tires per axle. Includes jacks, booster axles, and dollies. All loads shall be hauled legally or within Caltrans Permit Policy.

LOW BED A [LB-A]

2 axle		
<u>Model</u>	Code	Rate
4 Tires per axle	100	\$11.16
8 Tires per axle	200	\$14.07

LOW BED B [LB-B]

3 axle		
<u>Model</u>	Code	Rate
4 Tires per axle	300	\$14.95
8 Tires per axle	400	\$17.32

LOW BED C [LB-C]

4 axle		
<u>Model</u>	Code	Rate
4 Tires per axle	500	\$24.06
8 Tires per axle	600	\$29.87

LOW BED D [LB-D]

6 axle		
<u>Model</u>	Code	Rate
8 Tires per axle	700	\$47.80

T 850	8875	\$157.26
V 430	8950	\$15.59
V 430A	8951	\$17.98
V 434 / M 434	9000	\$14.98
V 440	9015	\$18.16
V 450	9017	\$23.51
V 454	9020	\$19.23
V 1550	9025	\$7.73

**TRUCK, TRUCK TRAILERS, EXCL. DUMP [TRUCK]
TRUCKS & EQPT TRAIL**

DELAY FACTOR = 0.24 OVERTIME FACTOR = 0.78
Includes all attachments and accessories related to hauling, with and without trailers as needed. Includes water trucks, freight trucks and passenger vehicles, including 4wd option. Listed by Mfr's Gross Vehicle Weight in Kilograms(pounds). For tractor-trailer units, the gross vehicle weight of the cargo carrying unit or units will control. In the case of water trucks, the tank capacity expressed in kilograms (pounds) of water plus 20%, will determine the gross vehicle weight. For attachment allowance, see attachment class.

TRUCKS [T&TT]			
<u>OVER</u>	<u>TO</u>	Code	Rate
Cars, trucks 680 kg (3/4 T) & lighter		00-06	\$9.39
2727 (6000) 5443 (12000) No small pickups		06-12	\$11.61
5443 (12000) 9072 (20000)		12-20	\$14.76
9072 (20000) 12701(28000)		20-28	\$16.49
12701 (28000) 16330 (36000)		28-36	\$22.52
16330 (36000) 21773 (48000)		36-48	\$26.53
21773 (48000) 27216 (60000)		48-60	\$31.76
27216(60000) & Over		60	\$39.94

TRUCKS, OFF-HIGHWAY [TRUOF]

DELAY FACTOR = 0.35 OVERTIME FACTOR = 0.67
Includes all attachments and accessories. Includes end dump, belly dump and earthmover types. Listed in accordance with Mfr's rated capacity in tonnes (tons). In the case of earthmover types, rated by Mfr's volumetric capacity, a factor of 1.4 tonnes per cubic meter (1-1/2 tons per cubic yard) of truck capacity shall be used.

TRUCK OFF-HIGHWAY [TRU]			
<u>OVER</u>	<u>TO</u>	Code	Rate
9.1 (10)	13.6 (15)	10-15	\$24.90
16.3 (18)	20.0 (22)	18-22	\$45.82
20.0 (22)	24.5 (27)	22-27	\$56.53
24.5 (27)	29.0 (32)	27-32	\$65.10
29.0 (32)	36.3 (40)	32-40	\$86.77
36.3 (40)	49.9 (55)	40-55	\$124.13
49.9 (55)	60.8 (67)	55-67	\$140.35

TRUCKS, DUMP, ON-HIGHWAY [TRUON]

DELAY FACTOR = 0.27 OVERTIME FACTOR = 0.75
Includes all end dump, side dump and belly dump types; including all attachments and accessories.

TRUCK ON-HIGHWAY [TRUN]			
<u>Model</u>		Code	Rate
2 axles		2AXL	\$25.35
3 axles		3AXL	\$35.78
4 axles		4AXL	\$42.21
5 axles		5AXL	\$45.28

WELDING EQUIPMENT [WELD]

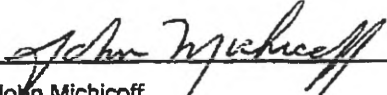
DELAY FACTOR = 0.28 OVERTIME FACTOR = 0.75

ARC WELDING MACHINES [AWM]
Diesel, gas or electric powered. Includes helmets, holders, cable and all attachments and accessories. Rate capacity in amps.

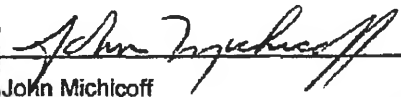
<u>OVER</u>	<u>TO</u>	Code	Rate
0	250	0-250	\$2.55
250	500	250-500	\$4.81
over	500	500	\$5.41

GAS WELDING OUTFIT [GWO]
Includes regulator, 7.6 meters (25 feet) of hose, torch, goggles, lighter and attachments and accessories. Gas and rod shall be paid separately.

<u>Model</u>	Code	Rate
ALL	ALL	\$0.21

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314	Program 314
(01) Claimant Identification Number			9819258	
(02) Claimant Name			City of Downey	
Mailing Address			1111 Brookshire Blvd.	(22) FORM-1 (04)(A)(1)(g)
Street Address or P.O. Box				
City			Downey	(23) FORM-1 (04)(A)(2)(g)
State			CA	
Zip Code			90241	
Type of Claim	Estimated Claim	Reimbursement Claim		(24) FORM-1 (04)(A)(3)(g)
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>		(25) FORM-1 (04)(A)(4)(g)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>		(26) FORM-1 (04)(A)(5)(g)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>		(27) FORM-1,(06)
Fiscal Year of Cost	(06)	(12) 2003-04		(28) FORM-1,(07)
Total Claimed	(07)	(13) \$52,922		(29) FORM-1,(08)
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(30) FORM-1,(11)
Less: Estimated Claim Payment Received			(15)	(32) FORM-1,(12)
Net Claimed Amount		(16) \$52,922		(32)
Due from State	(08)	(17) \$52,922		(33)
Due to State	(09)	(18)		(34)
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Representative				
 John Michicoff			Date Signed	9/21/11
Finance Director			Telephone Number	(562) 904-7265
			Email Address	jmichicoff@downeyca.org
Name of Contact Person for Claim			Telephone Number	E-Mail Address
Annette S. Chinn (CRS)			(916) 939-7901	AChinnCRS@aol.com

MANDATED COSTS MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES CLAIM SUMMARY						Prog 314 FORM 1
(01) Claimant City of Downey		(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>		Fiscal Year 2003-04 <small>(see FAM-27 for estimate)</small>		
(03) Department					Public Works	
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
A. ONE-TIME ACTIVITIES						
1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						
B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads						
(06) Annual number of trash collections						7852
(07) Total Ongoing Costs (Line (06) x RRM rate)						\$52,922
(08) Indirect Cost Rate (applied to salaries)	<small>(from ICRP) (Applied to Salaries)</small>					
(09) Total Indirect Costs	<small>Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]</small>					
(10) Total Direct and Indirect Costs	<small>Line (05)(a) + line (07)</small>					\$52,922
(11) Less: Offsetting Savings, if applicable						
(12) Less: Other Reimbursements, if applicable						
(13) Total Claimed Amount	<small>Line (06)- (line(08) + Line(10))</small>					\$52,922

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314	Program 314
(01) Claimant Identification Number			9819258	(20) Date Filed ___/___/___
(02) Claimant Name			City of Downey	(21) LRS Input ___/___/___
Mailing Address			1111 Brookshire Blvd.	(22) FORM-1 (04)(A)(1)(g)
Street Address or P.O. Box				(23) FORM-1 (04)(A)(2)(g)
City			Downey	
State CA			Zip Code 90241	
Type of Claim	Estimated Claim	Reimbursement Claim	(24) FORM-1 (04)(A)(3)(g)	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(25) FORM-1 (04)(A)(4.) (g)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(26) FORM-1 (04)(A)(5)(g)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(27) FORM-1,(06)	12,428
Fiscal Year of Cost	(06)	(12) 2004-05	(28) FORM-1,(07)	
Total Claimed	(07)	(13) \$83,765	(29) FORM-1,(08)	
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(30) FORM-1,(11)
Less: Estimated Claim Payment Received			(15)	(32) FORM-1,(12)
Net Claimed Amount		(16) \$83,765	(32)	
Due from State	(08)	(17) \$83,765	(33)	
Due to State	(09)	(18)	(34)	
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Representative				
 John Michicoff			Date Signed	9/21/11
Finance Director			Telephone Number:	(562) 904-7265
			Email Address	jmichicoff@downeyca.org
Name of Contact Person for Claim			Telephone Number	E-Mail Address
Annette S. Chinn (CRS)			(916) 939-7901	AChinnCRS@aol.com

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Downey	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2004-05 <small>(see FAM-27 for estimate)</small>
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(03) Department	Public Works
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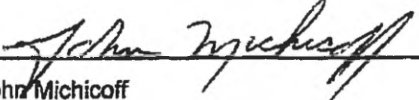
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
-------------------------------------	-----------------	-----------------	-------------------------------	--------------------------	---------------------	--------------

A. ONE-TIME ACTIVITIES						
1. ID of locations that are required to have receptacle						
2. Select/Eval./& preparation of specs and drawings						
3. Prep of contract.specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
(05) Total Direct Costs						

B. ON GOING ACTIVITY: Maintain Trash Receptacles and Pads						
(06) Annual number of trash collections						12428
(07) Total Ongoing Costs (Line (06) x RRM rate)						\$83,765

(08) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	
(09) Total Indirect Costs	Line (06) x line (05)(e) or line(08) x [line (05)(e) + line(05)(b)]	
(10) Total Direct and Indirect Costs	Line (05)(d) + line (07)	\$83,765

(11) Less: Offsetting Savings, if applicable	
(12) Less: Other Reimbursements, if applicable	
(13) Total Claimed Amount	\$83,765 <small>Line (08)-(line(08)+ Line(10))</small>

Claim for Payment Pursuant to Government Code Section 17561 MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES			For State Controller Use Only	
			(19) Program Number: 000314	Program 314
(01) Claimant Identification Number		9819258	(20) Date Filed ___/___/___	(21) LRS Input ___/___/___
(02) Claimant Name		City of Downey	(22) FORM-1 (04)(A)(1)(g)	
Mailing Address		1111 Brookshire Blvd.	(23) FORM-1 (04)(A)(2)(g)	
Street Address or P.O. Box				
City		Downey		
State		CA		
Zip Code		90241		
Type of Claim	Estimated Claim	Reimbursement Claim	(24) FORM-1 (04)(A)(3)(g)	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(25) FORM-1 (04)(A)(4)(g)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(26) FORM-1 (04)(A)(5)(g)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(27) FORM-1,(06)	12,428
Fiscal Year of Cost	(06)	(12) 2005-06	(28) FORM-1,(07)	
Total Claimed	(07)	(13) \$83,765	(29) FORM-1,(08)	
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)		(14)	(30) FORM-1,(11)	
Less: Estimated Claim Payment Received		(15)	(32) FORM-1,(12)	
Net Claimed Amount		(16) \$83,765	(32)	
Due from State	(08)	(17) \$83,765	(33)	
Due to State	(09)	(18)	(34)	
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Representative				
		Date Signed	9/21/11	
John Michicoff		Telephone Number	(562) 904-7265	
Finance Director		Email Address	jmichicoff@downeyca.org	
Name of Contact Person for Claim		Telephone Number	E-Mail Address	
Annette S. Chinn (CRS)		(916) 939-7901	AChinnCRS@aol.com	

Revised (12/09)

Form FAM-27

**MANDATED COSTS
MUNICIPAL STORM WATER & URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

**Prog 314
FORM
1**

(01) Claimant City of Downey	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2005-06 <small>(see FAM-27 for estimate)</small>
--	--	---

(03) Department	Public Works
------------------------	--------------

(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
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A. ONE-TIME ACTIVITIES

1. ID of locations that are required to have receptacle						
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3. Prep of contract specs, review process/award bid						
4. Purchase or construct and install receptacle & pad						
5. Move/restore at old locations & install at new locations						
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(07) Total Ongoing Costs (Line (06) x RRM rate)	\$83,765

(08) Indirect Cost Rate (applied to salaries)	<small>(from ICRP) (Applied to Salaries)</small>	
(09) Total Indirect Costs	<small>Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]</small>	
(10) Total Direct and Indirect Costs	<small>Line (05)(d) + line (07)</small>	\$83,765

(11) Less: Offsetting Savings, if applicable	
(12) Less: Other Reimbursements, if applicable	
(13) Total Claimed Amount	<small>Line (08) - [(line(06) + Line(10))]</small> \$83,765

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On February 10, 2021, I served the:

- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date issued February 10, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Downey on February 4, 2021**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-08 and 20-0304-I-09

Los Angeles Regional Quality Control Board Order No. 01-182,
Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006

City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012


City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

By making it available on the Commission’s website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on February 10, 2021 at Sacramento, California.



Jill L. Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 2/10/21

Claim Number: 20-0304-I-08 Consolidated with 19-0304-I-04 and 20-0304-I-09

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Downey
City of Glendora
County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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NOTICE OF INTENT TO JOIN A CONSOLIDATED INCORRECT REDUCTION CLAIM

<i>For CSM Use Only</i>
Filing Date:
<div style="border: 2px solid blue; border-radius: 15px; padding: 5px; display: inline-block;"> <p style="margin: 0;">RECEIVED January 28, 2021 <i>Commission on State Mandates</i></p> </div>
Consolidated IRC #: 20-0304-I-09

1. TITLE OF CONSOLIDATED INCORRECT REDUCTION CLAIM

City of Glendora's Municipal Storm Water & Urban Discharge
 Intent to join County of Los Angeles, Municipal Storm Water

2. JOINT-CLAIMANT INFORMATION

City of Glendora
 Name of Local Agency or School District
 June Overholt
 Joint-Claimant Contact
 Administrative Services/Finance Director
 Title
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 Street Address
 Glendora, CA 91741
 City, State, Zip
 (626) 914-8241
 Telephone Number
 626) 852-9650
 Fax Number
 joverholt@ci.glendora.ca.us
 E-Mail Address

3. AMOUNT OF INCORRECT REDUCTION

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

<u>Fiscal Year</u>	<u>Amount of Reduction</u>
2008-09	\$8,710.00
2009-10	\$23,269.00
2010-11	\$23,338.00
2011-12	\$24,539.00
TOTAL:	\$79,856.00

4. FINAL STATE AUDIT REPORT OR OTHER WRITTEN NOTICE OF ADJUSTMENT

Please include a copy of the final state audit report, letter, remittance advice, or other written notice of adjustment from the Office of State Controller that explains the reason(s) for the reduction or disallowance.

5. REIMBURSEMENT CLAIMS

Please include a copy of the subject reimbursement claims submitted to the Office of State Controller.

6. OPTING OUT PROCEDURES FOR A CLAIMANT-INITIATED CONSOLIDATION

To opt out of a consolidated incorrect reduction claim, a joint-claimant shall file a written notice with the Commission within fifteen (15) days of service of the Office of State Controller's comments. A copy of the notice must be served on all parties and interested parties on the mailing list. Proof of service shall be filed with the notice pursuant to section 1181.2.

No later than one (1) year after opting out, or within the statute of limitations under section 1185(b) of the Commission's regulations, whichever is later, a claimant that opts out of a consolidated claim shall file an individual incorrect reduction claim pursuant to Commission requirements in order to preserve its right to challenge a reduction made by the Controller on that same mandate.

If a claimant opts out of a consolidated incorrect reduction claim and an individual incorrect reduction claim for that entity is already on file with the Commission, the individual filing is automatically reinstated.

7. CLAIM CERTIFICATION

Joint-Claimant authorizes the original claimant in the above-named incorrect reduction claim to act as its representative in this consolidated incorrect reduction claim, which is filed pursuant to Government Code section 17558.7. I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this intent to join a consolidated incorrect reduction claim is true and complete to the best of my own knowledge or information or belief.

June Overholt, Administrative Services/Finance Director
 Name & Title of Authorized Local Agency/School District Official

June Overholt
 Signature
 1/27/2021
 Date

CITY OF GLENDORA

Audit Report

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES PROGRAM

Los Angeles Regional Water Quality Control Board,
Order No. 01-182, Permit CAS004001, Part 4F5c3

July 1, 2002, through June 30, 2012



BETTY T. YEE
California State Controller

August 2018



BETTY T. YEE
California State Controller

August 9, 2018

The Honorable Mendell Thompson, Mayor
City of Glendora
116 East Foothill Boulevard
Glendora, CA 91741

Dear Mayor Thompson:

The State Controller's Office (SCO) audited the costs claimed by the City of Glendora for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program for the period of July 1, 2002, through June 30, 2012.

The city claimed \$190,310 for the mandated program. Our audit found that \$110,454 is allowable and \$79,856 is unallowable because the city did not offset the Proposition C Local Return funds used to pay for the mandated activities. The State made no payments to the city. The State will pay \$110,454, contingent upon available appropriations. Following issuance of this report, the SCO's Local Government Programs and Services Division will notify the city of the adjustments via a system-generated letter for fiscal year (FY) 2008-09 through FY 2011-12.

This final audit report contains an adjustment to costs claimed by the city. If you disagree with the audit finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on the State Mandates (Commission). Pursuant to Section 1185, subdivision (c), of the Commission's regulations (*California Code of Regulations*, Title 3), an IRC challenging this adjustment must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. You may obtain IRC information on the Commission's website at www.csm.ca.gov/forms/IRCFForm.pdf.

If you have any questions, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/lis

cc: June Overholt, Finance Director
City of Glendora
Dave Davies, Public Works Director
City of Glendora
LaShawn Butter, Community Services Director
City of Glendora
Bridget Amaya, Community Services Assistant Director
City of Glendora
Brittany Aguilar, Accounting Manager
City of Glendora
Kyle Johnson, Finance Assistant
City of Glendora
Chris Hill, Principal Program Budget Analyst
Local Government Unit
California Department of Finance
Steven Pavlov, Finance Budget Analyst
Local Government Unit
California Department of Finance
Anita Dagan, Manager
Local Government Programs and Services Division
California State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City of Glendora for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program for the period of July 1, 2002, through June 30, 2012.

The city claimed \$190,310 for the mandated program. Our audit found that \$110,454 is allowable and \$79,856 is unallowable because the city did not offset the Proposition C Local Return funds used to pay for the mandated activities. The State made no payments to the city. The State will pay \$110,454, contingent upon available appropriations.

Background

The California Regional Water Quality Control Board, Los Angeles Region (Board), adopted a 2001 storm water permit (Permit CAS004001) that requires local jurisdictions to:

Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

On July 31, 2009, the Commission on State Mandates (Commission) determined that Part 4F5c3 of the permit imposes a state mandate reimbursable under Government Code (GC) section 17561 and adopted the Statement of Decision. The Commission further clarified that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL) is entitled to reimbursement.

The Commission also determined that the period of reimbursement for the mandated activities begins July 1, 2002, and continues until a new National Pollutant Discharge Elimination System (NPDES) permit issued by the Board is adopted. On November 8, 2012, the Board adopted a new NPDES permit, Order No. R4-2012-0175, which became effective on December 28, 2012. As a result, this legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program ended on December 27, 2012.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on March 24, 2011. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

The audit period was from July 1, 2002, through June 30, 2012.

To achieve our audit objective, we:

- Reviewed the annual mandated cost claims filed by the city for the audit period and identified that the material cost components of each claim are the unit cost rate, the number of transit-stop trash receptacles, and the number of trash collections per week. Determined whether there were any mathematical errors or any unusual or unexpected variances from year-to-year and whether the claims adhered to the SCO's claiming instructions and the program's parameters and guidelines;
- Completed an internal control questionnaire by interviewing key city staff, and discussed the claim preparation process to determine what information was obtained, who obtained it, and how it was used;
- Researched the city's location within the Los Angeles River Watershed to gain an understanding of the trash TMDL effective date to determine the city's eligibility;
- Traced the unit cost rate claimed for each fiscal year in the audit period to the SCO's claiming instructions to ensure proper application of the rate;
- Traced all transit-stop trash receptacles claimed for each fiscal year in the audit period to source documentation. Corroborated the supporting documentation with physical inspections of 33 of the 62 trash receptacles located at the current transit stops;
- Traced the once-per-week trash collections claimed for each fiscal year in the audit period to source documentation; and
- Traced the mandated costs claimed to payroll and accounting system records for all fiscal years in the audit period to determine whether costs claimed were funded by revenues raised outside of the city's appropriations limit.

The legal authority to conduct this audit is provided by GC sections 12410, 17558.5, and 17561. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We limited our review of the city's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations. We did not audit the city's financial statements.

Conclusion

Our audit found an instance of noncompliance with the requirements outlined in the Objective, Scope, and Methodology section. This instance is quantified in the accompanying Schedule (Summary of Program Costs) and described in the Finding and Recommendation section of this report.

For the audit period, the City of Glendora claimed \$190,310 for costs of the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program. Our audit found that \$110,454 is allowable and \$79,856 is unallowable. The State made no payments to the city. The State will pay \$110,454, contingent upon available appropriations.

Following issuance of this report, the SCO's Local Government Programs and Services Division will notify the city of the adjustments via a system-generated letter for fiscal year (FY) 2008-09 through FY 2011-12.

**Follow-up on
Prior Audit
Findings**

The SCO performed a prior review of the city's legislatively mandated Municipal Storm Water and Urban Runoff Discharges program claims filed for the period of July 1, 2012, through June 30, 2014. This review found that the costs claimed after December 27, 2012, are ineligible because the period of reimbursement for this mandated program expired on December 27, 2012, with the adoption of a new NPDES permit. The finding identified in this prior engagement has no relevance to the current finding.

**Views of
Responsible
Officials**

We issued a draft audit report on June 18, 2018. June Overholt, Finance Director, responded by letter dated June 28, 2018 (Attachment), disagreeing with the audit results. This final audit report includes the city's response.

Restricted Use

This report is solely for the information and use of City of Glendora, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

August 9, 2018

Schedule—
Summary of Program Costs
July 1, 2002, through June 30, 2012

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2002, through June 30, 2003</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 25	× 25	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	8,762	8,762	-
Less offsetting revenues and reimbursements	-	-	-
Total program costs	<u>\$ 8,762</u>	-	<u>\$ -</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 8,762</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 37	× 37	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	12,968	12,968	-
Less offsetting revenues and reimbursements	-	-	-
Total program costs	<u>\$ 12,968</u>	-	<u>\$ -</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 12,968</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 49	× 49	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	17,174	17,174	-
Less offsetting revenues and reimbursements	-	-	-
Total program costs	<u>\$ 17,174</u>	-	<u>\$ -</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 17,174</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 55	× 55	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	19,276	19,276	-
Less offsetting revenues and reimbursements	-	-	-
Total program costs	<u>\$ 19,276</u>	-	<u>\$ -</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 19,276</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2006, through June 30, 2007</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 56	× 56	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	19,627	19,627	-
Less offsetting revenues and reimbursements	-	-	-
Total program costs	<u>\$ 19,627</u>	-	<u>\$ -</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 19,627</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 56	× 56	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	19,627	19,627	-
Less offsetting revenues and reimbursements	-	-	-
Total program costs	<u>\$ 19,627</u>	-	<u>\$ -</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 19,627</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Ongoing activities:			
Unit cost rate	\$ 6.74	\$ 6.74	\$ -
Number of transit receptacles	× 62	× 62	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	21,730	21,730	-
Less offsetting revenues and reimbursements	-	(8,710)	(8,710)
Total program costs	<u>\$ 21,730</u>	13,020	<u>\$ (8,710)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 13,020</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Ongoing activities:			
Unit cost rate	\$ 6.78	\$ 6.78	\$ -
Number of transit receptacles	× 66	× 66	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	23,269	23,269	-
Less offsetting revenues and reimbursements	-	(23,269)	(23,269)
Total program costs	<u>\$ 23,269</u>	-	<u>\$ (23,269)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2010, through June 30, 2011</u>			
Ongoing activities:			
Unit cost rate	\$ 6.80	\$ 6.80	\$ -
Number of transit receptacles	× 66	× 66	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	23,338	23,338	-
Less offsetting revenues and reimbursements	-	(23,338)	(23,338)
Total program costs	<u>\$ 23,338</u>	-	<u>\$ (23,338)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>July 1, 2011, through June 30, 2012</u>			
Ongoing activities:			
Unit cost rate	\$ 7.15	\$ 7.15	\$ -
Number of transit receptacles	× 66	× 66	× -
Annual number of trash pickups	× 52	× 52	× -
Total ongoing costs	24,539	24,539	-
Less offsetting revenues and reimbursements	-	(24,539)	(24,539)
Total program costs	<u>\$ 24,539</u>	-	<u>\$ (24,539)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ -</u>	
<u>Summary: July 1, 2002, through June 30, 2012</u>			
Total ongoing costs	\$ 190,310	\$ 190,310	\$ -
Less offsetting revenue and reimbursements	-	(79,856)	(79,856)
Total program costs	<u>\$ 190,310</u>	110,454	<u>\$ (79,856)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 110,454</u>	

¹ See the Finding and Recommendation section.

² Payment amount current as of May 8, 2018.

Finding and Recommendation

FINDING— Unreported offsetting revenues

The city did not include any revenues or reimbursements as offsetting revenues on its claim forms for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program for period of July 1, 2008, through June 30, 2012. We found that the city should have offset \$79,856 in Proposition C revenues that were used to pay for the salaries and benefits of city staff who maintained the transit-stop trash receptacles.

The city provided trash pick-up logs showing one pick-up a week to support its mandated costs incurred, although the logs provided only supported trash pick-ups that occurred after the audit period. The city did not provide any trash pick-up logs prepared during the audit period. The city's logs revealed that the same city employee performed all of the transit stop trash pick-ups. We reviewed the city's Payroll Distribution Detail Reports for FY 2008-09 through FY 2011-12 to determine the source of funding for the employee's salary costs. We found that the city used its General Fund and Proposition C Local Return Fund (Fund 211) resources. To the extent that the city used Proposition C Local Return funds to fund the mandated activities, that amount is considered as an offsetting revenue.

Proposition C Local Return Fund

Proposition C was approved by voters in November 1990 as an additional one-half of 1% tax on retail sales in Los Angeles County. Twenty percent (20%) of the revenue from the sales tax is dedicated to the Local Return Program. Similar to Proposition A, the Proposition C Ordinance requires that these funds be used by the cities and the county to benefit public transit.

The Proposition A and Proposition C Local Return Guidelines, section II. Project Eligibility; identify reimbursement for ongoing trash receptacle maintenance as follows:

2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Codes 150, 160, & 170)

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings – in street for buses and at sidewalk for passengers
- Bus turn-outs
- Benches
- Shelters
- Trash Receptacles
- Curb cuts
- Concrete or electrical work directly associated with the above items

The following table summarizes the amount offset by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Amount Paid by Funding		Amount Offset
			General Fund	Prop C	
2002-03	\$ 8,762	\$ 8,762	\$ 8,762	\$ -	\$ -
2003-04	12,968	12,968	12,968	-	-
2004-05	17,174	17,174	17,174	-	-
2005-06	19,276	19,276	19,276	-	-
2006-07	19,627	19,627	19,627	-	-
2007-08	19,627	19,627	19,627	-	-
2008-09	21,730	13,020	13,020	8,710	(8,710)
2009-10	23,269	-	-	23,269	(23,269)
2010-11	23,338	-	-	23,338	(23,338)
2011-12	24,539	-	-	24,539	(24,539)
Total	<u>\$ 190,310</u>	<u>\$ 110,454</u>	<u>\$ 110,454</u>	<u>\$ 79,856</u>	<u>\$ (79,856)</u>

The allowable ongoing maintenance costs are calculated using the Commission-adopted reasonable reimbursement methodology and are not based on actual costs incurred. The offsetting revenue amounts are based on the extent that the city used Proposition C monies to fund the payroll costs of city staff who performed the reimbursable activities, but not for an amount in excess of claimed costs. Therefore, the Proposition C Local Return funds used to pay for the ongoing maintenance costs, totaling \$79,856, will be an offset from the mandated cost claims.

Section VIII. (Offsetting Revenues and Reimbursements) of the parameters and guidelines states:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, State or non-local source shall be identified and deducted from this claim.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012, with the adoption of a new NPDES permit. When claiming reimbursement for other mandated programs, we recommend that the city offset all revenues and reimbursements raised outside of its appropriations limit that are used to fund mandated activities.

City's Response

We disagree with the Finding: - **Unreported offsetting revenues:**

SCO states that \$79,856 is unallowable because the City did not offset the Proposition C Local Return funds used to pay for the mandated activities.

As stated in earlier conversations, the City disagrees for the following reasons:

First, there were no revenues generated or experienced by the City for the maintenance of trash receptacles as required by this State Mandate.

Second, The City did not receive any monies for this specific program that required offset from the costs incurred and claimed. Claiming instructions state, “reimbursement **for this mandate** received from any federal, State, or non-local sources shall be identified and deducted from this claim.” The funding sources cited by the SCO were general in nature and the City did not have to use them for this specific purpose.

Proposition C transportation funds are essentially local funds generated from County sales tax which could have been used for various public transit related City priorities such as capital projects maintaining the streets and transit infrastructure. Although maintaining the trash receptacles is included within the Prop C transit eligible expenditures, because of the State Mandate, city employees were required to spend some of their time on the activities mandated by the State and not on projects selected by the city. The City should be entitled to receive reimbursement for the cost of performing those activities mandated by the State as required by the California Constitution and Government codes.

In addition, the City has the legal authority to repay and transfer monies received from State Mandate payments back to those original funding sources, which can then be used to pay for other City prioritized projects.

We request restoration of costs cut relating to the “Offsetting Reimbursements” reductions.

SCO’s Comments

Our finding and recommendation remain unchanged.

Both the Commission’s parameters and guidelines and the SCO’s claiming instructions require the identification and reporting of offsetting revenues and reimbursements. Section VIII. (Offsetting Revenues and Reimbursements) of the parameters and guidelines states that “reimbursement for this mandate from any federal, state, or non-local source shall be deducted from the costs claimed.” We concluded that the Proposition C Local Return funds used to pay for the maintenance of trash receptacles are restricted funds that should be reported and offset against claimed costs.

We disagree with the city’s comment that the Proposition C Local Return funds “were general in nature and the City did not have to use them for this specific purpose.” Proposition C is a special supplementary sales tax approved by Los Angeles County voters in 1990. Proposition C sales tax revenue is restricted solely to the development and/or improvement of public transit services. Therefore, while unrestricted general sales taxes can be spent for any general governmental purpose, Proposition C revenues are restricted solely to benefiting public transit, which is not a purpose that is “general in nature.”

The city is correct in its response that, because of the mandated program, “city employees were required to spend time on the activities mandated by the State and not on projects selected by the city.” The general premise of mandated costs is that claimants are entitled to reimbursement to the extent that they incur increased costs as the direct result of a mandated program. However, the city did not incur increased costs to the extent that it relied on revenues raised outside of its appropriations limit, which were dedicated to public transit purposes to fund such costs.

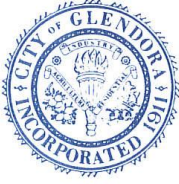
We also disagree with the city’s comment that it will “repay and transfer moneys from State Mandate payments back to those original funding sources...” Section III. N (Metro’s Administrative Process – Reimbursement) of the Proposition A and Proposition C Local Return Guidelines (2007 edition) states that “LR Funds may be advanced for other grant funds as long as the project itself is eligible under LR guidelines.” In addition, Section IV. C (10) (Finance Section – Accounting for Proposition A and Proposition C Revenues and Expenditures by Jurisdiction – Reimbursement) states:

Local Return funds may be used to advance a project which will subsequently be reimbursed by federal, state, or local grant funding, or private funding, if the project itself is eligible under LR guidelines.

For grants, an applicant must submit an application or proposal regarding how the community will benefit from the grant funds awarded. When a grant is awarded, the grantee will be reimbursed to the extent that it incurred costs consistent with the terms of the grant. However, a mandated program payment is a subvention of funds to reimburse local governments for the costs of a mandated program, which is entirely different from a grant. Therefore, as mandated program payments are not grant payments, we concluded that the advancement of Proposition C Local Return funds pending mandate reimbursement from the State does not comply with the Proposition A and Proposition C Local Return Guidelines.

Therefore, we find that the city had sufficient funds to pay for ongoing maintenance of the transit-stop trash receptacles, as sufficient Proposition C Local Return funds were available.

**Attachment—
City's Response to Draft Audit Report**



June 28, 2018

Lisa Kurokawa
Chief, Compliance Audits Bureau
State Controller's Office
P.O. Box 942850
Sacramento, CA 94250-5874

Dear Ms. Kurokawa,

Please accept the City of Glendora's response to the State Controller's Office (SCO) Draft Audit Report of the Municipal Storm Water & Urban Discharges Program for the period of July 1, 2002 through June 30, 2012.

We disagree with the Finding: – **Unreported offsetting revenues:**

SCO states that \$79,856 is unallowable because the city did not offset the Proposition C Local Return funds used to pay for the mandated activities.

As stated in earlier conversations, the City disagrees for the following reasons:

First, there were no revenues generated or experienced by the City for the maintenance of trash receptacles as required by this State Mandate.

Second, The City did not receive any monies for this specific program that required offset from the costs incurred and claimed. Claiming instructions state, "reimbursement **for this mandate** received from any federal, State, or non-local sources shall be identified and deducted from this claim." The funding sources cited by the SCO were general in nature and the City did not have to use them for this specific purpose.

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PRIDE OF THE FOOTHILLS

the State and not on projects selected by the city. The City should be entitled to receive reimbursement for the cost of performing those activities mandated by the State as required by the California Constitution and Government codes.

In addition, the City has the legal authority to repay and transfer monies received from State Mandate payments back to those original funding sources, which can then be used to pay for other City prioritized projects.

We request restoration of costs cut relating to the “Offsetting Reimbursements” reductions.

Sincerely,

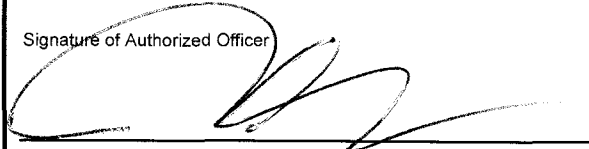


June Overholt

Finance Director / City Treasurer

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250**

<http://www.sco.ca.gov>

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES		CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM	
				(19) Program Number 00314 (20) Date Filed SEP 28 2011 (21) LRS Input ___/___/___		314	
(01) Claimant Identification Number 9819334				Reimbursement Claim Data			
(02) Claimant Name CITY OF GLENDORA				(22) FORM-1, (04) A.1.(g)	0		
County of Location LOS ANGELES				(23) FORM-1, (04) A.2.(g)	0		
Street Address or P.O. Box 116 E FOOTHILL BLVD		Suite		(24) FORM-1, (04) A.3.(g)	0		
City GLENDORA		State CA		Zip Code 91741-3380		(25) FORM-1, (04) A.4.(g) 0	
		Type of Claim		(26) FORM-1, (04) A.5.(g)		0	
		(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1, (06)		3,224	
		(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1, (07)		21,730	
		(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1, (08)		10	
Fiscal Year of Cost		(06)	(12) 2008-2009	(30) FORM-1, (11)		0	
Total Claimed Amount		(07)	(13) \$21,730	(31) FORM-1, (12)		0	
Less: (refer to attached instructions)				(14)	(32)		
Less: Prior Claim Payment Received				(15)	(33)		
Net Claimed Amount				(16)	(34)		
Due from State		(08)	(17) \$21,730	(35)			
Due to State				(18)	(36)		
(37) CERTIFICATION OF CLAIM							
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.							
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.							
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.							
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.							
Signature of Authorized Officer 				Date Signed _____			
Josh Betta, Finance Director/Treasurer				Telephone Number (626) 914-8241			
Type or Print Name and Title of Authorized Signatory				E-Mail Address jbetta@ci.glendora.ca.us			
(38) Name of Agency Contact person for Claim Josh Betta				Telephone Number (626) 914-8241			
Name of Consulting Firm / Claim Preparer MAXIMUS/Diane Hancock				E-Mail Address dianehancock@maximus.com			

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF GLENDORA	(02) Fiscal Year 2008-2009
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(03) Department	Public Works
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Direct Costs	Object Accounts
---------------------	------------------------

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
(04) Reimbursable Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total

A. One-Time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads

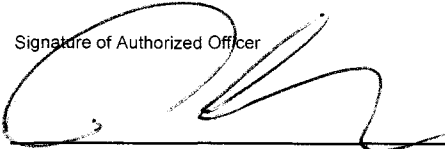
(06) Annual number of trash collections (Refer to claiming instructions)	3,224
(07) Total Ongoing Costs [Line (06) x RRM rate]	\$21,730

Indirect Costs

(08) Indirect Cost Rate [From ICRP or 10%]	10.00%
(09) Total Indirect Costs [Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]	
(10) Total Direct and Indirect Costs [Line (05)(g) + line (07) + line (09)]	\$21,730

Cost Reduction

(11) Less: Offsetting Savings	
(12) Less: Other Reimbursements	
(13) Total Claimed Amount [Line (10) - {line (11) + line (12)}]	\$21,730

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES			For State Controller Use Only		PROGRAM
CLAIM FOR PAYMENT			(19) Program Number 00314 (20) Date Filed SEP 28 2011 (21) LRS Input ___/___/___		314
(01) Claimant Identification Number 9819334			Reimbursement Claim Data		
(02) Claimant Name CITY OF GLENDORA			(22) FORM-1, (04) A.1.(g)	0	
County of Location LOS ANGELES			(23) FORM-1, (04) A.2.(g)	0	
Street Address or P.O. Box 116 E FOOTHILL BLVD			(24) FORM-1, (04) A.3.(g)	0	
City GLENDORA			(25) FORM-1, (04) A.4.(g)	0	
State CA			(26) FORM-1, (04) A.5.(g)	0	
Zip Code 91741-3380			(27) FORM-1, (06)	3,432	
Type of Claim			(09) Reimbursement <input checked="" type="checkbox"/>	(28) FORM-1, (07)	23,269
			(10) Combined <input type="checkbox"/>	(29) FORM-1, (08)	10
			(11) Amended <input type="checkbox"/>		
Fiscal Year of Cost (06) 2009-2010			(12)	(30) FORM-1, (11)	0
Total Claimed Amount (07) \$23,269			(13)	(31) FORM-1, (12)	0
Less: (refer to attached instructions)			(14)	(32)	
Less: Prior Claim Payment Received			(15)	(33)	
Net Claimed Amount			(16)	(34)	
Due from State (08)			(17)	(35)	
Due to State			(18)	(36)	
(37) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Officer  <hr/> Josh Betta, Finance Director/Treasurer Type or Print Name and Title of Authorized Signatory			Date Signed _____ Telephone Number (626) 914-8241 E-Mail Address jbetta@ci.glendora.ca.us		
(38) Name of Agency Contact person for Claim <hr/> Josh Betta			Telephone Number (626) 914-8241 E-Mail Address jbetta@ci.glendora.ca.us		
Name of Consulting Firm / Claim Preparer <hr/> MAXIMUS/Diane Hancock			Telephone Number (916) 673-4211 E-Mail Address dianehancock@maximus.com		

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF GLENDORA	(02) Fiscal Year 2009-2010
--	--------------------------------------

(03) Department	Public Works
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Direct Costs	Object Accounts
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	(a)	(b)	(c)	(d)	(e)	(f)	(g)
(04) Reimbursable Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total

A. One-Time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads		
(06) Annual number of trash collections (Refer to claiming instructions)		3,432
(07) Total Ongoing Costs	[Line (06) x RRM rate]	\$23,269

Indirect Costs

(08) Indirect Cost Rate	[From ICRP or 10%]	10.00%
(09) Total Indirect Costs	[Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]	
(10) Total Direct and Indirect Costs	[Line (05)(g) + line (07) + line (09)]	\$23,269

Cost Reduction

(11) Less: Offsetting Savings		
(12) Less: Other Reimbursements		
(13) Total Claimed Amount	[Line (10) - {line (11) + line (12)}]	\$23,269

LATE

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT	For State Controller Use Only	PROGRAM 314
	(19) Program Number 002013	
	(20) Date Filed	
	(21) LRS Input	

(01) Claimant Identification Number 9819334	Reimbursement Claim Data		
(02) Claimant Name CITY OF GLENDORA	(22) FORM 1, (04) A.1.(g)		0
County of Location LOS ANGELES	(23) FORM 1, (04) A.2.(g)		0
Street Address or P.O. Box 116 E FOOTHILL BLVD	(24) FORM 1, (04) A.3.(g)		0
City GLENDORA	State CA	Zip Code 91741-3380	(25) FORM 1, (04) A.4.(g) 0
	Type of Claim		(26) FORM 1, (04) A.5.(g) 0
	(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM 1, (06) 3,432
	(04)	(10) Combined <input type="checkbox"/>	(28) FORM 1, (07) 23,338
	(05)	(11) Amended <input type="checkbox"/>	(29) FORM 1, (08) 0
Fiscal Year of Cost	(06)	(12) 2010-2011	(30) FORM 1, (11) 0
Total Claimed Amount	(07)	(13) \$23,338	(31) FORM 1, (12) 0
Less: (refer to attached instructions)		(14) \$2,334	(32)
Less: Prior Claim Payment Received		(15)	(33)
Net Claimed Amount		(16) \$21,004	(34)
Due from State	(08)	(17) \$21,004 /	(35)
Due to State		(18) TH	(36)

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.

I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer

Thomas M. Kanarr

Date Signed

2/4/13

Telephone Number

(626) 914-8241

E-Mail Address

tkanarr@ci.glendora.ca.us

Thomas M. Kanarr, Interim Finance Director

Type or Print Name and Title of Authorized Signatory

(38) Name of Agency Contact person for Claim

Telephone Number

(626) 852-4815

Lettie DeDios

E-Mail Address

ldedios@ci.glendora.ca.us

Name of Consulting Firm / Claim Preparer

Telephone Number

(916) 673-4211

MAXIMUS Consulting Services, Inc./Diane Hanco

E-Mail Address

dianehancock@maximus.com

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF GLENDORA	(02) Fiscal Year 2010-2011
--	--------------------------------------

(03) Department	Community Services
-----------------	--------------------

Direct Costs	Object Accounts
---------------------	------------------------

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
(04) Reimbursable Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total

A. One-Time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads		
(06) Annual number of trash collections (Refer to claiming instructions)		3,432
(07) Total Ongoing Costs	[Line (06) x RRM rate]	\$23,338

Indirect Costs		
(08) Indirect Cost Rate	[From ICRP or 10%]	
(09) Total Indirect Costs	[Line (05)(a) x 10%] or [Refer to Claim Summary Instructions]	
(10) Total Direct and Indirect Costs	[Line (05)(g) + line (07) + line (09)]	\$23,338

Cost Reduction		
(11) Less: Offsetting Revenues		
(12) Less: Other Reimbursements		
(13) Total Claimed Amount	[Line (10) - {line (11) + line (12)}]	\$23,338

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only (19) Program Number 00314 (20) Date Filed FEB 11 2013 (21) LRS Input		PROGRAM 314
		Reimbursement Claim Data		
(01) Claimant Identification Number 9819334				
(02) Claimant Name CITY OF GLENDORA	(22) FORM 1, (04) A.1.(g)	0		
County of Location LOS ANGELES	(23) FORM 1, (04) A.2.(g)	0		
Street Address or P.O. Box 116 E FOOTHILL BLVD	Suite	(24) FORM 1, (04) A.3.(g)	0	
City GLENDORA	State CA	Zip Code 91741-3380	(25) FORM 1, (04) A.4.(g)	0
	Type of Claim (03) <input checked="" type="checkbox"/> (09) Reimbursement (04) <input type="checkbox"/> (10) Combined (05) <input type="checkbox"/> (11) Amended	(26) FORM 1, (04) A.5.(g)	0	
		(27) FORM 1, (06)	3,432	
		(28) FORM 1, (07)	24,539	
		(29) FORM 1, (08)	0	
Fiscal Year of Cost	(06)	(12) 2011-2012	(30) FORM 1, (11)	0
Total Claimed Amount	(07)	(13) \$24,539	(31) FORM 1, (12)	0
Less: (refer to attached instructions)		(14)	(32)	
Less: Prior Claim Payment Received		(15)	(33)	
Net Claimed Amount		(16) \$24,539	(34)	
Due from State	(08)	(17) \$24,539	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.

I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer

Thomas M. Kanarr

Date Signed

2/4/13

Telephone Number

(626) 914-8241

E-Mail Address

tkanarr@ci.glendora.ca.us

Thomas M. Kanarr, Interim Finance Director

Type or Print Name and Title of Authorized Signatory

(38) Name of Agency Contact person for Claim

Telephone Number

(626) 852-4815

Lettie DeDios

E-Mail Address

ldedios@ci.glendora.ca.us

Name of Consulting Firm / Claim Preparer

Telephone Number

(916) 673-4211

MAXIMUS Consulting Services, Inc./Diane Hancock

E-Mail Address

dianehancock@maximus.com

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF GLENDORA	(02) Fiscal Year 2011-2012
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(03) Department	Community Services
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Direct Costs	Object Accounts
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	(a)	(b)	(c)	(d)	(e)	(f)	(g)
(04) Reimbursable Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total

A. One-Time Activities

1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections (Refer to claiming instructions)	3,432
(07) Total Ongoing Costs [Line (06) x RRM rate]	\$24,539 ✓

Indirect Costs

(08) Indirect Cost Rate [From ICRP or 10%]	
(09) Total Indirect Costs [Line (05)(a) x 10%] or [Refer to Claim Summary Instructions]	
(10) Total Direct and Indirect Costs [Line (05)(g) + line (07) + line (09)]	\$24,539 ✓

Cost Reduction

(11) Less: Offsetting Revenues	
(12) Less: Other Reimbursements	
(13) Total Claimed Amount [Line (10) - {line (11) + line (12)}]	\$24,539 ✓

12. CLAIM CERTIFICATION

*Read, sign, and date this section and insert at the end of the incorrect reduction claim submission.**

This claim alleges an incorrect reduction of a reimbursement claim filed with the State Controller's Office pursuant to Government Code section 17561. This incorrect reduction claim is filed pursuant to Government Code section 17551, subdivision (d). I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this incorrect reduction claim submission is true and complete to the best of my own knowledge or information or belief.

June Overholt

Print or Type Name of Authorized Local Agency
or School District Official

Administrative Services/Finance Director

Print or Type Title



Signature of Authorized Local Agency or
School District Official

11/27/2021

Date

** If the declarant for this Claim Certification is different from the Claimant contact identified in section 2 of the incorrect reduction claim form, please provide the declarant's address, telephone number, fax number, and e-mail address below.*

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On February 9, 2021, I served the:

- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date issued February 9, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Glendora on January 28, 2021**

*Municipal Storm Water and Urban Runoff Discharges, 20-0304-I-08
and 20-0304-I-09*

Los Angeles Regional Quality Control Board Order No. 01-182,
Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Glendora, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on February 9, 2021 at Sacramento, California.



Jill L. Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 2/9/21

Claim Number: 20-0304-I-08 Consolidated with 20-0304-I-09

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Glendora
County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

Adaoha Agu, *County of San Diego Auditor & Controller Department*
Projects, Revenue and Grants Accounting, 5530 Overland Avenue, Ste. 410 , MS:O-53, San Diego,
CA 92123
Phone: (858) 694-2129
Adaoha.Agu@sdcounty.ca.gov

Socorro Aquino, *State Controller's Office*
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Phone: (916) 322-7522
SAquino@sco.ca.gov

Arlene Barrera, Auditor-Controller, *County of Los Angeles*

Claimant Contact

Auditor-Controller's Office, 500 West Temple Street, Room 525, Los Angeles, CA 90012
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abarrera@auditor.lacounty.gov

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Kris Cook, Assistant Program Budget Manager, *Department of Finance*
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Gigi Decavalles-Hughes, Director of Finance, *City of Santa Monica*
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Steven Dobrenen, Finance Director, *City of Cudahy*
5220 Santa Ana Street, Cudahy, CA 90201
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sdobrenen@cityofcudahyca.gov

Bob Elliot, *City of Glendale*
141 North Glendale Ave, Ste. 346, Glendale, CA 91206-4998
Phone: N/A
belliot@ci.glendale.ca.us

Vic Erganian, Deputy Finance Director, *City of Pasadena*
Finance Department, 100 N. Garfield Ave, Room S348, Pasadena, CA 91109-7215
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Paul Espinoza, *City of Alhambra*
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Martha Garcia, Director of Management Services, *City of Monterey Park*
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Susan Geanacou, *Department of Finance*

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susan.geanacou@dof.ca.gov

Howard Gest, *Burhenn & Gest, LLP*

Claimant Representative

624 South Grand Avenue, Suite 2200, Los Angeles, CA 90402
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**NOTICE OF INTENT TO JOIN A CONSOLIDATED
INCORRECT REDUCTION CLAIM**

**1. TITLE OF CONSOLIDATED INCORRECT
REDUCTION CLAIM**

Municipal Storm Water and Urban Runoff Discharges, 20-0304-I-08

2. JOINT-CLAIMANT INFORMATION

City of Pomona, CA
 Name of Local Agency or School District
 Andrew Mowbray
 Joint-Claimant Contact
 Finance Director/City Treasurer
 Title
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 Street Address
 Pomona, CA 91766
 City, State, Zip
 909 620 2353
 Telephone Number
 Fax Number
 andrew_mowbray@ci.pomona.ca.us
 E-Mail Address

3. AMOUNT OF INCORRECT REDUCTION

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

<u>Fiscal Year</u>	<u>Amount of Reduction</u>
2002/03 to	
2011/12	\$272,474.00
TOTAL: \$272,474.00	

**4. FINAL STATE AUDIT REPORT OR OTHER
WRITTEN NOTICE OF ADJUSTMENT**

Please include a copy of the final state audit report, letter, remittance advice, or other written notice of adjustment from the Office of State Controller that explains the reason(s) for the reduction or disallowance.

5. REIMBURSEMENT CLAIMS

Please include a copy of the subject reimbursement claims submitted to the Office of State Controller.

For CSM Use Only

Filing Date:
RECEIVED
 February 10, 2021
*Commission on
State Mandates*

20-0304-I-13 (20-0304-I-08)

Consolidated IRC #:

**6. OPTING OUT PROCEDURES FOR A
CLAIMANT-INITIATED CONSOLIDATION**

To opt out of a consolidated incorrect reduction claim, a joint-claimant shall file a written notice with the Commission within fifteen (15) days of service of the Office of State Controller's comments. A copy of the notice must be served on all parties and interested parties on the mailing list. Proof of service shall be filed with the notice pursuant to section 1181.2.


No later than one (1) year after opting out, or within the statute of limitations under section 1185(b) of the Commission's regulations, whichever is later, a claimant that opts out of a consolidated claim shall file an individual incorrect reduction claim pursuant to Commission requirements in order to preserve its right to challenge a reduction made by the Controller on that same mandate.

If a claimant opts out of a consolidated incorrect reduction claim and an individual incorrect reduction claim for that entity is already on file with the Commission, the individual filing is automatically reinstated.

7. CLAIM CERTIFICATION

Joint-Claimant authorizes the original claimant in the above-named incorrect reduction claim to act as its representative in this consolidated incorrect reduction claim, which is filed pursuant to Government Code section 17558.7. I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this intent to join a consolidated incorrect reduction claim is true and complete to the best of my own knowledge or information or belief.

Andrew Mowbray, Finance Director/City Treasurer
 Name & Title of Authorized Local Agency/School District Official


 Signature
 MARCH 9, 2021
 Date



BETTY T. YEE
California State Controller

May 21, 2018

Onyx Jones, Finance Manager
City of Pomona
505 South Garey Avenue
Pomona, CA 91766

Dear Ms. Jones:

The State Controller's Office (SCO) performed a review of costs claimed by the City of Pomona for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3) for the period of July 1, 2002, through June 30, 2012. We conducted our review under the authority of Government Code (GC) sections 12410, 17558.5, and 17561. Our review was limited to ensuring that costs claimed were incurred during the reimbursement period and that restricted revenues were properly offset.

The city claimed \$272,474 for the mandated program. Our review found that the entire amount is unallowable because the city claimed costs incurred outside of the reimbursement period and did not offset the restricted revenues used to fund the mandated activities, as described in the attached Summary of Program Costs and Review Results. The State made no payments to the city. Following issuance of this report, the SCO's Local Government Programs and Services Division will notify the city of the adjustments via a system-generated letter for each fiscal year in the audit period.

We issued a draft letter on March 16, 2018. You responded by letter (Attachment 3), acknowledging Finding 1 and disagreeing with the premise of Finding 2. This final letter includes the city's response.

This final letter contains an adjustment to costs claimed by the city. If you disagree with the review findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (Commission). Pursuant to Section 1185, subdivision (c), of the Commission's regulations (*California Code of Regulations*, Title 3), an IRC challenging this adjustment must be filed with the Commission no later than three years following the date of this letter, regardless of whether this letter is subsequently supplemented, superseded, or otherwise amended. You may obtain IRC information on the Commission's website at www.csm.ca.gov/forms/IRCFORM.pdf.

If you have any questions, please contact Jim Spano, Assistant Division Chief, by telephone at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/as

Attachments

RE: S18-MCC-9002

cc: Meg McWade, Public Works Director
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Linda Poliakon, Accounting Manager
City of Pomona
Dustin Andolsen, CPA, Accounting Supervisor
City of Pomona
Chris Hill, Principal Program Budget Analyst
Local Government Unit, California Department of Finance
Steven Pavlov, Finance Budget Analyst
Local Government Unit, California Department of Finance
Anita Dagan, Manager
Local Government Programs and Services Division
California State Controller's Office

Attachment 1— Summary of Program Costs July 1, 2002, through June 30, 2012

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003</u>				
One-time costs:				
Salaries and benefits	\$ 1,148	\$ -	\$ (1,148)	
Materials and supplies	6,713	-	(6,713)	
Indirect costs	98	-	(98)	
Total one-time costs	7,959	-	(7,959)	Finding 1
Ongoing costs	1,402	1,402	-	
Total one-time costs and ongoing costs	9,361	1,402	(7,959)	
Less offsetting revenues and reimbursements	-	(1,402)	(1,402)	Finding 2
Total program costs	<u>\$ 9,361</u>	-	<u>\$ (9,361)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Ongoing costs	\$ 1,402	\$ 1,402	\$ -	
Less offsetting revenues and reimbursements	-	(1,402)	(1,402)	Finding 2
Total program costs	<u>\$ 1,402</u>	-	<u>\$ (1,402)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2004, through June 30, 2005</u>				
Ongoing costs	\$ 1,402	\$ 1,402	\$ -	
Less offsetting revenues and reimbursements	-	(1,402)	(1,402)	Finding 2
Total program costs	<u>\$ 1,402</u>	-	<u>\$ (1,402)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2005, through June 30, 2006</u>				
Ongoing costs	\$ 1,402	\$ 1,402	\$ -	
Less offsetting revenues and reimbursements	-	(1,402)	(1,402)	Finding 2
Total program costs	<u>\$ 1,402</u>	-	<u>\$ (1,402)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment	Reference ¹
<u>July 1, 2006, through June 30, 2007</u>				
Ongoing costs	\$ 1,402	\$ 1,402	\$ -	
Less offsetting revenues and reimbursements	-	(1,402)	(1,402)	Finding 2
Total program costs	<u>\$ 1,402</u>	-	<u>\$ (1,402)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2007, through June 30, 2008</u>				
One-time costs				
Materials and supplies	\$ 81,392	\$ 81,392	\$ -	
Total one-time costs	81,392	81,392	-	
Ongoing costs	34,698	34,698	-	
Total one-time costs and ongoing costs	116,090	116,090	-	
Less offsetting revenues and reimbursements	-	(116,090)	(116,090)	Finding 2
Total program costs	<u>\$ 116,090</u>	-	<u>\$ (116,090)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2008, through June 30, 2009</u>				
Ongoing costs	\$ 34,698	\$ 34,698	\$ -	
Less offsetting revenues and reimbursements	-	(34,698)	(34,698)	Finding 2
Total program costs	<u>\$ 34,698</u>	-	<u>\$ (34,698)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2009, through June 30, 2010</u>				
Ongoing costs	\$ 34,903	\$ 34,903	\$ -	
Less offsetting revenues and reimbursements	-	(34,903)	(34,903)	Finding 2
Total program costs	<u>\$ 34,903</u>	-	<u>\$ (34,903)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2010, through June 30, 2011</u>				
Ongoing costs	\$ 35,006	\$ 35,006	\$ -	
Less offsetting revenues and reimbursements	-	(35,006)	(35,006)	Finding 2
Total program costs	<u>\$ 35,006</u>	-	<u>\$ (35,006)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment	Reference ¹
<u>July 1, 2011, through June 30, 2012</u>				
Ongoing costs	\$ 36,808	\$ 36,808	\$ -	
Less offsetting revenues and reimbursements	-	(36,808)	(36,808)	Finding 2
Total program costs	<u>\$ 36,808</u>	-	<u>\$ (36,808)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>Summary: July 1, 2002, through June 30, 2012</u>				
One-time costs	\$ 89,351	\$ 81,392	\$ (7,959)	Finding 1
Ongoing costs	183,123	183,123	-	
Total one-time costs and ongoing costs	272,474	264,515	(7,959)	
Less offsetting revenues and reimbursements	-	(264,515)	(264,515)	Finding 2
Total program costs	<u>\$ 272,474</u>	-	<u>\$ (272,474)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

¹ See Attachment 2, Review Results.

² Payment information current as of January 3, 2018.

Attachment 2— Review Results July 1, 2002, through June 30, 2012

BACKGROUND—

The California Regional Water Quality Control Board, Los Angeles Region (Board) adopted a 2001 storm water permit (Permit CAS004001) that requires local jurisdictions to:

Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

On July 31, 2009, the Commission determined that Part 4F5c3 of the permit imposes a state mandate reimbursable under GC section 17561 and adopted the Statement of Decision. The Commission further clarified that each local agency subject to the permit and not subject to a trash total maximum daily load is entitled to reimbursement.

The Commission also determined that the period of reimbursement for the mandated activities begins July 1, 2002, and continues until a new National Pollutant Discharge Elimination System (NPDES) permit issued by the Board is adopted. On November 8, 2012, the Board adopted a new permit, Order No. R4-2012-0175, which became effective on December 28, 2012. As such, this legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program ended on December 27, 2012.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on March 24, 2011. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

FINDING 1— Ineligible one-time costs claimed for FY 2002-03

The city claimed \$7,959 in one-time costs for activities related to the purchase and installation of transit-stop trash receptacles for fiscal year (FY) 2002-03. We found that none of the costs claimed are allowable, as the costs were incurred prior to the beginning of the reimbursement period on July 1, 2002.

Section III. (Period of Reimbursement) of the parameters and guidelines states:

The filing dates of these test claims establish eligibility for reimbursement beginning July 1, 2002, pursuant to Government Code section 17557, subdivision (e), and continues until a new NPDES permit issued by the Regional Water Quality Control Board for Los Angeles is adopted.

Purchase or Construction and Installation of Receptacles and Pads cost component

The city provided an invoice, dated December 31, 2001, from Vido Samarzich, Inc., a general engineering contractor, for the purchase and installation of four transit-stop trash receptacles totaling \$6,400. The purchase order was dated June 11, 2001, and the city’s final payment to the contractor was approved on February 5, 2002, which was well before the reimbursement period began on July 1, 2002.

Selection, Evaluation, and Preparation of Specifications and Drawings cost component

The city claimed \$1,246 in salaries, benefits, and related indirect costs, and \$313 in miscellaneous costs (such as postage, advertising, and printing charges). The documentation provided to support the salaries, benefits, and miscellaneous costs claimed did not identify when the costs were incurred; however, as the costs of furnishing and installing receptacles were incurred prior to December 31, 2001—which was the date of the last invoice from the contractor—the costs related to the “selection, evaluation, and preparation of specifications and drawings” must also have been incurred prior to the reimbursement period, which began on July 1, 2002.

Recommendation

No recommendation is applicable for this mandated program, as the period of reimbursement expired on December 27, 2012. When claiming reimbursement for other mandated programs, we recommend that the city claim reimbursement for costs incurred during the eligibility period.

City’s Response

Finding 1 – The City acknowledges that the one-time costs claims were outside of the eligibility period per the parameters and guidelines of the program. The claims were prepared in house at the time by staff that are no longer with the City. The City has since contracted a third party to prepare the SB90 State Mandate Claims reimbursements to maximize collectability in all aspects of the claims.

**FINDING 2—
Unreported offsetting revenues and reimbursements**

The city did not offset any revenues or reimbursements on its claim forms for the review period. We found that the city should have offset \$264,515 in Proposition A Local Return funds used to pay \$81,392 in one-time costs and \$183,123 in ongoing maintenance costs.

The following table summarizes the review adjustment:

	Offsetting Revenue Reported	Unreported Offsetting Revenue	Review Adjustment
One-time costs claimed in FY 2007-08	\$ -	\$ (81,392)	\$ (81,392)
Ongoing maintenance costs, FY 2002-03 through FY 2011-12	-	(183,123)	(183,123)
	<u>\$ -</u>	<u>\$ (264,515)</u>	<u>\$ (264,515)</u>

Proposition A is a half-cent sales tax measure approved by Los Angeles County voters in 1980 to finance transit programs. Twenty-five percent of the sales tax revenue is dedicated to the Local Return Program to be used by cities for the developing and/or improving public transit and related transportation infrastructure.

Section II. (Project Eligibility) of the Proposition A and Proposition C Local Return Guidelines identifies reimbursement for ongoing trash receptacle maintenance as follows:

2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Code 150, 160 & 170)

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings – in street for buses and at sidewalk for passengers
- Bus turn-outs
- Benches
- Shelters
- Trash Receptacles
- Curb cuts
- Concrete or electrical work directly associated with the above items

Section VIII. (Offsetting Revenues and Reimbursements) of the parameters and guidelines states:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.

Recommendation

No recommendation is applicable for this mandated program, as the period of reimbursement expired on December 27, 2012. When claiming reimbursement for other mandated programs, we recommend that the city offset all revenues and reimbursements used to fund mandated activities on its claim forms.

City's Response

Finding 2 – The City disagrees with the premise of the Finding. The City used Prop A funding at the time the program was mandated in 2002 due to the eligibility and purpose of Prop A funds. There was not guidance from the state at the time in regards to the appropriate source of funding that was required in order to be eligible for reimbursement. It wasn't until March 2011 when the programs parameters and guidelines became published and reimbursement claims were eligible to be submitted, approximately 9 years after the mandate. These parameters and guidelines stated that any non-General fund monies used are not eligible for reimbursement. If this was known by the City at the time the program was mandated, General Fund monies would have been used and Prop A

funds would have been used on much needed transit related activities. The City feels that State is overreaching on its power of mandated programs and that the parameters and guidelines should be written for a program at the time it is mandated by the State. A program mandated by the State and implemented by the City, should be reimbursed for their costs regardless of the funding source used. Ultimately these funds could have been used for much need programming. Going forward, the City has contracted a third party to prepare the SB90 State Mandated Claims reimbursements to maximize the collectability in all aspects of the claims.

SCO Comment

Our finding and recommendation remain unchanged.

The city states that it should be reimbursed for state mandates “regardless of the funding source used.” This statement contradicts the California Supreme Court ruling in *County of Fresno v. State of California*, which states that mandate reimbursement is limited to costs incurred solely from tax revenues, as follows:

Section 6 was included in article XIII B in recognition that article XIII A of the Constitution severely restricted the taxing powers of local governments. The provision was intended to preclude the state from shifting financial responsibility for carrying out governmental functions onto local entities that that were ill equipped to handle the task. Specifically, it was designed to protect the tax revenues of local governments from states mandates that would require expenditures of such revenues. **Thus, although its language broadly declares that the “state shall provide a subvention of funds to reimburse...local governments for the costs [of a state-mandated new] program or higher level of service,” read in its textual and historical context section 6 of article XIII B requires subvention only when the costs in question can be recovered *solely from tax revenues*.** [Emphasis added]

The city chose, at its discretion, to use the Proposition A Local Return funds for ongoing maintenance costs of the transit-stop trash receptacles. As such, reimbursement for mandated costs is not required to the extent that the city used its Proposition A Local Return funds to fund the mandated activities.

The city states that the “State is overreaching on its power of mandated programs.” We disagree. Our authority to conduct this engagement is outlined in GC section 17561, which states that our responsibility is to ensure that claimed costs represent increased costs resulting from the mandated program. Furthermore, we have the authority to reduce any claim determined to be excessive and unreasonable.

The city states “that the parameters and guidelines should be written for a program at the time it was mandated by the State.” To clarify, the process of developing the parameters and guidelines began in the fall of 2003, when Los Angeles County and 14 cities in Los Angeles County filed a test claim with the Commission alleging that the various sections of the 2001 storm water permit imposed increased costs upon local agencies. The Statement of Decision was not adopted until 2009, due to a lengthy rebuttal period for the claimants and interested parties.

**Attachment 3—
City's Response to Draft Letter**

THE CITY OF
POMONA

Finance Department



March 29, 2018

Mr. Jim L. Spano, CPA
Office of the State Controller Betty T. Yee
Division of Audits
3301 C Street, Suite 715A
Sacramento, CA 95816

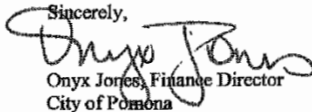
Dear Mr. Spano,

Thank you for the opportunity to provide comments on the State Controller's Office (SCO) draft audit report of the Municipal Stormwater and Urban Runoff Discharges Program in relation to the City of Pomona. See our responses below:

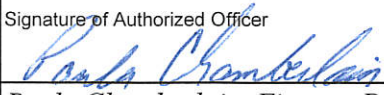
Finding 1 – The City acknowledges that the one-time cost claims were outside of the eligibility period per the parameters and guidelines of the program. The claims were prepared in house at the time by staff that are no longer with the City. The City has since contracted a third party to prepare the SB90 State Mandate Claims reimbursements to maximize collectability in all aspects of the claims.

Finding 2 – The City disagrees with the premise of the Finding. The City used Prop A funding at the time the program was mandated in 2002 due to the eligibility and purpose of the Prop A funds. There was no guidance from the state at the time in regards to appropriate source of funding that was required in order to be eligible for reimbursement. It wasn't until March 2011 when the programs parameters and guidelines became published and reimbursement claims were eligible to be submitted, approximately 9 years after the mandate. These parameters and guidelines stated that any non-General Fund monies used are not eligible for reimbursement. If this was known by the City at the time the program was mandated, General Fund monies would have been used and Prop A funds would have been used on much needed transit related activities. The City feels the State is overreaching on its power of mandated programs and that the parameters and guidelines should be written for a program at the time it is mandated by the State. A program mandated by the State and implemented by the City, should be reimbursed for their costs regardless of the funding source used. Ultimately these funds could have been used for much need programming. Going forward, the City has contracted a third party to prepare the SB90 State Mandate Claims reimbursements to maximize collectability in all aspects of the claims.

Sincerely,


Onyx Jones, Finance Director
City of Pomona

City Hall, 505 S. Garey Ave., Box 660, Pomona, CA 91769
Pomona • Vibrant • Safe • Beautiful

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed AUG 01 2011 (21) LRS Input		314
(01) Claimant Identification Number	9819696	Reimbursement Claim Data		
(02) Claimant Name	City of Pomona	(22) FORM-1, (04) A.1.(g)		
County of Location	Los Angeles	(22) FORM-1, (04) A.2.(g)		1,148
Street Address of P.O. Box	505 S. Garey Ave Suite	(22) FORM-1, (04) A.3.(g)		
City	Pomona State CA Zip Code 91766	(22) FORM-1, (04) A.4.(g)		6,713
		(22) FORM-1, (04) A.5.(g)		
	(03) (09) Reimbursement <input checked="" type="checkbox"/>	(22) FORM-1, (06)		208
	(04) (10) Combined <input type="checkbox"/>	(22) FORM-1, (07)		1,402
	(05) (11) Amended <input type="checkbox"/>	(22) FORM-1, (08)		10%
Fiscal Year of Cost	(06) (12) 2002-2003	(22) FORM-1, (11)		
Total Claimed Amount	(07) (13) 9,361	(22) FORM-1, (12)		
Less: 10% Late Penalty	(14) -	(32)		
Less: Prior Claim Payment Received	(15) -	(33)		
Net Claimed Amount	(16) 9,361	(34)		
Due from State	(08) (17) 9,361	(35)		
Due to State	(18) -	(36)		
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer		Date Signed	July 28, 2011	
Paula Chamberlain, Finance Director		Telephone Number	(909) 620-2353	
Type or Print Name and Title of Authorized Signatory		E-Mail Address	paula_chamberlain@ci.pomona.ca.us	
(38) Name of Agency Contact Person for Claim	Nancy Garcia	Telephone Number	(909) 620-2499	
Name of Consulting Firm / Claim Preparer		E-Mail Address	nancyx_garcia@ci.pomona.ca.us	
		Telephone Number		
		E-Mail Address		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1	
(01) Claimant <i>City of Pomona</i>				(02) Fiscal Year <i>2002-2003</i>				
(03) Department <i>Public Works</i>								
(04) Reimbursable Activities								
Direct Costs		Object Accounts						
(04) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)	(f)	(g)
A. One-Time Activities		Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
1. Identification of locations that are required to have a trash receptacle		-	-	-	-	-	-	-
2. Selection/evaluation/and preparation of specifications and drawings		982	166	-	-	-	-	1,148
3. Preparation of contracts/specification review process/advertise/review and award bids		-	-	-	-	-	-	-
4. Purchase or construction and installation of receptacles and pads		-	-	6,713	-	-	-	6,713
5. Moving/restoration at old location/and installation at new location		-	-	-	-	-	-	-
(05) Total One-time Costs		982	166	6,713	-	-	-	7,861
Reasonable Reimbursement Methodology (RRM).								
B. Ongoing Activity: Maintain Trash Receptacles and Pads								
(06) Annual number of trash collections (refer to claiming instructions)							208	
(07) Total Ongoing Costs						Line (06) x RRM rate	1,402	
Indirect Costs								
(08) Indirect Cost Rate for A. One-time Activities					[From ICRP or 10%]		10.0%	
(09) Total Indirect Costs for A. One-time Activities				Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]			98	
(10) Total Direct and Indirect Costs					Line (05)(g) + line (07) + line (09)		9,361	
(11) Less: Offsetting Savings							-	
(12) Less: Other Reimbursements							-	
(13) Total Claimed Amount					[Line (10) - {line (11) + line (12)}]		9,361	

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;"><i>City of Pomona</i></p>	(02) Fiscal Year <p style="text-align: center;"><i>2002-2003</i></p>
---	---

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses				Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	
<i>Richard Dimalanta</i>			982	166	-	-	-	-	
(05) Total <input type="checkbox"/>	Subtotal <input checked="" type="checkbox"/>	<u>1</u> of <u>2</u>	982	166	-	-	-	-	

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
-----------------------	--	-------------------


(01) Claimant <p style="text-align: center;"><i>City of Pomona</i></p>	(02) Fiscal Year <p style="text-align: center;"><i>2002-2003</i></p>
---	---

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activities

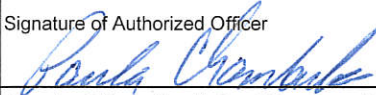
<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	---

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<i>Receptacles</i>	-	-	-	-	6,713	-	-	-
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/> <u>2</u> of <u>2</u>			982	166	6,713	-	-	-

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed AUG 01 2011 (21) LRS Input		314
(01) Claimant Identification Number <i>9819696</i>		Reimbursement Claim Data		
(02) Claimant Name <i>City of Pomona</i>		(22) FORM-1, (04) A.1.(g)		
County of Location <i>Los Angeles</i>		(22) FORM-1, (04) A.2.(g)		
Street Address of P.O. Box <i>505 S. Garey Ave</i> Suite		(22) FORM-1, (04) A.3.(g)		
City <i>Pomona</i> State <i>CA</i> Zip Code <i>91766</i>		(22) FORM-1, (04) A.4.(g)		
		Type of Claim		
(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(22) FORM-1, (06)		208
(04)	(10) Combined <input type="checkbox"/>	(22) FORM-1, (07)		1,402
(05)	(11) Amended <input type="checkbox"/>	(22) FORM-1, (08)		10%
Fiscal Year of Cost	(06)	(12) <i>2003-2004</i>	(22) FORM-1, (11)	
Total Claimed Amount	(07)	(13) <i>1,402</i>	(22) FORM-1, (12)	
Less: 10% Late Penalty	(14)	-	(32)	
Less: Prior Claim Payment Received	(15)	-	(33)	
Net Claimed Amount	(16)	<i>1,402</i>	(34)	
Due from State	(08)	<i>1,402</i>	(35)	
Due to State	(18)	-	(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.				
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed	<i>July 28, 2011</i>	
		Telephone Number	<i>(909) 620-2353</i>	
<i>Paula Chamberlain, Finance Director</i>		E-Mail Address	<i>paula_chamberlain@ci.pomona.ca.us</i>	
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number	<i>(909) 620-2499</i>	
<i>Nancy Garcia</i>		E-Mail Address	<i>nancyx_garcia@ci.pomona.ca.us</i>	
Name of Consulting Firm / Claim Preparer		Telephone Number		
		E-Mail Address		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1	
(01) Claimant <i>City of Pomona</i>				(02) Fiscal Year <i>2003-2004</i>				
(03) Department				<i>Public Works</i>				
(04) Reimbursable Activities								
Direct Costs		Object Accounts						
(04) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)	(f)	(g)
A. One-Time Activities		Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
1.	Identification of locations that are required to have a trash receptacle	-	-	-	-	-	-	-
2.	Selection/evaluation/and preparation of specifications and drawings	-	-	-	-	-	-	-
3.	Preparation of contracts/specification review process/advertise/review and award bids	-	-	-	-	-	-	-
4.	Purchase or construction and installation of receptacles and pads	-	-	-	-	-	-	-
5.	Moving/restoration at old location/and installation at new location	-	-	-	-	-	-	-
(05) Total One-time Costs		-	-	-	-	-	-	-
Reasonable Reimbursement Methodology (RRM).								
B. Ongoing Activity: Maintain Trash Receptacles and Pads								
(06) Annual number of trash collections (refer to claiming instructions)							208	
(07) Total Ongoing Costs					Line (06) x RRM rate		1,402	
Indirect Costs								
(08) Indirect Cost Rate for A. One-time Activities					[From ICRP or 10%]		10.0%	
(09) Total Indirect Costs for A. One-time Activities			Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]				-	
(10) Total Direct and Indirect Costs					Line (05)(g) + line (07) + line (09)		1,402	
(11) Less: Offsetting Savings							-	
(12) Less: Other Reimbursements							-	
(13) Total Claimed Amount					[Line (10) - {line (11) + line (12)}]		1,402	

New 05/11

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed AUG 01 2011 (21) LRS Input		314
(01) Claimant Identification Number <i>9819696</i>		Reimbursement Claim Data		
(02) Claimant Name <i>City of Pomona</i>		(22) FORM-1, (04) A.1.(g)		
County of Location <i>Los Angeles</i>		(22) FORM-1, (04) A.2.(g)		
Street Address of P.O. Box <i>505 S. Garey Ave Suite</i>		(22) FORM-1, (04) A.3.(g)		
City <i>Pomona</i> State <i>CA</i> Zip Code <i>91766</i>		(22) FORM-1, (04) A.4.(g)		
	Type of Claim		(22) FORM-1, (04) A.5.(g)	
(03)	(09) Reimbursement	<input checked="" type="checkbox"/>	(22) FORM-1, (06)	208
(04)	(10) Combined	<input type="checkbox"/>	(22) FORM-1, (07)	1,402
(05)	(11) Amended	<input type="checkbox"/>	(22) FORM-1, (08)	10%
Fiscal Year of Cost	(06)	(12) <i>2004-2005</i>	(22) FORM-1, (11)	
Total Claimed Amount	(07)	(13) <i>1,402</i>	(22) FORM-1, (12)	
Less: 10% Late Penalty		(14) <i>-</i>	(32)	
Less: Prior Claim Payment Received		(15) <i>-</i>	(33)	
Net Claimed Amount		(16) <i>1,402</i>	(34)	
Due from State	(08)	(17) <i>1,402</i>	(35)	
Due to State		(18) <i>-</i>	(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.				
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed	<i>July 28, 2011</i>	
		Telephone Number	<i>(909) 620-2353</i>	
<i>Paula Chamberlain, Finance Director</i>		E-Mail Address	<i>paula_chamberlain@ci.pomona.ca.us</i>	
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number	<i>(909) 620-2499</i>	
<i>Nancy Garcia</i>		E-Mail Address	<i>nancyx_garcia@ci.pomona.ca.us</i>	
Name of Consulting Firm / Claim Preparer		Telephone Number		
		E-Mail Address		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1	
(01) Claimant <i>City of Pomona</i>				(02) Fiscal Year <i>2004-2005</i>				
(03) Department				<i>Public Works</i>				
(04) Reimbursable Activities								
Direct Costs		Object Accounts						
(04) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)	(f)	(g)
A. One-Time Activities		Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
1. Identification of locations that are required to have a trash receptacle		-	-	-	-	-	-	-
2. Selection/evaluation/and preparation of specifications and drawings		-	-	-	-	-	-	-
3. Preparation of contracts/specification review process/advertise/review and award bids		-	-	-	-	-	-	-
4. Purchase or construction and installation of receptacles and pads		-	-	-	-	-	-	-
5. Moving/restoration at old location/and installation at new location		-	-	-	-	-	-	-
(05) Total One-time Costs		-	-	-	-	-	-	-
Reasonable Reimbursement Methodology (RRM).								
B. Ongoing Activity: Maintain Trash Receptacles and Pads								
(06) Annual number of trash collections (refer to claiming instructions)							<i>208</i>	
(07) Total Ongoing Costs					Line (06) x RRM rate		<i>1,402</i>	
Indirect Costs								
(08) Indirect Cost Rate for A. One-time Activities					[From ICRP or 10%]		<i>10.0%</i>	
(09) Total Indirect Costs for A. One-time Activities			Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]				-	
(10) Total Direct and Indirect Costs					Line (05)(g) + line (07) + line (09)		<i>1,402</i>	
(11) Less: Offsetting Savings							-	
(12) Less: Other Reimbursements							-	
(13) Total Claimed Amount					[Line (10) - {line (11) + line (12)}]		<i>1,402</i>	

New 05/11

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed AUG 01 2011 (21) LRS Input		314
(01) Claimant Identification Number <i>9819696</i>		Reimbursement Claim Data		
(02) Claimant Name <i>City of Pomona</i>		(22) FORM-1, (04) A.1.(g)		
County of Location <i>Los Angeles</i>		(22) FORM-1, (04) A.2.(g)		
Street Address of P.O. Box <i>505 S. Garey Ave</i> Suite		(22) FORM-1, (04) A.3.(g)		
City <i>Pomona</i> State <i>CA</i> Zip Code <i>91766</i>		(22) FORM-1, (04) A.4.(g)		
		(22) FORM-1, (04) A.5.(g)		
		(03) (09) Reimbursement <input checked="" type="checkbox"/>	(22) FORM-1, (06)	<i>208</i>
		(04) (10) Combined <input type="checkbox"/>	(22) FORM-1, (07)	<i>1,402</i>
		(05) (11) Amended <input type="checkbox"/>	(22) FORM-1, (08)	<i>10%</i>
Fiscal Year of Cost		(06) (12) <i>2005-2006</i>	(22) FORM-1, (11)	
Total Claimed Amount		(07) (13) <i>1,402</i> <i>MM</i>	(22) FORM-1, (12)	
Less: 10% Late Penalty		(14) -	(32)	
Less: Prior Claim Payment Received		(15) -	(33)	
Net Claimed Amount		(16) <i>1,402</i>	(34)	
Due from State		(08) (17) <i>1,402</i>	(35)	
Due to State		(18) -	(36)	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer		Date Signed	<i>July 28, 2011</i>	
<i>Paula Chamberlain</i>		Telephone Number	<i>(909) 620-2353</i>	
<i>Paula Chamberlain, Finance Director</i>		E-Mail Address	<i>paula_chamberlain@ci.pomona.ca.us</i>	
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number	<i>(909) 620-2499</i>	
<i>Nancy Garcia</i>		E-Mail Address	<i>nancyx_garcia@ci.pomona.ca.us</i>	
Name of Consulting Firm / Claim Preparer		Telephone Number		
		E-Mail Address		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1					
(01) Claimant <i>City of Pomona</i>		(02) Fiscal Year 2005-2006					
(03) Department Public Works							
(04) Reimbursable Activities							
Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A. One-Time Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
1. Identification of locations that are required to have a trash receptacle	-	-	-	-	-	-	-
2. Selection/evaluation/and preparation of specifications and drawings	-	-	-	-	-	-	-
3. Preparation of contracts/specification review process/advertise/review and award bids	-	-	-	-	-	-	-
4. Purchase or construction and installation of receptacles and pads	-	-	-	-	-	-	-
5. Moving/restoration at old location/and installation at new location	-	-	-	-	-	-	-
(05) Total One-time Costs	-	-	-	-	-	-	-
Reasonable Reimbursement Methodology (RRM).							
B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (refer to claiming instructions)							208
(07) Total Ongoing Costs						Line (06) x RRM rate	1,402 ✓
Indirect Costs							
(08) Indirect Cost Rate for A. One-time Activities					[From ICRP or 10%]		10.0%
(09) Total Indirect Costs for A. One-time Activities			Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]				-
(10) Total Direct and Indirect Costs						Line (05)(g) + line (07) + line (09)	1,402 ✓
(11) Less: Offsetting Savings							-
(12) Less: Other Reimbursements							-
(13) Total Claimed Amount						[Line (10) - {line (11) + line (12)}]	1,402 ✓

New 05/11

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed AUG 01 2011 (21) LRS Input	314	
(01) Claimant Identification Number	9819696	Reimbursement Claim Data		
(02) Claimant Name	City of Pomona	(22) FORM-1, (04) A.1.(g)		
County of Location	Los Angeles	(22) FORM-1, (04) A.2.(g)		
Street Address of P.O. Box	505 S. Garey Ave Suite	(22) FORM-1, (04) A.3.(g)		
City	Pomona State CA Zip Code 91766	(22) FORM-1, (04) A.4.(g)		
	Type of Claim	(22) FORM-1, (04) A.5.(g)		
	(03) (09) Reimbursement <input checked="" type="checkbox"/>	(22) FORM-1, (06)	208	
	(04) (10) Combined <input type="checkbox"/>	(22) FORM-1, (07)	1,402	
	(05) (11) Amended <input type="checkbox"/>	(22) FORM-1, (08)	10%	
Fiscal Year of Cost	(06) (12) 2006-2007	(22) FORM-1, (11)		
Total Claimed Amount	(07) (13) 1,402 <i>MM</i>	(22) FORM-1, (12)		
Less: 10% Late Penalty	(14) -	(32)		
Less: Prior Claim Payment Received	(15) -	(33)		
Net Claimed Amount	(16) 1,402	(34)		
Due from State	(08) (17) 1,402	(35)		
Due to State	(18) -	(36)		
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer	<i>Paula Chamberlain</i>	Date Signed	July 28, 2011	
	<u>Paula Chamberlain, Finance Director</u>	Telephone Number	(909) 620-2353	
Type or Print Name and Title of Authorized Signatory		E-Mail Address	paula_chamberlain@ci.pomona.ca.us	
(38) Name of Agency Contact Person for Claim	Nancy Garcia	Telephone Number	(909) 620-2499	
		E-Mail Address	nancyx_garcia@ci.pomona.ca.us	
Name of Consulting Firm / Claim Preparer		Telephone Number		
		E-Mail Address		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1	
(01) Claimant <i>City of Pomona</i>				(02) Fiscal Year <i>2006-2007</i>				
(03) Department				<i>Public Works</i>				
(04) Reimbursable Activities								
Direct Costs		Object Accounts						
(04) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)	(f)	(g)
A. One-Time Activities		Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
1. Identification of locations that are required to have a trash receptacle		-	-	-	-	-	-	-
2. Selection/evaluation/and preparation of specifications and drawings		-	-	-	-	-	-	-
3. Preparation of contracts/specification review process/advertise/review and award bids		-	-	-	-	-	-	-
4. Purchase or construction and installation of receptacles and pads		-	-	-	-	-	-	-
5. Moving/restoration at old location/and installation at new location		-	-	-	-	-	-	-
(05) Total One-time Costs		-	-	-	-	-	-	-
Reasonable Reimbursement Methodology (RRM).								
B. Ongoing Activity: Maintain Trash Receptacles and Pads								
(06) Annual number of trash collections (refer to claiming instructions)							208	
(07) Total Ongoing Costs					Line (06) x RRM rate		1,402	
Indirect Costs								
(08) Indirect Cost Rate for A. One-time Activities					[From ICRP or 10%]		10.0%	
(09) Total Indirect Costs for A. One-time Activities			Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]				-	
(10) Total Direct and Indirect Costs					Line (05)(g) + line (07) + line (09)		1,402	
(11) Less: Offsetting Savings							-	
(12) Less: Other Reimbursements							-	
(13) Total Claimed Amount					[Line (10) - {line (11) + line (12)}]		1,402 ✓	

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed AUG 01 2011 (21) LRS Input		314
(01) Claimant Identification Number <i>9819696</i>		Reimbursement Claim Data		
(02) Claimant Name <i>City of Pomona</i>		(22) FORM-1, (04) A.1.(g)		
County of Location <i>Los Angeles</i>		(22) FORM-1, (04) A.2.(g)		
Street Address of P.O. Box <i>505 S. Garey Ave</i> Suite		(22) FORM-1, (04) A.3.(g)		
City <i>Pomona</i> State <i>CA</i> Zip Code <i>91766</i>		(22) FORM-1, (04) A.4.(g)		81,392
	Type of Claim		(22) FORM-1, (04) A.5.(g)	
	(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(22) FORM-1, (06)	5,148
	(04)	(10) Combined <input type="checkbox"/>	(22) FORM-1, (07)	34,698
	(05)	(11) Amended <input type="checkbox"/>	(22) FORM-1, (08)	10%
Fiscal Year of Cost	(06)	(12) <i>2007-2008</i>	(22) FORM-1, (11)	
Total Claimed Amount	(07)	(13) <i>116,090</i> MM	(22) FORM-1, (12)	
Less: 10% Late Penalty		(14) -	(32)	
Less: Prior Claim Payment Received		(15) -	(33)	
Net Claimed Amount		(16) <i>116,090</i>	(34)	
Due from State	(08)	(17) <i>116,090</i>	(35)	
Due to State		(18) -	(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.				
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed	<i>July 28, 2011</i>	
<i>Paula Chamberlain</i> <i>Paula Chamberlain, Finance Director</i>		Telephone Number	<i>(909) 620-2353</i>	
		E-Mail Address	<i>paula_chamberlain@ci.pomona.ca.us</i>	
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number	<i>(909) 620-2499</i>	
<i>Nancy Garcia</i>		E-Mail Address	<i>nancyx_garcia@ci.pomona.ca.us</i>	
Name of Consulting Firm / Claim Preparer		Telephone Number		
		E-Mail Address		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1
(01) Claimant <i>City of Pomona</i>	(02)					Fiscal Year <i>2007-2008</i>	
(03) Department	<i>Public Works</i>						
(04) Reimbursable Activities							
Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A. One-Time Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
1. Identification of locations that are required to have a trash receptacle	-	-	-	-	-	-	-
2. Selection/evaluation/and preparation of specifications and drawings	-	-	-	-	-	-	-
3. Preparation of contracts/specification review process/advertise/review and award bids	-	-	-	-	-	-	-
4. Purchase or construction and installation of receptacles and pads	-	-	81,392	-	-	-	81,392
5. Moving/restoration at old location/and installation at new location	-	-	-	-	-	-	-
(05) Total One-time Costs	-	-	81,392	-	-	-	81,392
Reasonable Reimbursement Methodology (RRM).							
B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (refer to claiming instructions)						5,148	
(07) Total Ongoing Costs	Line (06) x RRM rate					34,698	
Indirect Costs							
(08) Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]					10.0%	
(09) Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]					-	
(10) Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)					116,090	
(11) Less: Offsetting Savings						-	
(12) Less: Other Reimbursements						-	
(13) Total Claimed Amount	[Line (10) - {line (11) + line (12)}]					116,090	

Program <b style="font-size: 1.5em;">314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	<b style="font-size: 1.5em;">For m 2
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(01) Claimant <p style="text-align: center;"><i>City of Pomona</i></p>	(02) Fiscal Year <p style="text-align: right;">2007-2008</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-Time Activities

- | | |
|---|---|
| <input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle

<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings

<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids | <input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads

<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location |
|---|---|

(04) Description of Expenses				Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	
<i>Receptacles</i>	-	-	-	-	81,392	-	-	-	
(05) Total <input checked="" type="checkbox"/> Subtotal <input type="checkbox"/>	<u>1</u> of <u>1</u>		-	-	81,392	-	-	-	

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed AUG 01 2011 (21) LRS Input		314
(01) Claimant Identification Number <i>9819696</i>		Reimbursement Claim Data		
(02) Claimant Name <i>City of Pomona</i>		(22) FORM-1, (04) A.1.(g)		
County of Location <i>Los Angeles</i>		(22) FORM-1, (04) A.2.(g)		
Street Address of P.O. Box <i>505 S. Garey Ave Suite</i>		(22) FORM-1, (04) A.3.(g)		
City <i>Pomona</i> State <i>CA</i> Zip Code <i>91766</i>		(22) FORM-1, (04) A.4.(g)		
		(22) FORM-1, (04) A.5.(g)		
		(22) FORM-1, (06)		<i>5,148</i>
		(22) FORM-1, (07)		<i>34,698</i>
		(22) FORM-1, (08)		<i>10%</i>
Fiscal Year of Cost (06)		(12) <i>2008-2009</i>	(22) FORM-1, (11)	
Total Claimed Amount (07)		(13) <i>34,698</i>	(22) FORM-1, (12)	
Less: 10% Late Penalty		(14) <i>-</i>	(32)	
Less: Prior Claim Payment Received		(15) <i>-</i>	(33)	
Net Claimed Amount		(16) <i>34,698</i>	(34)	
Due from State (08)		(17) <i>34,698</i>	(35)	
Due to State		(18) <i>-</i>	(36)	

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.

I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.


I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer	Date Signed	<i>July 28, 2011</i>
	Telephone Number	<i>(909) 620-2353</i>
<i>Paula Chamberlain, Finance Director</i>	E-Mail Address	<i>paula_chamberlain@ci.pomona.ca.us</i>
Type or Print Name and Title of Authorized Signatory		


(38) Name of Agency Contact Person for Claim	Telephone Number	<i>(909) 620-2499</i>
<i>Nancy Garcia</i>	E-Mail Address	<i>nancyx_garcia@ci.pomona.ca.us</i>
Name of Consulting Firm / Claim Preparer	Telephone Number	
	E-Mail Address	

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1
(01) Claimant <i>City of Pomona</i>	(02) Fiscal Year <i>2008-2009</i>						
(03) Department	<i>Public Works</i>						
(04) Reimbursable Activities							
Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A. One-Time Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
1. Identification of locations that are required to have a trash receptacle	-	-	-	-	-	-	-
2. Selection/evaluation/and preparation of specifications and drawings	-	-	-	-	-	-	-
3. Preparation of contracts/specification review process/advertise/review and award bids	-	-	-	-	-	-	-
4. Purchase or construction and installation of receptacles and pads	-	-	-	-	-	-	-
5. Moving/restoration at old location/and installation at new location	-	-	-	-	-	-	-
(05) Total One-time Costs	-	-	-	-	-	-	-
Reasonable Reimbursement Methodology (RRM).							
B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (refer to claiming instructions)							<i>5,148</i>
(07) Total Ongoing Costs	Line (06) x RRM rate						<i>34,698</i>
Indirect Costs							
(08) Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]						<i>10.0%</i>
(09) Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]						-
(10) Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)						<i>34,698</i>
(11) Less: Offsetting Savings							-
(12) Less: Other Reimbursements							-
(13) Total Claimed Amount	[Line (10) - {line (11) + line (12)}]						<i>34,698</i>

New 05/11

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed AUG 01 2011 (21) LRS Input		314
(01) Claimant Identification Number <i>9819696</i>		Reimbursement Claim Data		
(02) Claimant Name <i>City of Pomona</i>		(22) FORM-1, (04) A.1.(g)		
County of Location <i>Los Angeles</i>		(22) FORM-1, (04) A.2.(g)		
Street Address of P.O. Box <i>505 S. Garey Ave Suite</i>		(22) FORM-1, (04) A.3.(g)		
City <i>Pomona</i> State <i>CA</i> Zip Code <i>91766</i>		(22) FORM-1, (04) A.4.(g)		
	Type of Claim	(22) FORM-1, (04) A.5.(g)		
(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(22) FORM-1, (06)	<i>5,148</i>	
(04)	(10) Combined <input type="checkbox"/>	(22) FORM-1, (07)	<i>34,903</i>	
(05)	(11) Amended <input type="checkbox"/>	(22) FORM-1, (08)	<i>10%</i>	
Fiscal Year of Cost	(06)	(12) <i>2009-2010</i>	(22) FORM-1, (11)	
Total Claimed Amount	(07)	(13) <i>34,903</i> MM	(22) FORM-1, (12)	
Less: 10% Late Penalty	(14)	-	(32)	
Less: Prior Claim Payment Received	(15)	-	(33)	
Net Claimed Amount	(16)	<i>34,903</i>	(34)	
Due from State	(08)	(17) <i>34,903</i>	(35)	
Due to State	(18)	-	(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.				
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed	<i>July 28, 2011</i>	
		Telephone Number	<i>(909) 620-2353</i>	
<i>Paula Chamberlain, Finance Director</i>		E-Mail Address	<i>paula_chamberlain@ci.pomona.ca.us</i>	
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number	<i>(909) 620-2499</i>	
<i>Nancy Garcia</i>		E-Mail Address	<i>nancyx_garcia@ci.pomona.ca.us</i>	
Name of Consulting Firm / Claim Preparer		Telephone Number		
		E-Mail Address		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1
(01) Claimant <i>City of Pomona</i>	(02) Fiscal Year <i>2009-2010</i>						
(03) Department	<i>Public Works</i>						
(04) Reimbursable Activities							
Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A. One-Time Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
1. Identification of locations that are required to have a trash receptacle	-	-	-	-	-	-	-
2. Selection/evaluation/and preparation of specifications and drawings	-	-	-	-	-	-	-
3. Preparation of contracts/specification review process/advertise/review and award bids	-	-	-	-	-	-	-
4. Purchase or construction and installation of receptacles and pads	-	-	-	-	-	-	-
5. Moving/restoration at old location/and installation at new location	-	-	-	-	-	-	-
(05) Total One-time Costs	-	-	-	-	-	-	-
Reasonable Reimbursement Methodology (RRM).							
B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (refer to claiming instructions)						<i>5,148</i>	
(07) Total Ongoing Costs	Line (06) x RRM rate					<i>34,903</i>	
Indirect Costs							
(08) Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]					<i>10.0%</i>	
(09) Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]					-	
(10) Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)					<i>34,903</i>	
(11) Less: Offsetting Savings						-	
(12) Less: Other Reimbursements						-	
(13) Total Claimed Amount	[Line (10) - {line (11) + line (12)}]					<i>34,903</i>	

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM								
		(19) Program Number 00314 (20) Date Filed AUG 01 2011 (21) LRS Input 12-20-11		314								
(01) Claimant Identification Number <i>9819696</i>		Reimbursement Claim Data										
(02) Claimant Name <i>City of Pomona</i>		(22) FORM-1, (04) A.1.(g)										
County of Location <i>Los Angeles</i>		(22) FORM-1, (04) A.2.(g)										
Street Address of P.O. Box <i>505 S. Garey Ave Suite</i>		(22) FORM-1, (04) A.3.(g)										
City <i>Pomona</i> State <i>CA</i> Zip Code <i>91766</i>		(22) FORM-1, (04) A.4.(g)										
<table border="1" style="width: 100%;"> <tr> <th colspan="2" style="text-align: center;">Type of Claim</th> </tr> <tr> <td style="text-align: center;">(03)</td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">(04)</td> <td>(10) Combined <input type="checkbox"/></td> </tr> <tr> <td style="text-align: center;">(05)</td> <td>(11) Amended <input type="checkbox"/></td> </tr> </table>		Type of Claim		(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(04)	(10) Combined <input type="checkbox"/>	(05)	(11) Amended <input type="checkbox"/>	(22) FORM-1, (04) A.5.(g)		
		Type of Claim										
		(03)	(09) Reimbursement <input checked="" type="checkbox"/>									
		(04)	(10) Combined <input type="checkbox"/>									
(05)	(11) Amended <input type="checkbox"/>											
		(22) FORM-1, (06)	5,148									
		(22) FORM-1, (07)	35,006									
		(22) FORM-1, (08)	10%									
Fiscal Year of Cost (06)		(12) <i>2010-2011</i>	(22) FORM-1, (11)									
Total Claimed Amount (07)		(13) <i>35,006</i>	(22) FORM-1, (12)									
Less: 10% Late Penalty		(14) -	(32)									
Less: Prior Claim Payment Received		(15) -	(33)									
Net Claimed Amount		(16) <i>35,006</i>	(34)									
Due from State (08)		(17) <i>35,006</i>	(35)									
Due to State		(18)	(36)									
<p>(37) CERTIFICATION OF CLAIM</p> <p>In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>												
Signature of Authorized Officer		Date Signed	<i>July 28, 2011</i>									
		Telephone Number	<i>(909) 620-2353</i>									
<i>Paula Chamberlain, Finance Director</i>		E-Mail Address	<i>paula_chamberlain@ci.pomona.ca.us</i>									
Type or Print Name and Title of Authorized Signatory												
(38) Name of Agency Contact Person for Claim		Telephone Number	<i>(909) 620-2499</i>									
<i>Nancy Garcia</i>		E-Mail Address	<i>nancyx_garcia@ci.pomona.ca.us</i>									
Name of Consulting Firm / Claim Preparer		Telephone Number										
		E-Mail Address										



Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1
(01) Claimant <i>City of Pomona</i>	(02) Fiscal Year <i>2010-2011</i>						
(03) Department	<i>Public Works</i>						
(04) Reimbursable Activities							
Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A. One-Time Activities	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
1. Identification of locations that are required to have a trash receptacle	-	-	-	-	-	-	-
2. Selection/evaluation/and preparation of specifications and drawings	-	-	-	-	-	-	-
3. Preparation of contracts/specification review process/advertise/review and award bids	-	-	-	-	-	-	-
4. Purchase or construction and installation of receptacles and pads	-	-	-	-	-	-	-
5. Moving/restoration at old location/and installation at new location	-	-	-	-	-	-	-
(05) Total One-time Costs	-	-	-	-	-	-	-
Reasonable Reimbursement Methodology (RRM).							
B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (refer to claiming instructions)							<i>5,148</i>
(07) Total Ongoing Costs	Line (06) x RRM rate						<i>35,006</i>
Indirect Costs							
(08) Indirect Cost Rate for A. One-time Activities	[From ICRP or 10%]						<i>10.0%</i>
(09) Total Indirect Costs for A. One-time Activities	Line (05)(a) x 10% or [Refer to Claiming Instructions for ICRP over 10%]						-
(10) Total Direct and Indirect Costs	Line (05)(g) + line (07) + line (09)						<i>35,006</i>
(11) Less: Offsetting Savings							-
(12) Less: Other Reimbursements							-
(13) Total Claimed Amount	[Line (10) - {line (11) + line (12)}]						<i>35,006</i>

New 05/11

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		PROGRAM
		(19) Program Number 00314 (20) Date Filed FEB 15 2013 (21) LRS Input		314
(01) Claimant Identification Number <i>9819696</i>		Reimbursement Claim Data		
(02) Claimant Name <i>City of Pomona</i>		(22) FORM-1, (04) A.1.(g)		
County of Location <i>Los Angeles</i>		(23) FORM-1, (04) A.2.(g)		
Street Address of P.O. Box <i>505 S. Garey Ave</i> Suite		(24) FORM-1, (04) A.3.(g)		
City <i>Pomona</i> State <i>CA</i> Zip Code <i>91766</i>		(25) FORM-1, (04) A.4.(g)		
Type of Claim (03) (09) Reimbursement <input checked="" type="checkbox"/> (04) (10) Combined <input type="checkbox"/> (05) (11) Amended <input type="checkbox"/>		(26) FORM-1, (04) A.5.(g)		
		(27) FORM-1, (06)		5,148
		(28) FORM-1, (07)		36,808
		(29) FORM-1, (08)		10%
Fiscal Year of Cost (06) <i>2011-2012</i>		(30) FORM-1, (11)		
Total Claimed Amount (07) <i>36,808</i>		(31) FORM-1, (12)		
Less: 10% Late Penalty (14) <i>-</i>		(32)		
Less: Prior Claim Payment Received (15) <i>-</i>		(33)		
Net Claimed Amount (16) <i>36,808</i>		(34)		
Due from State (08) (17) <i>36,808</i>		(35)		
Due to State (18) <i>00-</i>		(36)		
(37) CERTIFICATION OF CLAIM In accordance with the provisions of Government Code Section 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code. I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant. The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer <i>Paula Chamberlain</i>		Date Signed <i>January 31, 2013</i>		
<i>Paula Chamberlain, Finance Director</i>		Telephone Number <i>(909) 620-2353</i>		
Type or Print Name and Title of Authorized Signatory		E-Mail Address <i>paula_chamberlain@ci.pomona.ca.us</i>		
(38) Name of Agency Contact Person for Claim <i>Nancy Garcia</i>		Telephone Number <i>(909) 620-2499</i>		
		E-Mail Address <i>nancyx_garcia@ci.pomona.ca.us</i>		
Name of Consulting Firm / Claim Preparer		Telephone Number		
		E-Mail Address		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1
(01) Claimant <i>City of Pomona</i>				(02) Fiscal Year <i>2011-2012</i>			
(03) Department <i>Public Works</i>							
Direct Costs		Object Accounts					
(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
A. One-Time Activities							
1. Identification of locations that are required to have a trash receptacle	-	-	-	-	-	-	-
2. Selection/evaluation/and preparation of specifications and drawings	-	-	-	-	-	-	-
3. Preparation of contracts/specification review process/advertise/review and award bids	-	-	-	-	-	-	-
4. Purchase or construction and installation of receptacles and pads	-	-	-	-	-	-	-
5. Moving/restoration at old location/and installation at new location	-	-	-	-	-	-	-
(05) Total One-time Costs	-	-	-	-	-	-	-
Reasonable Reimbursement Methodology (RRM)							
B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (Refer to claiming instructions)						<i>5,148</i>	
(07) Total Ongoing Costs						[Line (06) x RRM rate] <i>36,808</i>	
Indirect Costs							
(08) Indirect Cost Rate for A. One-time Activities				[From ICRP or 10%]		<i>10.0%</i>	
(09) Total Indirect Costs for A. One-time Activities				[Line (05)(a) x 10%] or [Refer to Claim Summary Instructions]		-	
(10) Total Direct and Indirect Costs				[Line (05)(g) + line (07) + line (09)]		<i>36,808</i>	
(11) Less: Offsetting Revenues						-	
(12) Less: Other Reimbursements						-	
(13) Total Claimed Amount						[Line (10) - {line (11) + line (12)}] <i>36,808</i>	

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On March 15, 2021, I served the:

- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Pomona) issued March 15, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Pomona on February 10, 2021**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, and 20-0304-I-13

Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006

City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Pomona, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009

City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

City of Signal Hill, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on March 15, 2021 at Sacramento, California.



Jill L. Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 3/12/21

Claim Number: 20-0304-I-08 Con. 19-0304-I-04, 20-0304-I-06, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, 20-0304-I-13

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Claremont
 City of Downey
 City of Glendora
 City of Pomona
 City of Santa Clarita
 City of Signal Hill
 County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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 Phone: (626) 574-5425
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Mary Ann Ruprecht, Finance Administrator, *City of Santa Clarita*

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Carla Shelton, *Commission on State Mandates*

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hmerenda@santa-clarita.com

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rtam@baldwinpark.com

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FinanceDepartment@southpasadenaca.gov

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Finance Department, 3031 Torrance Blvd., Torrance, CA 90503
Phone: (310) 618-5850
etsao@TorranceCA.gov

Ana Mae Yutan, Analyst, Finance Specialist, *City of Los Angeles*
150 N. Los Angeles Street, Los Angeles, CA 90012
Phone: (213) 978-7682
AnaMae.Yutan@lacity.org

**NOTICE OF INTENT TO JOIN A CONSOLIDATED
INCORRECT REDUCTION CLAIM**

<i>For CSM Use Only</i>	
Filing Date:	<p>RECEIVED February 9, 2021 <i>Commission on State Mandates</i></p>
20-0304-I-11 (20-0304-I-08)	
Consolidated IRC #:	

**1. TITLE OF CONSOLIDATED INCORRECT
REDUCTION CLAIM**

Municipal Storm Water and Urban Runoff Discharges, 20-0304-I-08

2. JOINT-CLAIMANT INFORMATION

City of Santa Clarita
 Name of Local Agency or School District
 Carmen Magaña
 Joint-Claimant Contact
 Director of Administrative Services
 Title
 23920 Valencia Blvd
 Street Address
 Santa Clarita, CA 91355
 City, State, Zip
 (661) 255-4997
 Telephone Number
 (661) 259-8125
 Fax Number
 cmagana@santa-clarita.com
 E-Mail Address

3. AMOUNT OF INCORRECT REDUCTION

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

<u>Fiscal Year</u>	<u>Amount of Reduction</u>
02/03 to 08/09	\$362,982.00
TOTAL: \$362,982.00	

**4. FINAL STATE AUDIT REPORT OR OTHER
WRITTEN NOTICE OF ADJUSTMENT**

Please include a copy of the final state audit report, letter, remittance advice, or other written notice of adjustment from the Office of State Controller that explains the reason(s) for the reduction or disallowance.

5. REIMBURSEMENT CLAIMS

Please include a copy of the subject reimbursement claims submitted to the Office of State Controller.

**6. OPTING OUT PROCEDURES FOR A
CLAIMANT-INITIATED CONSOLIDATION**

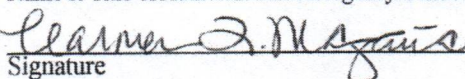
To opt out of a consolidated incorrect reduction claim, a joint-claimant shall file a written notice with the Commission within fifteen (15) days of service of the Office of State Controller's comments. A copy of the notice must be served on all parties and interested parties on the mailing list. Proof of service shall be filed with the notice pursuant to section 1181.2.

No later than one (1) year after opting out, or within the statute of limitations under section 1185(b) of the Commission's regulations, whichever is later, a claimant that opts out of a consolidated claim shall file an individual incorrect reduction claim pursuant to Commission requirements in order to preserve its right to challenge a reduction made by the Controller on that same mandate.

If a claimant opts out of a consolidated incorrect reduction claim and an individual incorrect reduction claim for that entity is already on file with the Commission, the individual filing is automatically reinstated.

7. CLAIM CERTIFICATION

Joint-Claimant authorizes the original claimant in the above-named incorrect reduction claim to act as its representative in this consolidated incorrect reduction claim, which is filed pursuant to Government Code section 17558.7. I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this intent to join a consolidated incorrect reduction claim is true and complete to the best of my own knowledge or information or belief.

Carmen Magaña, Director of Administrative Services
 Name & Title of Authorized Local Agency/School District Official

 Signature
 2-8-21
 Date

STATE MANDATED COST CLAIMS RECEIPT

CITY OF SANTA CLARITA

September 28, 2011

Claimant ID: 9819836

The State Controller, Division of Accounting, hereby acknowledges receipt of the following State Mandated Cost Claims submitted by MGT of America:

Program #	Mandate	FY	Claim Amt.
			Actual
314	Municipal Storm Water & Urban Runoff Discharges	2002-03	\$5,796
314	Municipal Storm Water & Urban Runoff Discharges	2003-04	\$51,170
314	Municipal Storm Water & Urban Runoff Discharges	2004-05	\$51,170
314	Municipal Storm Water & Urban Runoff Discharges	2005-06	\$51,170
314	Municipal Storm Water & Urban Runoff Discharges	2006-07	\$51,170
314	Municipal Storm Water & Urban Runoff Discharges	2007-08	\$147,390
314	Municipal Storm Water & Urban Runoff Discharges	2008-09	\$5,116

	\$0	
<u>All years, initial filing:</u>		\$362,982
Total Claims Filed:		\$362,982
Number of Claims by Type:		7

Received by: _____

California State Controller
 Division of Accounting
 Bureau of Local Reimbursement

Please return an electronic confirmation to: pdyer@mgtamer.com

_____ Date



MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		Program 314
		(19) Program Number 00314	(20) Date Filed	
(01) Claimant Identification Number		Reimbursement Claim Data		
9819836		(22) FORM-1, (04) A.1.(g)		
(02) Claimant Name		(23) FORM-1, (04) A.2.(g)		
City of Santa Clarita		(24) FORM-1, (04) A.3.(g)		
County of Location		(25) FORM-1, (04) A.4.(g)		
Los Angeles		(26) FORM-1, (04) A.5.(g)		
Street Address or P.O. Box		(27) FORM-1, (06)		
23920 Valencia Blvd		(28) FORM-1, (07)		860
Suite		(29) FORM-1, (08)		
#295		(30) FORM-1, (11)		
City		(31) FORM-1, (12)		
Santa Clarita		(32)		
State		(33)		
CA		(34)		
Zip Code		(35)		
91358		(36)		
Type of Claim		(37)		
(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(38)		
(04)	(10) Combined <input type="checkbox"/>	(39)		5,796
(05)	(11) Amended <input type="checkbox"/>	(40)		10
Fiscal Year of Cost		(41)		
2002-2003		(42)		
Total Claimed Amount		(43)		
\$5,796		(44)		
Less: 10% Late penalty (refer to attached instructions)		(45)		
LESS: Prior Claim Payment Received		(46)		
Net Claimed Amount		(47)		
\$5,796		(48)		
Due from State		(49)		
\$5,796		(50)		
Due to State		(51)		
<p>(37) CERTIFICATION OF CLAIM</p> <p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer		Date Signed		<u>9-26-11</u>
Telephone Number		E-Mail Address		(661) 259-2489
Type or Print Name and Title of Authorized Signatory		Telephone Number		dhernandez@santa-clarita.com
Name of Agency Contact Person for Claim		E-Mail Address		(661) 255-4927
Name of Consulting Firm / Claim Preparer		Telephone Number		scromsigt@santa-clarita.com
E-Mail Address		E-Mail Address		(916) 443-9236 x 4522
Name of Consulting Firm / Claim Preparer		E-Mail Address		gburdick@mgtamer.com
E-Mail Address		E-Mail Address		

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only	Program 314
(01) Claimant Identification Number 9819836		Reimbursement Claim Data	
(02) Claimant Name City of Santa Clarita		(22) FORM-1, (04) A.1.(g)	
County of Location Los Angeles		(23) FORM-1, (04) A.2.(g)	
Street Address or P.O. Box Suite 23920 Valencia Blvd #295		(24) FORM-1, (04) A.3.(g)	
City State Zip Code Santa Clarita CA 91358		(25) FORM-1, (04) A.4.(g)	
		Type of Claim	
		(03) (09) Reimbursement <input checked="" type="checkbox"/>	
		(04) (10) Combined <input type="checkbox"/>	
		(05) (11) Amended <input type="checkbox"/>	
Fiscal Year of Cost (06)		(12) 2002-2003 (30) FORM-1, (11)	
Total Claimed Amount (07)		(13) \$5,796 (31) FORM-1, (12)	
Less: 10% Late penalty (refer to attached instructions)		(14) (32)	
LESS: Prior Claim Payment Received		(15) (33)	
Net Claimed Amount		(16) \$5,796 (34)	
Due from State (08)		(17) \$5,796 (35)	
Due to State		(18) (36)	
(37) CERTIFICATION OF CLAIM			
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer		Date Signed	
		<u>9-26-11</u>	
Darren Hernandez, Deputy City Manager		Telephone Number (661) 259-2489	
Type or Print Name and Title of Authorized Signatory		E-Mail Address dhernandez@santa-clarita.com	
(38) Name of Agency Contact Person for Claim		Telephone Number (661) 255-4927	
Susan Cromsigt		E-Mail Address scromsigt@santa-clarita.com	
Name of Consulting Firm / Claim Preparer		Telephone Number (916) 443-9236 x 4522	
MGT of America, Inc., Guy Burdick		E-Mail Address gburdick@mgtamer.com	

Program
314

**MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES
CLAIM SUMMARY**

FORM
1

(01) Claimant: **City of Santa Clarita**

(02) Fiscal Year: **2002-2003**

(3) Department

Direct Costs

Object Accounts

(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total
A. One-Time Activity							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluation/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections	<i>Total # of receptacles: 10</i>	<i>Total # of pick up events: 2</i>	860
(07) Total Ongoing Costs	<i>Line (06) x RRM rate</i>	<i>RRM Rate: 6.74</i>	\$5,796

Indirect Costs

(08) Indirect Cost Rate for A. One-Time Activities	Salary and Wages	10.00%
(09) Total Indirect Costs for A. One-Time Activities		
(10) Total Direct and Indirect Costs		\$5,796
(11) Less: Offsetting Savings		
(12) Less: Other Reimbursements		
(13) Total Claimed Amount		\$5,796

Program

314

**MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES
ACTIVITY COST DETAIL**

Attachment

(01) Claimant:

City of Santa Clarita

(02) Fiscal Year

2002-2003

Activity Summary:

The City of Santa Clarita has two divisions within the City that places and maintains trash receptacles at its various transit stops.

Environmental Services Division

2003-04 to 2007-08 - 63 receptacles serviced 2 times weekly

2008-09 - 14 receptacles serviced 2 times weekly

Transit Division

2002-03 to 2006-07 - 10 receptacles serviced 2 times weekly

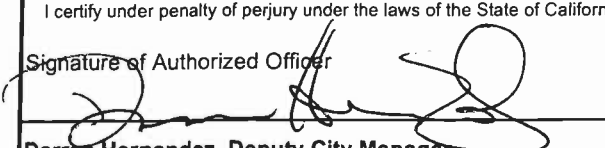
2007-08 to 2008-09 - 205 receptacles serviced once weekly and 10 serviced 2 times weekly

Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups	Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups
Transit Division	10	2	20				

TOTAL: 20

(05) Total _____ Subtotal _____ Page: _____ of _____

Total: 20

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only		Program 314
			(19) Program Number 00314	(20) Date Filed	
(01) Claimant Identification Number 9819836			Reimbursement Claim Data		
(02) Claimant Name City of Santa Clarita			(22) FORM-1, (04) A.1.(g)		
County of Location Los Angeles			(23) FORM-1, (04) A.2.(g)		
Street Address or P.O. Box 23920 Valencia Blvd			Suite #295		(24) FORM-1, (04) A.3.(g)
City Santa Clarita			State CA		Zip Code 91358
			Type of Claim		(26) FORM-1, (04) A.5.(g)
			(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1, (06)
			(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1, (07)
			(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1, (08)
Fiscal Year of Cost			(06)	(12) 2003-2004	(30) FORM-1, (11)
Total Claimed Amount			(07)	(13) \$51,170	(31) FORM-1, (12)
Less: 10% Late penalty (refer to attached instructions)			(14)		(32)
LESS: Prior Claim Payment Received			(15)		(33)
Net Claimed Amount			(16)	\$51,170	(34)
Due from State			(08)	(17) \$51,170	(35)
Due to State			(18)		(36)
(37) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Officer			Date Signed		
 Darren Hernandez, Deputy City Manager			9-26-11		
			Telephone Number		
Type or Print Name and Title of Authorized Signatory			E-Mail Address		
			dhernandez@santa-clarita.com		
(38) Name of Agency Contact Person for Claim			Telephone Number		
Susan Cromsigt			(661) 255-4927		
			E-Mail Address		
			scromsigt@santa-clarita.com		
Name of Consulting Firm / Claim Preparer			Telephone Number		
MGT of America, Inc., Guy Burdick			(916) 443-9236 x 4522		
			E-Mail Address		
			gburdick@mgtamer.com		

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only	Program 314
(01) Claimant Identification Number 9819836			(19) Program Number 00314	
(02) Claimant Name City of Santa Clarita			(20) Date Filed	
County of Location Los Angeles			(21) LRS Input	
Street Address or P.O. Box 23920 Valencia Blvd			Reimbursement Claim Data	
Suite #295			(22) FORM-1, (04) A.1.(g)	
City Santa Clarita			(23) FORM-1, (04) A.2.(g)	
State CA			(24) FORM-1, (04) A.3.(g)	
Zip Code 91358			(25) FORM-1, (04) A.4.(g)	
Type of Claim			(26) FORM-1, (04) A.5.(g)	
(03)	(09) Reimbursement	<input checked="" type="checkbox"/>	(27) FORM-1, (06)	7,592
(04)	(10) Combined	<input type="checkbox"/>	(28) FORM-1, (07)	51,170
(05)	(11) Amended	<input type="checkbox"/>	(29) FORM-1, (08)	10
Fiscal Year of Cost			(12)	(30) FORM-1, (11)
2003-2004				
Total Claimed Amount			(13)	(31) FORM-1, (12)
\$51,170				
Less: 10% Late penalty (refer to attached instructions)			(14)	(32)
LESS: Prior Claim Payment Received			(15)	(33)
Net Claimed Amount			(16)	(34)
\$51,170				
Due from State			(17)	(35)
\$51,170				
Due to State			(18)	(36)
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed <u>9-26-11</u>		
		Telephone Number <u>(661) 259-2489</u>		
Darren Hernandez, Deputy City Manager		E-Mail Address <u>dhernandez@santa-clarita.com</u>		
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number <u>(661) 255-4927</u>		
Susan Cromsig		E-Mail Address <u>scromsig@santa-clarita.com</u>		
Name of Consulting Firm / Claim Preparer		Telephone Number <u>(916) 443-9236 x 4522</u>		
MGT of America, Inc., Guy Burdick		E-Mail Address <u>gburdick@mgtamer.com</u>		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1						
(01) Claimant: City of Santa Clarita		(02) Fiscal Year: 2003-2004						
(3) Department								
Direct Costs	Object Accounts							
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total	
A. One-Time Activity								
1. Identification of locations that are required to have a trash receptacle								
2. Selection/evaluation/and preparation of specifications and drawings								
3. Preparation of contracts/specification review process/advertise/review and award bids								
4. Purchase or construction and installation of receptacles and pads								
5. Moving/restoration at old location/and installation at new location								
(05) Total One-time Costs								
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads								
(06) Annual number of trash collections	<i>Total # of receptacles: 73</i>		<i>Total # of pick up events: 2</i>			7,592		
(07) Total Ongoing Costs	<i>Line (06) x RRM rate</i>		<i>RRM Rate: 6.74</i>			\$51,170		
Indirect Costs								
(08) Indirect Cost Rate for A. One-Time Activities	Salary and Wages						10.00%	
(09) Total Indirect Costs for A. One-Time Activities								
(10) Total Direct and Indirect Costs								\$51,170
(11) Less: Offsetting Savings								
(12) Less: Other Reimbursements								
(13) Total Claimed Amount								\$51,170

Program
314

**MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES
ACTIVITY COST DETAIL**

Attachment

(01) Claimant: **City of Santa Clarita** (02) Fiscal Year: **2003-2004**

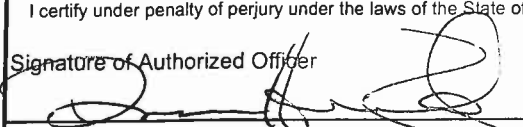
Activity Summary:
The City of Santa Clarita has two divisions within the City that places and maintains trash receptacles at its various transit stops.

Environmental Services Division
2003-04 to 2007-08 - 63 receptacles serviced 2 times weekly
2008-09 - 14 receptacles serviced 2 times weekly

Transit Division
2002-03 to 2006-07 - 10 receptacles serviced 2 times weekly
2007-08 to 2008-09 - 205 receptacles serviced once weekly and 10 serviced 2 times weekly

Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups	Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups
Environmental Services Division	63	2	126				
Transit Division	10	2	20				
TOTAL:			146				

(05) Total _____ Subtotal _____ Page: _____ of _____ **Total: 146**

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only		Program 314	
			(19) Program Number 00314	(20) Date Filed		(21) LRS Input
(01) Claimant Identification Number 9819836			Reimbursement Claim Data			
(02) Claimant Name City of Santa Clarita			(22) FORM-1, (04) A.1.(g)			
County of Location Los Angeles			(23) FORM-1, (04) A.2.(g)			
Street Address or P.O. Box 23920 Valencia Blvd			(24) FORM-1, (04) A.3.(g)			
Suite #295						
City Santa Clarita			(25) FORM-1, (04) A.4.(g)			
State CA						
Zip Code 91358						
Type of Claim			(26) FORM-1, (04) A.5.(g)			
			(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1, (06)	7,592
			(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1, (07)	51,170
			(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1, (08)	10
Fiscal Year of Cost 2004-2005			(30) FORM-1, (11)			
Total Claimed Amount \$51,170			(31) FORM-1, (12)			
Less: 10% Late penalty (refer to attached instructions)			(32)			
LESS: Prior Claim Payment Received			(33)			
Net Claimed Amount \$51,170			(34)			
Due from State \$51,170			(35)			
Due to State			(36)			
(37) CERTIFICATION OF CLAIM						
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>						
Signature of Authorized Officer 			Date Signed <u>9-26-11</u>			
Darren Hernandez, Deputy City Manager			Telephone Number (661) 259-2489			
Type or Print Name and Title of Authorized Signatory			E-Mail Address dhernandez@santa-clarita.com			
(38) Name of Agency Contact Person for Claim Susan Cromsigt			Telephone Number (661) 255-4927			
Name of Consulting Firm / Claim Preparer MGT of America, Inc., Guy Burdick			E-Mail Address scromsigt@santa-clarita.com			
			Telephone Number (916) 443-9236 x 4522			
			E-Mail Address gburdick@mgtamer.com			

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only	Program 314
(01) Claimant Identification Number 9819836			(19) Program Number 00314	
(02) Claimant Name City of Santa Clarita			(20) Date Filed	
County of Location Los Angeles			(21) LRS Input	
Street Address or P.O. Box Suite 23920 Valencia Blvd #295			(22) FORM-1, (04) A.1.(g)	
City State Zip Code Santa Clarita CA 91358			(23) FORM-1, (04) A.2.(g)	
			(24) FORM-1, (04) A.3.(g)	
			(25) FORM-1, (04) A.4.(g)	
			(26) FORM-1, (04) A.5.(g)	
	(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1, (06)	7,592
	(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1, (07)	51,170
	(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1, (08)	10
Fiscal Year of Cost	(06)	(12) 2004-2005	(30) FORM-1, (11)	
Total Claimed Amount	(07)	(13) \$51,170	(31) FORM-1, (12)	
Less: 10% Late penalty (refer to attached instructions)			(14)	(32)
LESS: Prior Claim Payment Received			(15)	(33)
Net Claimed Amount			(16)	(34)
			(17)	(35)
Due from State	(08)	\$51,170	(36)	
Due to State				
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed <u>9-26-11</u>		
		Telephone Number <u>(661) 259-2489</u>		
Darren Hernandez, Deputy City Manager		E-Mail Address <u>dhernandez@santa-clarita.com</u>		
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number <u>(661) 255-4927</u>		
Susan Crowsigt		E-Mail Address <u>scrowsigt@santa-clarita.com</u>		
Name of Consulting Firm / Claim Preparer		Telephone Number <u>(916) 443-9236 x 4522</u>		
MGT of America, Inc., Guy Burdick		E-Mail Address <u>gburdick@mgtamer.com</u>		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1						
(01) Claimant: City of Santa Clarita		(02) Fiscal Year: 2004-2005						
(3) Department								
Direct Costs	Object Accounts							
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total	
A. One-Time Activity								
1. Identification of locations that are required to have a trash receptacle								
2. Selection/evaluation/and preparation of specifications and drawings								
3. Preparation of contracts/specification review process/advertise/review and award bids								
4. Purchase or construction and installation of receptacles and pads								
5. Moving/restoration at old location/and installation at new location								
(05) Total One-time Costs								
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads								
(06) Annual number of trash collections	<i>Total # of receptacles: 73</i>		<i>Total # of pick up events: 2</i>			7,592		
(07) Total Ongoing Costs	<i>Line (06) x RRM rate</i>		<i>RRM Rate: 6.74</i>			\$51,170		
Indirect Costs								
(08) Indirect Cost Rate for A. One-Time Activities	Salary and Wages						10.00%	
(09) Total Indirect Costs for A. One-Time Activities								
(10) Total Direct and Indirect Costs								\$51,170
(11) Less: Offsetting Savings								
(12) Less: Other Reimbursements								
(13) Total Claimed Amount								\$51,170

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	<i>Attachment</i>
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(01) Claimant: City of Santa Clarita	(02) Fiscal Year: 2004-2005
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Activity Summary:
The City of Santa Clarita has two divisions within the City that places and maintains trash receptacles at its various transit stops.

Environmental Services Division
2003-04 to 2007-08 - 63 receptacles serviced 2 times weekly
2008-09 - 14 receptacles serviced 2 times weekly

Transit Division
2002-03 to 2006-07 - 10 receptacles serviced 2 times weekly
2007-08 to 2008-09 - 215 receptacles serviced once weekly and 10 serviced 2 times weekly

Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups	Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups
Environmental Services Division	63	2	126				
Transit Division	10	2	20				
TOTAL:			146				

(05) Total _____ Subtotal _____ Page: _____ of _____	Total: 146
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ORIGINAL

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		Program 314
		(19) Program Number 00314	(20) Date Filed	
(01) Claimant Identification Number 9819836		Reimbursement Claim Data		
(02) Claimant Name City of Santa Clarita		(22) FORM-1, (04) A.1.(g)		
County of Location Los Angeles		(23) FORM-1, (04) A.2.(g)		
Street Address or P.O. Box 23920 Valencia Blvd		Suite #295		(24) FORM-1, (04) A.3.(g)
City Santa Clarita		State CA	Zip Code 91358	(25) FORM-1, (04) A.4.(g)
		Type of Claim		(26) FORM-1, (04) A.5.(g)
	(03)	(09) Reimbursement	<input checked="" type="checkbox"/>	(27) FORM-1, (06)
	(04)	(10) Combined	<input type="checkbox"/>	(28) FORM-1, (07)
	(05)	(11) Amended	<input type="checkbox"/>	(29) FORM-1, (08)
				7,592
Fiscal Year of Cost		(06)	(12) 2005-2006	(30) FORM-1, (11)
Total Claimed Amount		(07)	(13) \$51,170	(31) FORM-1, (12)
Less: 10% Late penalty (refer to attached instructions)		(14)		(32)
LESS: Prior Claim Payment Received		(15)		(33)
Net Claimed Amount		(16)	\$51,170	(34)
Due from State		(08)	(17) \$51,170	(35)
Due to State		(18)		(36)
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed		<u>9-26-11</u>
		Telephone Number		<u>(661) 259-2489</u>
Darren Hernandez, Deputy City Manager		E-Mail Address		<u>dhernandez@santa-clarita.com</u>
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number		<u>(661) 255-4927</u>
Susan Crowsigt		E-Mail Address		<u>scrowsigt@santa-clarita.com</u>
Name of Consulting Firm / Claim Preparer		Telephone Number		<u>(916) 443-9236 x 4522</u>
MGT of America, Inc., Guy Burdick		E-Mail Address		<u>gburdick@mgtamer.com</u>

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only	Program 314
(01) Claimant Identification Number 9819836			(19) Program Number 00314 (20) Date Filed (21) LRS Input	
(02) Claimant Name City of Santa Clarita			Reimbursement Claim Data	
County of Location Los Angeles			(22) FORM-1, (04) A.1.(g)	
Street Address or P.O. Box Suite 23920 Valencia Blvd #295			(23) FORM-1, (04) A.2.(g)	
City State Zip Code Santa Clarita CA 91358			(24) FORM-1, (04) A.3.(g)	
(03) Type of Claim			(25) FORM-1, (04) A.4.(g)	
(04) (09) Reimbursement <input checked="" type="checkbox"/>			(26) FORM-1, (04) A.5.(g)	
(05) (10) Combined <input type="checkbox"/>			(27) FORM-1, (06)	7,592
(06) (11) Amended <input type="checkbox"/>			(28) FORM-1, (07)	51,170
(07) Fiscal Year of Cost (12) 2005-2006			(29) FORM-1, (08)	10
(08) Total Claimed Amount (13) \$51,170			(30) FORM-1, (11)	
Less: 10% Late penalty (refer to attached instructions) (14)			(31) FORM-1, (12)	
LESS: Prior Claim Payment Received (15)			(32)	
Net Claimed Amount (16) \$51,170			(33)	
Due from State (17) \$51,170			(34)	
Due to State (18)			(35)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed <u>9-26-11</u>		
		Telephone Number <u>(661) 259-2489</u>		
Darren Hernandez, Deputy City Manager		E-Mail Address <u>dhernandez@santa-clarita.com</u>		
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number <u>(661) 255-4927</u>		
Susan Cromsigt		E-Mail Address <u>scromsigt@santa-clarita.com</u>		
Name of Consulting Firm / Claim Preparer		Telephone Number <u>(916) 443-9236 x 4522</u>		
MGT of America, Inc., Guy Burdick		E-Mail Address <u>gburdick@mgtamer.com</u>		

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1						
(01) Claimant: City of Santa Clarita		(02) Fiscal Year: 2005-2006						
(3) Department								
Direct Costs	Object Accounts							
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total	
A. One-Time Activity								
1. Identification of locations that are required to have a trash receptacle								
2. Selection/evaluation/and preparation of specifications and drawings								
3. Preparation of contracts/specification review process/advertise/review and award bids								
4. Purchase or construction and installation of receptacles and pads								
5. Moving/restoration at old location/and installation at new location								
(05) Total One-time Costs								
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads								
(06) Annual number of trash collections	<i>Total # of receptacles: 73</i>		<i>Total # of pick up events: 2</i>			7,592		
(07) Total Ongoing Costs	<i>Line (06) x RRM rate</i>		<i>RRM Rate: 6.74</i>			\$51,170		
Indirect Costs								
(08) Indirect Cost Rate for A. One-Time Activities	Salary and Wages						10.00%	
(09) Total Indirect Costs for A. One-Time Activities								
(10) Total Direct and Indirect Costs								\$51,170
(11) Less: Offsetting Savings								
(12) Less: Other Reimbursements								
(13) Total Claimed Amount								\$51,170

New 05/11

Program
314

**MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES
ACTIVITY COST DETAIL**

Attachment

(01) Claimant:

City of Santa Clarita

(02) Fiscal Year

2005-2006

Activity Summary:

The City of Santa Clarita has two divisions within the City that places and maintains trash receptacles at its various transit stops.

Environmental Services Division

2003-04 to 2007-08 - 63 receptacles serviced 2 times weekly

2008-09 - 14 receptacles serviced 2 times weekly

Transit Division

2002-03 to 2006-07 - 10 receptacles serviced 2 times weekly

2007-08 to 2008-09 - 205 receptacles serviced once weekly and 10 serviced 2 times weekly

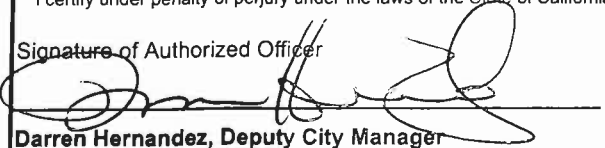
Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups	Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups
Environmental Services Division	63	2	126				
Transit Division	10	2	20				

TOTAL:

146

(05) Total _____ Subtotal _____ Page: _____ of _____

Total: 146

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only	Program 314
(01) Claimant Identification Number 9819836			(19) Program Number 00314 (20) Date Filed (21) LRS Input	
(02) Claimant Name City of Santa Clarita			Reimbursement Claim Data	
County of Location Los Angeles			(22) FORM-1, (04) A.1.(g)	
Street Address or P.O. Box Suite 23920 Valencia Blvd #295			(23) FORM-1, (04) A.2.(g)	
City State Zip Code Santa Clarita CA 91358			(24) FORM-1, (04) A.3.(g)	
(03) Type of Claim			(25) FORM-1, (04) A.4.(g)	
(04) (09) Reimbursement <input checked="" type="checkbox"/>			(26) FORM-1, (04) A.5.(g)	
(05) (10) Combined <input type="checkbox"/>			(27) FORM-1, (06)	
(06) (11) Amended <input type="checkbox"/>			(28) FORM-1, (07)	
(07) Fiscal Year of Cost			(29) FORM-1, (08)	
(08) (12) 2006-2007			(30) FORM-1, (11)	
(09) Total Claimed Amount			(31) FORM-1, (12)	
(10) \$51,170			(32)	
(11) Less: 10% Late penalty (refer to attached instructions)			(33)	
(12) LESS: Prior Claim Payment Received			(34)	
(13) Net Claimed Amount			(35)	
(14) \$51,170			(36)	
(15) Due from State			(37)	
(16) \$51,170			(38)	
(17) Due to State			(39)	
(18)			(40)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer 			Date Signed <u>9-26-11</u>	
Darren Hernandez, Deputy City Manager			Telephone Number <u>(661) 259-2489</u>	
Type or Print Name and Title of Authorized Signatory			E-Mail Address <u>dhernandez@santa-clarita.com</u>	
(38) Name of Agency Contact Person for Claim			Telephone Number <u>(661) 255-4927</u>	
Susan Cromsigt			E-Mail Address <u>scromsigt@santa-clarita.com</u>	
Name of Consulting Firm / Claim Preparer			Telephone Number <u>(916) 443-9236 x 4522</u>	
MGT of America, Inc., Guy Burdick			E-Mail Address <u>gburdick@mgtamer.com</u>	

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only	Program 314
(01) Claimant Identification Number 9819836			(19) Program Number 00314 (20) Date Filed (21) LRS Input	
(02) Claimant Name City of Santa Clarita			Reimbursement Claim Data	
County of Location Los Angeles			(22) FORM-1, (04) A.1.(g)	
Street Address or P.O. Box 23920 Valencia Blvd			(23) FORM-1, (04) A.2.(g)	
Suite #295			(24) FORM-1, (04) A.3.(g)	
City Santa Clarita			(25) FORM-1, (04) A.4.(g)	
State CA			(26) FORM-1, (04) A.5.(g)	
Zip Code 91358			(27) FORM-1, (06)	7,592
Type of Claim			(28) FORM-1, (07)	51,170
(03)	(09) Reimbursement <input checked="" type="checkbox"/>		(29) FORM-1, (08)	10
(04)	(10) Combined <input type="checkbox"/>			
(05)	(11) Amended <input type="checkbox"/>			
Fiscal Year of Cost			(30) FORM-1, (11)	
(06)	2006-2007			
Total Claimed Amount			(31) FORM-1, (12)	
(07)	\$51,170			
Less: 10% Late penalty (refer to attached instructions)			(32)	
LESS: Prior Claim Payment Received			(33)	
Net Claimed Amount			(34)	
\$51,170				
Due from State			(35)	
(08)	\$51,170			
Due to State			(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer			Date Signed	
			9-26-11	
Darren Hernandez, Deputy City Manager			Telephone Number	
			(661) 259-2489	
			E-Mail Address	
			dhernandez@santa-clarita.com	
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim			Telephone Number	
Susan Cromsigt			(661) 255-4927	
			E-Mail Address	
			scromsigt@santa-clarita.com	
Name of Consulting Firm / Claim Preparer			Telephone Number	
MGT of America, Inc., Guy Burdick			(916) 443-9236 x 4522	
			E-Mail Address	
			gburdick@mgtamer.com	

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1						
(01) Claimant: City of Santa Clarita		(02) Fiscal Year: 2006-2007						
(3) Department								
Direct Costs	Object Accounts							
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total	
A. One-Time Activity								
1. Identification of locations that are required to have a trash receptacle								
2. Selection/evaluation/and preparation of specifications and drawings								
3. Preparation of contracts/specification review process/advertise/review and award bids								
4. Purchase or construction and installation of receptacles and pads								
5. Moving/restoration at old location/and installation at new location								
(05) Total One-time Costs								
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads								
(06) Annual number of trash collections	<i>Total # of receptacles: 73</i>		<i>Total # of pick up events: 2</i>			7,592		
(07) Total Ongoing Costs	<i>Line (06) x RRM rate</i>		<i>RRM Rate: 6.74</i>			\$51,170		
Indirect Costs								
(08) Indirect Cost Rate for A. One-Time Activities	Salary and Wages						10.00%	
(09) Total Indirect Costs for A. One-Time Activities								
(10) Total Direct and Indirect Costs								\$51,170
(11) Less: Offsetting Savings								
(12) Less: Other Reimbursements								
(13) Total Claimed Amount								\$51,170

New 05/11

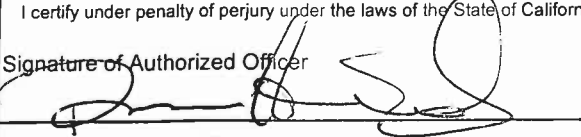
(01) Claimant: City of Santa Clarita	(02) Fiscal Year: 2006-2007
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Activity Summary:
The City of Santa Clarita has two divisions within the City that places and maintains trash receptacles at its various transit stops.

Environmental Services Division
2003-04 to 2007-08 - 63 receptacles serviced 2 times weekly
2008-09 - 14 receptacles serviced 2 times weekly

Transit Division
2002-03 to 2006-07 - 10 receptacles serviced 2 times weekly
2007-08 to 2008-09 - 205 receptacles serviced once weekly and 10 serviced 2 times weekly

Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups	Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups
Environmental Services Division	63	2	126				
Transit Division	10	2	20				
TOTAL:			146				

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only	Program 314
(01) Claimant Identification Number 9819836			(19) Program Number 00314	
(02) Claimant Name City of Santa Clarita			(20) Date Filed	
County of Location Los Angeles			(21) LRS Input	
Street Address or P.O. Box 23920 Valencia Blvd			Reimbursement Claim Data	
Suite #295			(22) FORM-1, (04) A.1.(g)	
City Santa Clarita			(23) FORM-1, (04) A.2.(g)	
State CA			(24) FORM-1, (04) A.3.(g)	
Zip Code 91358			(25) FORM-1, (04) A.4.(g)	24,371
Type of Claim			(26) FORM-1, (04) A.5.(g)	
(03)	(09) Reimbursement	<input checked="" type="checkbox"/>	(27) FORM-1, (06)	18,252
(04)	(10) Combined	<input type="checkbox"/>	(28) FORM-1, (07)	123,018
(05)	(11) Amended	<input type="checkbox"/>	(29) FORM-1, (08)	10
Fiscal Year of Cost 2007-2008			(30) FORM-1, (11)	
Total Claimed Amount \$147,390			(31) FORM-1, (12)	
Less: 10% Late penalty (refer to attached instructions)			(32)	
LESS: Prior Claim Payment Received			(33)	
Net Claimed Amount \$147,390			(34)	
Due from State \$147,390			(35)	
Due to State			(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer 			Date Signed 9-26-11	
Darren Hernandez, Deputy City Manager			Telephone Number (661) 259-2489	
Type or Print Name and Title of Authorized Signatory			E-Mail Address dhernandez@santa-clarita.com	
(38) Name of Agency Contact Person for Claim Susan Cromsigt			Telephone Number (661) 255-4927	
Name of Consulting Firm / Claim Preparer MGT of America, Inc., Guy Burdick			E-Mail Address scromsigt@santa-clarita.com	
			Telephone Number (916) 443-9236 x 4522	
			E-Mail Address gburdick@mgtamer.com	

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only	Program 314
(01) Claimant Identification Number 9819836			(19) Program Number 00314	
(02) Claimant Name City of Santa Clarita			(20) Date Filed	
County of Location Los Angeles			(21) LRS Input	
Street Address or P.O. Box 23920 Valencia Blvd			Reimbursement Claim Data	
Suite #295			(22) FORM-1, (04) A.1.(g)	
City Santa Clarita			(23) FORM-1, (04) A.2.(g)	
State CA			(24) FORM-1, (04) A.3.(g)	
Zip Code 91358			(25) FORM-1, (04) A.4.(g)	24,371
Type of Claim			(26) FORM-1, (04) A.5.(g)	
(03)	(09) Reimbursement	<input checked="" type="checkbox"/>	(27) FORM-1, (06)	18,252
(04)	(10) Combined	<input type="checkbox"/>	(28) FORM-1, (07)	123,018
(05)	(11) Amended	<input type="checkbox"/>	(29) FORM-1, (08)	10
Fiscal Year of Cost			(30) FORM-1, (11)	
(06) 2007-2008			(31) FORM-1, (12)	
Total Claimed Amount			(13) \$147,390	
Less: 10% Late penalty (refer to attached instructions)			(14)	(32)
LESS: Prior Claim Payment Received			(15)	(33)
Net Claimed Amount			(16) \$147,390	(34)
Due from State			(17) \$147,390	(35)
Due to State			(18)	(36)
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer		Date Signed		<u>9-26-11</u>
		Telephone Number		<u>(661) 259-2489</u>
Darren Hernandez, Deputy City Manager		E-Mail Address		<u>dhernandez@santa-clarita.com</u>
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number		<u>(661) 255-4927</u>
Susan Cromsigt		E-Mail Address		<u>scromsigt@santa-clarita.com</u>
Name of Consulting Firm / Claim Preparer		Telephone Number		<u>(916) 443-9236 x 4522</u>
MGT of America, Inc., Guy Burdick		E-Mail Address		<u>gburdick@mgtamer.com</u>

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant: City of Santa Clarita	(02) Fiscal Year: 2007-2008
---	------------------------------------

(3) Department	
----------------	--

Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
A. One-Time Activity							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluation/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads			\$24,371				\$24,371
5. Moving/restoration at old location/and installation at new location							
(05) Total One-time Costs			\$24,371				\$24,371

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections	Total # of receptacles: 278 Total # of pick up events: 2 & 1	18,252
(07) Total Ongoing Costs	Line (06) x RRM rate RRM Rate: 6.74	\$123,018

Indirect Costs		
(08) Indirect Cost Rate for A. One-Time Activities	Salary and Wages	10.00%
(09) Total Indirect Costs for A. One-Time Activities		
(10) Total Direct and Indirect Costs		\$147,390
(11) Less: Offsetting Savings		
(12) Less: Other Reimbursements		
(13) Total Claimed Amount		\$147,390

(01) Claimant: City of Santa Clarita	(02) Fiscal Year: 2007-2008
---	------------------------------------

(03) Reimbursable Activities: Check only **one** box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input type="checkbox"/> 2. Selection/evaluation/and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/ advertise/ review and award bids	

(04) Description of Expenses				Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed, and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p>In fiscal year 2007-08, the City of Santa Clarita purchased and installed 215 new trash receptacles. The purchase and installation was partially covered by a Federal Transit grant. The cost covered by the grant is not included in this claim.</p> <p>Transit trash receptacles Installation of receptacles</p>						\$19,354 \$5,017			
(05) Total _____ Subtotal _____ Page: _____ of _____						\$24,371			

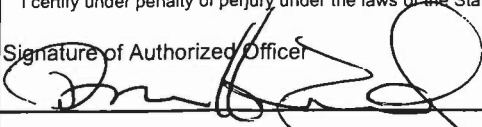
(01) Claimant: City of Santa Clarita	(02) Fiscal Year: 2007-2008
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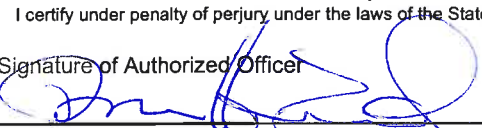
Activity Summary:
The City of Santa Clarita has two divisions within the City that places and maintains trash receptacles at its various transit stops.

Environmental Services Division
2003-04 to 2007-08 - 63 receptacles serviced 2 times weekly
2008-09 - 14 receptacles serviced 2 times weekly

Transit Division
2002-03 to 2006-07 - 10 receptacles serviced 2 times weekly
2007-08 to 2008-09 - 205 receptacles serviced once weekly and 10 serviced 2 times weekly

Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups	Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups
Environmental Services Division	63	2	126				
Transit Division	10	2	20				
<i>New receptacles</i>	205	1	205				
TOTAL:			351				

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only		Program 314
		(19) Program Number 00314	(20) Date Filed	
(01) Claimant Identification Number 9819836		Reimbursement Claim Data		
(02) Claimant Name City of Santa Clarita		(22) FORM-1, (04) A.1.(g)		
County of Location Los Angeles		(23) FORM-1, (04) A.2.(g)		
Street Address or P.O. Box 23920 Valencia Blvd		(24) FORM-1, (04) A.3.(g)		
Suite #295				
City Santa Clarita		(25) FORM-1, (04) A.4.(g)		
State CA				
Zip Code 91358				
		Type of Claim		(26) FORM-1, (04) A.5.(g)
	(03)	(09) Reimbursement	<input checked="" type="checkbox"/>	(27) FORM-1, (06)
	(04)	(10) Combined	<input type="checkbox"/>	(28) FORM-1, (07)
	(05)	(11) Amended	<input type="checkbox"/>	(29) FORM-1, (08)
Fiscal Year of Cost		(06)	(12)	(30) FORM-1, (11)
			2008-2009	
Total Claimed Amount		(07)	(13)	(31) FORM-1, (12)
			\$5,116	
Less: 10% Late penalty (refer to attached instructions)		(14)		(32)
LESS: Prior Claim Payment Received		(15)		(33)
Net Claimed Amount		(16)		(34)
			\$5,116	
Due from State		(08)	(17)	(35)
			\$5,116	
Due to State		(18)		(36)
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer		Date Signed		
 Darren Hernandez, Deputy City Manager		9-26-11		
		Telephone Number		(661) 259-2489
		E-Mail Address		dhernandez@santa-clarita.com
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact Person for Claim		Telephone Number		
Susan Cromsigt		(661) 255-4927		
		E-Mail Address		scromsigt@santa-clarita.com
Name of Consulting Firm / Claim Preparer		Telephone Number		
MGT of America, Inc., Guy Burdick		(916) 443-9236 x 4522		
		E-Mail Address		gburdick@mgtamer.com

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only	Program 314
(01) Claimant Identification Number 9819836			(19) Program Number 00314	
(02) Claimant Name City of Santa Clarita			(20) Date Filed	
County of Location Los Angeles			(21) LRS Input	
Street Address or P.O. Box 23920 Valencia Blvd			Reimbursement Claim Data	
Suite #295			(22) FORM-1, (04) A.1.(g)	
City Santa Clarita			(23) FORM-1, (04) A.2.(g)	
State CA			(24) FORM-1, (04) A.3.(g)	
Zip Code 91358			(25) FORM-1, (04) A.4.(g)	
Type of Claim			(26) FORM-1, (04) A.5.(g)	
(03)	(09) Reimbursement	<input checked="" type="checkbox"/>	(27) FORM-1, (06)	759
(04)	(10) Combined	<input type="checkbox"/>	(28) FORM-1, (07)	5,116
(05)	(11) Amended	<input type="checkbox"/>	(29) FORM-1, (08)	10
Fiscal Year of Cost			(30) FORM-1, (11)	
(06)	2008-2009			
Total Claimed Amount			(31) FORM-1, (12)	
(07)	\$5,116			
Less: 10% Late penalty (refer to attached instructions)			(32)	
LESS: Prior Claim Payment Received			(33)	
Net Claimed Amount			(34)	
(08)	\$5,116			
Due from State			(35)	
(08)	\$5,116			
Due to State			(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.				
I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer 			Date Signed 9-26-11	
Darren Hernandez, Deputy City Manager			Telephone Number (661) 259-2489	
Type or Print Name and Title of Authorized Signatory			E-Mail Address dhernandez@santa-clarita.com	
(38) Name of Agency Contact Person for Claim Susan Cromsigt			Telephone Number (661) 255-4927	
Name of Consulting Firm / Claim Preparer MGT of America, Inc., Guy Burdick			E-Mail Address scromsigt@santa-clarita.com	
			Telephone Number (916) 443-9236 x 4522	
			E-Mail Address gburdick@mgtamer.com	

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1		
(01) Claimant: City of Santa Clarita				(02)		Fiscal Year: 2008-2009			
(3) Department									
Direct Costs			Object Accounts						
			(a)	(b)	(c)	(d)	(e)	(f)	(g)
(04) Reimbursable Activities			Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total
A. One-Time Activity									
1. Identification of locations that are required to have a trash receptacle									
2. Selection/evaluation/and preparation of specifications and drawings									
3. Preparation of contracts/specification review process/advertise/review and award bids									
4. Purchase or construction and installation of receptacles and pads									
5. Moving/restoration at old location/and installation at new location									
(05) Total One-time Costs									
Reasonable Reimbursement Methodology (RRM)									
B. Ongoing Activity: Maintain Trash Receptacles and Pads									
(06) Annual number of trash collections			<i>Total # of receptacles: 229</i>		<i>Total # of pick up events: 2 & 1</i>		759		
(07) Total Ongoing Costs			<i>Line (06) x RRM rate</i>		<i>RRM Rate: 6.74</i>		\$5,116		
Indirect Costs									
(08) Indirect Cost Rate for A. One-Time Activities			Salary and Wages					10.00%	
(09) Total Indirect Costs for A. One-Time Activities									
(10) Total Direct and Indirect Costs			\$5,116						
(11) Less: Offsetting Savings									
(12) Less: Other Reimbursements									
(13) Total Claimed Amount			\$5,116						

Program
314

**MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES
ACTIVITY COST DETAIL**

Attachment

(01) Claimant:

City of Santa Clarita

(02) Fiscal Year

2008-2009

Activity Summary:

The City of Santa Clarita has two divisions within the City that places and maintains trash receptacles at its various transit stops.

Environmental Services Division

2003-04 to 2007-08 - 63 receptacles serviced 2 times weekly

2008-09 - 14 receptacles serviced 2 times weekly

Transit Division

2002-03 to 2006-07 - 10 receptacles serviced 2 times weekly

2007-08 to 2008-09 - 205 receptacles serviced once weekly and 10 serviced 2 times weekly

Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups	Trash Receptacle Location	# of receptacles	# of pickups per week	Total pickups
Environmental Services Division	14	2	28				
Transit Division	10	2	20				
New receptacles	205	1	205				
TOTAL:			253				

(05) Total _____ Subtotal _____ Page: _____ of _____

Total: 253

CITY OF SANTA CLARITA

Audit Report

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES PROGRAM

Los Angeles Regional Water Quality Control Board,
Order No. 01-182, Permit CAS004001, Part 4F5c3

July 1, 2002, through June 30, 2009



BETTY T. YEE
California State Controller

August 2018



BETTY T. YEE
California State Controller

August 28, 2018

The Honorable Laurene Weste, Mayor
City of Santa Clarita
23920 Valencia Boulevard
Santa Clarita, CA 91355

Dear Mayor Weste:

The State Controller's Office (SCO) audited the costs claimed by the City of Santa Clarita for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program for the period of July 1, 2002, through June 30, 2009.

The city claimed \$362,982 for the mandated program. Our audit found that the entire amount is unallowable because the city misstated the annual number of trash collections and did not offset restricted funds that were used to pay for the mandated activities. The State made no payments to the city. Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the city of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

This final audit report contains an adjustment to costs claimed by the city. If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (Commission). Pursuant to the Commission's regulations outlined in Title 2, *California Code of Regulations*, Section 1185.1, subdivision (c), an IRC challenging this adjustment must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. You may obtain IRC information on the Commission's website at www.csm.ca.gov/forms/IRCFORM.pdf.

If you have any questions, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/ljs

cc: Carmen Magaña, Director of Administrative Services
City of Santa Clarita
Brittany Houston, Interim Finance Manager
City of Santa Clarita
Chris Hill, Principal Program Budget Analyst
Local Government Unit
California Department of Finance
Steven Pavlov, Finance Budget Analyst
Local Government Unit
California Department of Finance
Anita Dagan, Manager
Local Government Programs and Services Division
State Controller's Office

Contents

Audit Report

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Attachment—City’s Response to Draft Audit Report	

Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City of Santa Clarita for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program for the period of July 1, 2002, through June 30, 2009.

The city claimed \$362,982 for the mandated program. Our audit found that the entire amount is unallowable because the city misstated the annual number of trash collections and did not offset restricted funds that were used to pay for the mandated activities. The State made no payments to the city.

Background

The California Regional Water Quality Control Board, Los Angeles Region (Board), adopted a 2001 storm water permit (Permit CAS004001) that requires local jurisdictions to:

Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

On July 31, 2009, the Commission on State Mandates (Commission) determined that Part 4F5c3 of the permit imposes a state mandate reimbursable under Government Code (GC) section 17561 and adopted the Statement of Decision. The Commission further clarified that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL) is entitled to reimbursement.

The Commission also determined that the period of reimbursement for the mandated activities begins July 1, 2002, and continues until a new National Pollutant Discharge Elimination System (NPDES) permit issued by the Board is adopted. On November 8, 2012, the Board adopted a new NPDES permit, Order No. R4-2012-0175, which became effective on December 28, 2012. Therefore, the reimbursement period for this mandated program ended on December 27, 2012.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on March 24, 2011. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

The audit period was from July 1, 2002, through June 30, 2009.

To achieve our audit objective, we:

- Reviewed the annual mandated cost claims filed by the city for the audit period and identified the material cost components of each claim as the unit cost rate and the annual number of trash collections. Determined whether there were any errors or any unusual or unexpected variances from year to year. Reviewed the activities claimed to determine whether they adhered to the SCO's claiming instructions and the program's parameters and guidelines;
- Completed an internal control questionnaire by interviewing key city staff, and discussed the claim preparation process with city staff to determine what information was obtained, who obtained it, and how it was used;
- Researched the city's location within the Los Angeles River Watershed to gain an understanding of the trash TMDL effective date to determine the city's eligibility;
- Traced the unit cost rate claimed for each fiscal year in the audit period to the SCO's claiming instructions to ensure proper application of the rate;
- Requested source documentation to support the calculation of the annual number of trash collections claimed for each fiscal year in the audit period. Re-calculated the annual number of trash collections for each fiscal year in the audit period based on documentation provided (see Finding 1); and
- Traced the mandated costs claimed to the Comprehensive Annual Financial Report for all fiscal years in the audit period to determine whether the costs claimed were funded by revenues raised outside of the city's appropriation limit (see Finding 2).

GC sections 12410, 17558.5, and 17561 provide the legal authority to conduct this audit. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We limited our review of the city's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations. We did not audit the city's financial statements.

Conclusion

Our audit found that the city misstated the annual number of trash collections and did not offset the restricted funds that were used to pay for the mandated activities. These areas of noncompliance with the requirements are quantified in the accompanying Schedule (Summary of Program Costs) and described in the Findings and Recommendations section of this report.

For the audit period, the City of Santa Clarita claimed \$362,982 for costs of the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program. Our audit found that the entire amount is unallowable. The State made no payments to the city.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the city of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

**Follow-up on
Prior Audit
Findings**

We have not previously conducted an audit of the city's legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program.

**Views of
Responsible
Officials**

We issued a draft audit report on July 6, 2018. Carmen Magaña, Director of Administrative Services, responded the same day (Attachment), accepting Finding 1 and disagreeing with Finding 2. This final audit report includes the city's response.

Restricted Use

This report is solely for the information and use of the City of Santa Clarita, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

August 28, 2018

Schedule—
Summary of Program Costs
July 1, 2002, through June 30, 2009

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	× 860	× 2,860	× 2,000	
Total ongoing costs	5,796	19,276	13,480	Finding 1
Less offsetting revenues and reimbursements	-	(19,276)	(19,276)	Finding 2
Total program costs	<u>\$ 5,796</u>	-	<u>\$ (5,796)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	× 7,592	× 3,380	× (4,212)	
Total ongoing costs	51,170	22,781	(28,389)	Finding 1
Less offsetting revenues and reimbursements	-	(22,781)	(22,781)	Finding 2
Total program costs	<u>\$ 51,170</u>	-	<u>\$ (51,170)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2004, through June 30, 2005</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	× 7,592	× 3,380	× (4,212)	
Total ongoing costs	51,170	22,781	(28,389)	Finding 1
Less offsetting revenues and reimbursements	-	(22,781)	(22,781)	Finding 2
Total program costs	<u>\$ 51,170</u>	-	<u>\$ (51,170)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2005, through June 30, 2006</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	× 7,592	× 3,380	× (4,212)	
Total ongoing costs	51,170	22,781	(28,389)	Finding 1
Less offsetting revenues and reimbursements	-	(22,781)	(22,781)	Finding 2
Total program costs	<u>\$ 51,170</u>	-	<u>\$ (51,170)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2006, through June 30, 2007</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	× 7,592	× 3,380	× (4,212)	
Total ongoing costs	51,170	22,781	(28,389)	Finding 1
Less offsetting revenues and reimbursements	-	(22,781)	(22,781)	Finding 2
Total program costs	<u>\$ 51,170</u>	-	<u>\$ (51,170)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2007, through June 30, 2008</u>				
One-time activities:				
Materials and supplies	\$ 24,372	\$ 24,372	\$ -	
Total one-time costs	24,372	24,372	-	
Ongoing activities:				
Unit cost rate	6.74	6.74	6.74	
Annual number of trash collections ²	× 18,252	× 3,380	× (14,872)	
Total ongoing costs	123,018	22,781	(100,237)	Finding 1
Total one-time and ongoing costs	147,390	47,153	(100,237)	
Less offsetting revenues and reimbursements	-	(47,153)	(47,153)	Finding 2
Total program costs	<u>\$ 147,390</u>	-	<u>\$ (147,390)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2008, through June 30, 2009</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	× 759	× 2,988	× 2,229	
Total ongoing costs	5,116	20,139	15,023	Finding 1
Less offsetting revenues and reimbursements	-	(20,139)	(20,139)	Finding 2
Total program costs	<u>\$ 5,116</u>	-	<u>\$ (5,116)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>Summary: July 1, 2002, through June 30, 2009</u>				
One-time activities	\$ 24,372	\$ 24,372	\$ -	
Ongoing activities	338,610	153,320	(185,290)	Finding 1
Total one-time and ongoing costs	362,982	177,692	(185,290)	
Less offsetting revenues and reimbursements	-	(177,692)	(177,692)	Finding 2
Total program costs	<u>\$ 362,982</u>	-	<u>\$ (362,982)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

¹ See the Findings and Recommendations section.

² The annual number of trash collections is the number of city-wide transit-stop trash receptacles multiplied by the number of annual trash collections for each receptacle.

³ Payment amount current as of February 20, 2018.

Findings and Recommendations

**FINDING 1—
Overstated ongoing
maintenance costs**

The city claimed \$338,610 for ongoing maintenance of transit-stop trash receptacles for the audit period. We found that \$153,320 is allowable and \$185,290 is unallowable. The costs are unallowable because the city misstated the annual number of trash collections during the audit period.

The city claimed reimbursement for ongoing maintenance costs using the Commission-adopted reasonable reimbursement methodology (RRM). Under the RRM, the unit cost rate (which was \$6.74 during the period of July 1, 2002, through June 30, 2009) is multiplied by the annual number of trash collections (which is the number of city-wide transit-stop trash receptacles multiplied by the number of annual trash collections for each receptacle).

The following table summarizes the total misstated annual number of trash collections fiscal year:

Fiscal Year	Amount Claimed			Amount Allowable			Audit Adjustment
	Annual No. of Trash Collections	Unit Cost Rate	Amount Claimed	Annual No. of Trash Collections	Unit Cost Rate	Amount Allowable	
2002-03	860	\$ 6.74	\$ 5,796	2,860	\$ 6.74	\$ 19,276	\$ 13,480
2003-04	7,592	6.74	51,170	3,380	6.74	22,781	(28,389)
2004-05	7,592	6.74	51,170	3,380	6.74	22,781	(28,389)
2005-06	7,592	6.74	51,170	3,380	6.74	22,781	(28,389)
2006-07	7,592	6.74	51,170	3,380	6.74	22,781	(28,389)
2007-08	18,252	6.74	123,018	3,380	6.74	22,781	(100,237)
2008-09	759	6.74	5,116	2,988	6.74	20,139	15,023
Total			<u>\$ 338,610</u>			<u>\$ 153,320</u>	<u>\$ (185,290)</u>

The error occurred because the city misinterpreted the parameters and guidelines requirement that it retain documentation to support its calculation of the annual number of trash collections. Section VII. (Records Retention) of the parameters and guidelines states, in part:

Local agencies must retain documentation which supports the reimbursement of the maintenance costs identified in Section IV.B. of these parameters and guidelines during the period subject to audit, including documentation showing the number of trash receptacles in the jurisdiction and the number of trash collections or pickups.

During audit fieldwork, we reviewed the city’s agreements with Blue Barrel Disposal; Sureteck Industrial and Commercial Services, Inc.; and Brigadier Corporation, then re-calculated the annual number of transit-stop trash collections for each fiscal year in the audit period.

Fiscal Year (FY) 2002-03 through FY 2005-06

The city entered into a maintenance agreement with Blue Barrel Disposal from February 20, 1991, through June 30, 2006, to service 61 trash receptacles at city bus stops. Weekly trash collections varied from once a week to twice a week in higher-traffic areas. We determined that 2,860 annual collections are allowable for fiscal year (FY) 2002-03 and 3,380 annual collections are allowable for FY 2003-04 through FY 2005-06, as follows:

No. of Trash Receptacles	No. of Weekly Collections	No. of Reimbursement Weeks in the Year	Total
FY 2002-03:			
57	1	44 ¹	2,508
4	2	44 ¹	352
<u>61</u>			<u>2,860</u>
FY 2003-04 through FY 2005-06:			
57	1	52	2,964
4	2	52	416
<u>61</u>			<u>3,380</u>

¹ For FY 2002-03, the reimbursement period is 44 weeks (from August 28, 2002, through June 30, 2003).

FY 2006-07 and FY 2007-08

The city entered into a maintenance agreement with Sureteck Industrial and Commercial Services, Inc. from July 1, 2006, through June 30, 2008, to service 63 trash receptacles. Weekly trash collections varied from once a week to twice a week in higher-traffic areas. We found that 3,380 annual collections are allowable for FY 2006-07 and FY 2007-08, as follows:

No. of Trash Receptacles	No. of Weekly Collections	No. of Reimbursement Weeks in the Year	Total
61	1	52	3,172
2	2	52	208
<u>63</u>			<u>3,380</u>

FY 2008-09

The city entered into a maintenance agreement with Brigadier Corporation from July 1, 2008, through June 30, 2009, to service 328 bus stops. We found that 229 of the 328 bus stops had a trash receptacle. Weekly trash collections varied from once a week to twice a week in higher-traffic areas.

We found that 2,988 annual collections are allowable for FY 2008-09, as follows:

No. of Trash Receptacles	No. of Weekly Collections	No. of Reimbursable Weeks in the Year ¹	Total
209	1	12	2,508
20	2	12	480
<u>229</u>			<u>2,988</u>

¹ For FY 2008-09, the reimbursement period is 12 weeks (from July 1, 2008, through September 22, 2008).

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012, with the adoption of a new NPDES permit. However, when claiming reimbursement for other mandated programs, we recommend that the city:

- Follow the mandated program’s claiming instructions and parameters and guidelines when filing its reimbursement claims; and
- Ensure that claimed costs are based on actual costs, include only eligible costs, and are supported by contemporaneous source documentation.

City’s Response

The City filed claims on September 28, 2011, when expenditures for the period from FY 2002-03 through FY 2008-09 became eligible for reimbursement under the program. In May 2017, the Office of the State Controller informed the City that it had initiated an audit, and during this time the City was required to supply documentation going back as far as 15 years, making it difficult to find all related support due to documentation retention policies, a new financial system and employee turnover. While the postponed nature of the audit created an unfortunate burden upon the City to retrace years’ worth of activity, we accept this finding.

**FINDING 2—
Unreported offsetting
revenues**

The city did not offset any revenues or reimbursements on its claim forms for the audit period. We found that the city should have offset \$177,692 in restricted funds, including Proposition A and Proposition C Local Return funds, that were used to pay for mandated activities.

One-time activities

We found that the city should have offset \$24,372 in Proposition A and Proposition C Local Return funds that was used to purchase and install transit-stop trash receptacles in FY 2007-08.

The Proposition A and Proposition C programs are funded by two one-half cent sales tax measures approved by Los Angeles County voters. Proposition A was approved in November 1980 and Proposition C was approved in November 1990. Twenty-five percent of the Proposition A funds and 20% of the Proposition C funds are designated for the Local Return program and are to be used for developing and/or improving public transit and related transportation infrastructure.

Section II. (Project Eligibility) of the Proposition A and Proposition C Local Return Guidelines identifies reimbursement for ongoing trash receptacle maintenance as follows:

2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Codes 150, 160, & 170)

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings – in street for buses and at sidewalk for passengers
- Bus turn-outs
- Benches
- Shelters
- Trash Receptacles
- Curb cuts
- Concrete or electrical work directly associated with the above items

As the city used Proposition A and Proposition C funds authorized to be used on mandated activities, it did not have to rely on discretionary funds to pay for mandated activities.

Ongoing Activities

We found that the city should have offset \$153,320 in revenues from the Transit System Fund (Fund No. 801) that was used to pay for the ongoing maintenance of transit-stop trash receptacles for each fiscal year in the audit period.

The Transit System Fund is an Enterprise Fund Type, and is used to account for activities for which a fee is charged to external users for goods or services. Examples of revenues in the Transit System Fund include:

- Metrolink and EZ pass revenues;
- Fixed Route passenger fares;
- Dial-A-Ride passenger fares;
- Proposition A and Proposition C Local Return Program funds;
- Measure R funds; and
- State Transportation Development Act funds.

We confirmed that there were no General Fund transfers into the Transit System Fund during the audit period. As the city used revenues authorized by the city to pay for mandated activities, it did not have to rely on the use of discretionary funds to pay for the mandated activities.

Criteria

Section VIII. (Offsetting Revenues and Reimbursements) of the parameters and guidelines states:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, State or non-local source shall be identified and deducted from this claim.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012, with the adoption of a new NPDES permit. However, when claiming reimbursement for other mandated programs, we recommend that the city:

- Follow the mandated program's claiming instructions and parameters and guidelines when filing its reimbursement claims; and
- Offset all revenues raised outside its appropriations limit that are used to fund mandated activities.

City's Response

The City believes there is no clear basis to deny claims which were paid from Proposition A & C funds. The Parameters and Guidelines, Section VIII Offsetting Revenues and Reimbursements, states the following:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted for [sic] the costs claimed. In addition, reimbursement for this mandate received from any federal, State or non-local source shall be identified and deducted from this claim.

Proposition A & C funds are derived from a local tax. The Los Angeles Metropolitan Transportation Authority Proposition A and C Local Return Program Guidelines specifically state that 25 percent of the Proposition A & C tax is designated for the Local Return (LR) Program. This is a local sales tax and does not constitute an offsetting revenue as defined in the Parameters and Guidelines, Section VIII Offsetting Revenues and Reimbursements.

Additionally, the Statement of Decision for the Municipal Storm Water and Urban Runoff Discharges Program, pages 51 and 52, quotes the following:

The constitutionality of Government Code section 17556, subdivision (d), was upheld by the California Supreme Court in County of Fresno v. State of California, in which the court held that the term "costs" in article XIII B, section 6, excludes expenses recoverable from sources other than taxes. The court stated:

Section 6 was included in article XIII B in recognition that article XIII A of the Constitution severely restricted the taxing powers of local governments. (See County of Los Angeles,

supra, 43 Cal.3d at p. 61.) The provision was intended to preclude the state from shifting financial responsibility for carrying out governmental functions onto local entities that were ill equipped to handle the task (*Ibid.*; see *Lucia Mar Unified School Dist. V. Honig* (1988) 44 Cal.3d 830, 836, fn. 6 [244 Cal.Rptr. 677, 750 P.2d 318].) Specifically, it was designed to protect tax revenues of local governments from state mandates that would require expenditures of such revenues. Thus, although its language broadly declares that the “state shall provide a subvention of funds to reimburse ... local government for the costs [of a state-mandated new] program or higher level of service,” read in its textual and historical context section 6 of article XIII B requires subvention only when the costs in question can be recovered solely from tax revenues.

Because, as stated above, Proposition A & C funds are tax revenues, the City believes that these costs are eligible for reimbursement, consistent to Government Code section 17514, exempt from the provisions under the Parameters and Guidelines, Section VIII Offsetting Revenues and Reimbursements.

SCO Comment

Our finding and recommendation remain unchanged.

Both the Commission’s parameters and guidelines and the SCO’s claiming instructions require the identification and reporting of offsetting revenues and reimbursements. We concluded that the Proposition A and Proposition C Local Return Funds that were used to pay for the maintenance of the transit-stop trash receptacles are restricted funds that should be reported and offset against claimed costs.

The city states that Proposition A and Proposition C Local Return funds are a “local sales tax that does not constitute an offsetting revenue.” We disagree. Proposition A and Proposition C Local Return funds are a special supplementary sales tax approved by Los Angeles County voters in 1980 and 1990, respectively. The Proposition A and Proposition C sales tax revenue is restricted solely to the development and/or improvement of public transit services, while unrestricted general sales taxes can be spent for any general governmental purpose.

Furthermore, the city has not provided us with any documentation showing that the Proposition A and Proposition C Local Return funds were included in the city’s appropriation limit.

**Attachment—
City’s Response to
Draft Audit Report**



City of
SANTA CLARITA

23920 Valencia Boulevard • Suite 300 • Santa Clarita, California 91355-2196
Phone: (661) 259-2489 • FAX: (661) 259-8125
www.santa-clarita.com

July 6, 2018

Mr. Jeffrey V. Brownfield, CPA
Chief, Division of Audits
California State Controller
P.O. Box 942850
Sacramento, California 94250

Dear Mr. Brownfield,

Subject: Municipal Storm Water and Urban Runoff Discharges Program Audit Report

This letter is in response to your draft audit report for the claims filed by the City of Santa Clarita for the Mandated Municipal Storm Water and Urban Runoff Discharges Program. Two audit findings were noted in your report:

1. *Overstated ongoing maintenance costs:*

The city claimed \$338,610 for ongoing maintenance of transit stops trash receptacles for the audit period. We found that \$153,320 is allowable and \$185,290 is unallowable. The costs are unallowable because the city misstated the annual number of trash collections during the audit period.

Management Response: The City filed claims on September 28, 2011, when expenditures for the period from FY 2002-03 through FY 2008-09 became eligible for reimbursement under the program. In May 2017, the Office of the State Controller informed the City that it had initiated an audit, and during this time the City was required to supply documentation going back as far as 15 years, making it difficult to find all related support due to document retention policies, a new financial system and employee turnover. While the postponed nature of the audit creates an unfortunate burden upon the City to retrace years' worth of activity, we accept this finding.



Mr. Jeffrey Brownfield
July 6, 2018
Page 2

2. *Unreported offsetting revenues and reimbursements:*

The city did not offset any revenues or reimbursements on its claim forms for the audit period. We found that the city should have offset \$177,692 for the audit period in revenues used from Proposition A & C Local Return Fund, and Transit Enterprise Fund. Specifically, the city used \$24,372 to pay for one-time costs and \$153,320 to pay for the ongoing maintenance of trash receptacles at city bus stops.

Management Response: The City believes there is no clear basis to deny claims which were paid from Proposition A & C funds. The Parameters and Guidelines, Section VIII Offsetting Revenues and Reimbursements, states the following:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted for the costs claimed. In addition, reimbursement for this mandate received from any federal, State or non-local source shall be identified and deducted from this claim.

Proposition A & C funds are derived from a local tax. The Los Angeles Metropolitan Transportation Authority Proposition A and C Local Return Program Guidelines specifically state that 25 percent of the Proposition A & C tax is designated for the Local Return (LR) Program. This is a local sales tax and does not constitute an offsetting revenue as defined in the Parameters and Guidelines, Section VIII Offsetting Revenues and Reimbursements.

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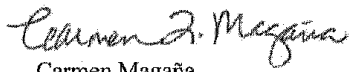
Mr. Jeffrey Brownfield
July 6, 2018
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tax revenues.

Because, as stated above, Proposition A & C funds are tax revenues, the City believes that these costs are eligible for reimbursement, consistent to Government Code section 17514, exempt from the provisions under the Parameters and Guidelines, Section VIII Offsetting Revenues and Reimbursements.

Should you have any questions related to our response, please contact Brittany Houston, Interim Finance Manager, bhouston@santa-clarita.com

Respectfully,



Carmen Magaña
Director of Administrative Services

CM:BH:ejp

SAFINSB90 Mandated Costs SB90 Audit Management Response 7.6.18

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250**

<http://www.sco.ca.gov>

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On February 19, 2021, I served the:

- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Claremont) issued February 19, 2021**
- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Santa Clarita) issued February 19, 2021**
- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Signal Hill) issued February 19, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Claremont on February 10, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Santa Clarita on February 9, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Signal Hill on February 9, 2021**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, and 20-0304-I-11

Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006

City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009

City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

City of Signal Hill, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on February 19, 2021 at Sacramento, California.



Jill L. Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 2/19/21

Claim Number: 20-0304-I-08 Consolidated with 19-0304-I-04, 20-0304-I-06, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Claremont
City of Downey
City of Glendora
City of Santa Clarita
City of Signal Hill
County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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NOTICE OF INTENT TO JOIN A CONSOLIDATED INCORRECT REDUCTION CLAIM

1. TITLE OF CONSOLIDATED INCORRECT REDUCTION CLAIM

Municipal Storm Water and Urban Runoff Discharges

20-0304-I-08

2. JOINT-CLAIMANT INFORMATION

City of Signal Hill

Name of Local Agency or School District

Hannah Shin-Heydorn

Joint-Claimant Contact

City Manager

Title

2175 Cherry Avenue

Street Address

Signal Hill, CA 90755

City, State, Zip

562-989-7305

Telephone Number

562-989-7393

Fax Number

Hshinheydorn@cityofsignalhill.org

E-Mail Address

3. AMOUNT OF INCORRECT REDUCTION

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

Fiscal Year	Amount of Reduction
2002-03	\$3,188.00
2003-04	\$3,855.00
2004-05	\$11,215.00
2005-06	\$11,215.00
2006-07	\$11,215.00
2007-08	\$11,215.00
TOTAL:	\$101,656.00

4. FINAL STATE AUDIT REPORT OR OTHER WRITTEN NOTICE OF ADJUSTMENT

Please include a copy of the final state audit report, letter, remittance advice, or other written notice of adjustment from the Office of State Controller that explains the reason(s) for the reduction or disallowance.

5. REIMBURSEMENT CLAIMS

Please include a copy of the subject reimbursement claims submitted to the Office of State Controller.

For CSM Use Only

Filing Date:

RECEIVED
February 9, 2021
**Commission on
State Mandates**

20-0304-I-10 (20-0304-I-08)

Consolidated IRC #:

6. OPTING OUT PROCEDURES FOR A CLAIMANT-INITIATED CONSOLIDATION

To opt out of a consolidated incorrect reduction claim, a joint-claimant shall file a written notice with the Commission within fifteen (15) days of service of the Office of State Controller's comments. A copy of the notice must be served on all parties and interested parties on the mailing list. Proof of service shall be filed with the notice pursuant to section 1181.2.

No later than one (1) year after opting out, or within the statute of limitations under section 1185(b) of the Commission's regulations, whichever is later, a claimant that opts out of a consolidated claim shall file an individual incorrect reduction claim pursuant to Commission requirements in order to preserve its right to challenge a reduction made by the Controller on that same mandate.

If a claimant opts out of a consolidated incorrect reduction claim and an individual incorrect reduction claim for that entity is already on file with the Commission, the individual filing is automatically reinstated.

7. CLAIM CERTIFICATION

Joint-Claimant authorizes the original claimant in the above-named incorrect reduction claim to act as its representative in this consolidated incorrect reduction claim, which is filed pursuant to Government Code section 17558.7. I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this intent to join a consolidated incorrect reduction claim is true and complete to the best of my own knowledge or information or belief.

Hannah Shin-Heydorn, City Manager

Name & Title of Authorized Local Agency/School District Official



Signature

February 2, 2021

Date

Section 3, Amount of Incorrect Reduction, cont.

<u>Fiscal Year</u>	<u>Amount of Reduction</u>
2008-09	\$11,215.00
2009-10	N/A
2010-11	\$10,455.00
2011-12	\$18,590.00
2012-13	\$9,503.00

SECTION 4

FINAL STATE AUDIT REPORT FOR

CITY OF SIGNAL HILL

CITY OF SIGNAL HILL

Audit Report

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES PROGRAM

Los Angeles Regional Water Quality Control Board,
Order No. 01-182, Permit CAS004001, Part 4F5c3

July 1, 2002, through June 30, 2013



BETTY T. YEE
California State Controller

June 2018



BETTY T. YEE
California State Controller

June 25, 2018

Tina L. Hansen, Mayor
City of Signal Hill
2175 Cherry Avenue
Signal Hill, CA 90755

Dear Mayor Hansen:

The State Controller's Office (SCO) audited the costs claimed by the City of Signal Hill for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program for the period of July 1, 2002, through June 30, 2013.

The city claimed \$233,135 for the mandated program. Our audit found that \$33,403 is allowable and \$199,732 is unallowable because the city overstated the annual number of transit-stop trash collections and did not offset the Proposition A Local Return funds used to pay for the mandated activities. The State made no payments to the city. Following the issuance of this report, the SCO's Local Government Programs and Services Division will notify the city of the adjustments via a system-generated letter for each fiscal year in the audit period.

If you have any questions, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/rg

cc: Scott Williams, Finance Director
Finance Department
City of Signal Hill
Angelina Garcia, Accounting Manager
Finance Department
City of Signal Hill
Chris Hill, Principal Program Budget Analyst
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California Department of Finance
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California State Controller's Office

Contents

Audit Report

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City of Signal Hill for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program for the period of July 1, 2002, through June 30, 2013.

The city claimed \$233,135 for the mandated program. Our audit found that \$33,403 is allowable and \$199,732 is unallowable because the city overstated the annual number of transit-stop trash collections and did not offset the Proposition A Local Return funds used to pay for the mandated activities. The State made no payments to the city.

Background

The California Regional Water Quality Control Board, Los Angeles Region (Board), adopted a 2001 storm water permit (Permit CAS004001) that requires local jurisdictions to:

Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

On July 31, 2009, the Commission on State Mandates (Commission) determined that Part 4F5c3 of the permit imposes a state mandate reimbursable under Government Code (GC) section 17561 and adopted the Statement of Decision. The Commission further clarified that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL) is entitled to reimbursement.

The Commission also determined that the period of reimbursement for the mandated activities begins July 1, 2002, and continues until a new National Pollutant Discharge Elimination System (NPDES) permit issued by the Board is adopted. On November 8, 2012, the Board adopted a new NPDES permit, Order No. R4-2012-0175, which became effective on December 28, 2012. As such, the Municipal Storm Water and Urban Runoff Discharges program is no longer a mandate.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on March 24, 2011. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

The audit period was from July 1, 2002, through June 30, 2013.

To achieve our audit objective, we:

- Reviewed the annual mandated cost claims filed by the city for the audit period and verified that the material cost components of each claim are the annual number of trash collections and unit cost rates, and determined whether there were any errors or unusual or unexpected variances from year to year. We also reviewed the claimed activities to determine whether they adhered to the SCO's claiming instructions and the program's parameters and guidelines;
- Completed an internal control questionnaire by interviewing key city staff, and discussed the claim preparation process with city staff to determine what information was obtained, who obtained it, and how it was used;
- Researched the city's location within the Los Angeles River Watershed and gained an understanding of the trash TMDL effective date to determine the city's eligibility;
- Traced the unit cost rate claimed for each fiscal year in the audit period to the SCO's claiming instructions to ensure proper application of the rate;
- Requested source documentation to support the calculation of the annual number of trash collections claimed for each fiscal year in the audit period. Re-calculated the annual number of trash collections for each fiscal year in the audit period based on documentation provided (see Finding 1); and
- Requested expenditure reports for all fiscal years in the audit period to determine whether costs claimed were funded by another source. Traced the ongoing maintenance costs claimed to source documents for FY 2007-08 through FY 2012-13, as these were the only years for which the city was able to provide documentation (see Finding 2).

The legal authority to conduct this audit is provided by GC sections 12410, 17558.5, and 17561. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We limited our review of the city's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations. We did not audit the city's financial statements.

Conclusion

Our audit found instances of noncompliance with the requirements outlined in the Objective, Scope, and Methodology section. These instances are quantified in the accompanying Schedule (Summary of Program Costs) and described in the Findings and Recommendations

section of this report.

For the audit period, the City of Signal Hill claimed \$233,135 for costs of the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program. Our audit found that \$33,403 is allowable and \$199,732 is unallowable. The State made no payments to the city.

Following the issuance of this report, the SCO's Local Government Programs and Services Division will notify the city of the adjustments via a system-generated letter for each fiscal year in the audit period.

**Follow-up on
Prior Audit
Findings**

We have not previously conducted an audit of the city's legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program.

**Views of
Responsible
Officials**

We discussed our audit results with the city's representatives during an exit conference conducted on March 13, 2018. Scott Williams, Finance Director, and Angelina Garcia, Accounting Manager, accepted the audit results. Mr. Williams declined a draft audit report and agreed that we could issue the audit report as final.

Restricted Use

This report is solely for the information and use of City of Signal Hill, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

June 25, 2018

Schedule—
Summary of Program Costs
July 1, 2002, through June 30, 2013

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003</u>				
Ongoing activities:				
August 28, 2002, through June 30, 2003:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	3,172	1,376	(1,796)	
Total ongoing costs	21,379	9,274	(12,105)	Finding 1
Less offsetting revenues and reimbursements	-	(3,188)	(3,188)	Finding 2
Total program costs	<u>\$ 21,379</u>	6,086	<u>\$ (15,293)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ 6,086</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	3,172	1,664	(1,508)	
Total ongoing costs	21,379	11,215	(10,164)	Finding 1
Less offsetting revenues and reimbursements	-	(3,855)	(3,855)	Finding 2
Total program costs	<u>\$ 21,379</u>	7,360	<u>\$ (14,019)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ 7,360</u>		
<u>July 1, 2004, through June 30, 2005</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	3,172	1,769	(1,403)	
Total ongoing costs	21,379	11,923	(9,456)	Finding 1
Less offsetting revenues and reimbursements	-	(11,215)	(11,215)	Finding 2
Total program costs	<u>\$ 21,379</u>	708	<u>\$ (20,671)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ 708</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2005, through June 30, 2006</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	3,172	1,664	(1,508)	
Total ongoing costs	21,379	11,215	(10,164)	Finding 1
Less offsetting revenues and reimbursements	-	(11,215)	(11,215)	Finding 2
Total program costs	<u>\$ 21,379</u>	-	<u>\$ (21,379)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2006, through June 30, 2007</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	3,172	1,664	(1,508)	
Total ongoing costs	21,379	11,215	(10,164)	Finding 1
Less offsetting revenues and reimbursements	-	(11,215)	(11,215)	Finding 2
Total program costs	<u>\$ 21,379</u>	-	<u>\$ (21,379)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2007, through June 30, 2008</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	3,172	1,664	(1,508)	
Total ongoing costs	21,379	11,215	(10,164)	Finding 1
Less offsetting revenues and reimbursements	-	(11,215)	(11,215)	Finding 2
Total program costs	<u>\$ 21,379</u>	-	<u>\$ (21,379)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2008, through June 30, 2009</u>				
Ongoing activities:				
Unit cost rate	\$ 6.74	\$ 6.74	\$ 6.74	
Annual number of trash collections ²	3,172	1,664	(1,508)	
Total ongoing costs	21,379	11,215	(10,164)	Finding 1
Less offsetting revenues and reimbursements	-	(11,215)	(11,215)	Finding 2
Total program costs	<u>\$ 21,379</u>	-	<u>\$ (21,379)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2009, through June 30, 2010</u>				
Ongoing activities:				
Unit cost rate	\$ 6.78	\$ 6.78	\$ 6.78	
Annual number of trash collections ²	3,172	1,772	(1,400)	
Total ongoing costs	21,506	12,014	(9,492)	Finding 1
Less offsetting revenues and reimbursements	-	-	-	
Total program costs	<u>\$ 21,506</u>	12,014	<u>\$ (9,492)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ 12,014</u>		
<u>July 1, 2010, through June 30, 2011</u>				
Ongoing activities:				
Unit cost rate	\$ 6.80	\$ 6.80	\$ 6.80	
Annual number of trash collections ²	3,380	2,600	(780)	
Total ongoing costs	22,984	17,680	(5,304)	Finding 1
Less offsetting revenues and reimbursements	-	(10,445)	(10,445)	Finding 2
Total program costs	<u>\$ 22,984</u>	7,235	<u>\$ (15,749)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ 7,235</u>		
<u>July 1, 2011, through June 30, 2012</u>				
Ongoing activities:				
Unit cost rate	\$ 7.15	\$ 7.15	\$ 7.15	
Annual number of trash collections ²	3,380	2,600	(780)	
Total ongoing costs	24,167	18,590	(5,577)	Finding 1
Less offsetting revenues and reimbursements	-	(18,590)	(18,590)	Finding 2
Total program costs	<u>\$ 24,167</u>	-	<u>\$ (24,167)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2012, through June 30, 2013</u>				
Ongoing activities:				
July 1, 2012, through December 27, 2012:				
Unit cost rate	\$ 7.31	\$ 7.31	\$ 7.31	
Annual number of trash collections ²	2,028	1,300	(728)	
Total ongoing costs	14,825	9,503	(5,322)	Finding 1
Less offsetting revenues and reimbursements	-	(9,503)	(9,503)	Finding 2
Total program costs	<u>\$ 14,825</u>	-	<u>\$ (14,825)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>Summary: July 1, 2002, through June 30, 2013</u>				
Ongoing costs	\$ 233,135	\$ 135,059	\$ (98,076)	Finding 1
Less offsetting revenues and reimbursements	-	(101,656)	(101,656)	Finding 2
Total program costs	<u>\$ 233,135</u>	33,403	<u>\$ (199,732)</u>	
Less amount paid by the State ³		-		
Allowable costs claimed in excess of amount paid		<u>\$ 33,403</u>		

¹ See the Findings and Recommendations section.

² The annual number of trash collections is the number of city-wide transit stop trash receptacles multiplied by the number of times each receptacle was picked up during one year.

³ Payment amount current as of May 18, 2018.

Findings and Recommendations

FINDING 1— Overstated ongoing maintenance costs

The city claimed \$233,135 for ongoing maintenance of the transit-stop trash receptacles for the audit period. We found that \$135,059 is allowable and \$98,076 is unallowable. The costs are unallowable because the city overstated the annual number of trash collections for each fiscal year in the audit period.

The city claimed reimbursement for ongoing maintenance costs using the Commission-adopted reasonable reimbursement methodology (RRM). Under the RRM, the unit cost rate (\$6.74 during the period of July 1, 2002, through June 30, 2009, and adjusted annually thereafter by the implicit price deflator) is multiplied by the number of citywide transit-stop trash receptacles and by the number of annual trash collections.

The following table summarizes the audit adjustment calculation by fiscal year:

Fiscal Year	Annual No. of Trash Collections ¹			Unit	Audit Adjustment
	Claimed	Allowable	Difference	Cost Rate	
2002-03	3,172	1,376	(1,796)	\$ 6.74	\$ (12,105)
2003-04	3,172	1,664	(1,508)	6.74	(10,164)
2004-05	3,172	1,769	(1,403)	6.74	(9,456)
2005-06	3,172	1,664	(1,508)	6.74	(10,164)
2006-07	3,172	1,664	(1,508)	6.74	(10,164)
2007-08	3,172	1,664	(1,508)	6.74	(10,164)
2008-09	3,172	1,664	(1,508)	6.74	(10,164)
2009-10	3,172	1,772	(1,400)	6.78	(9,492)
2010-11	3,380	2,600	(780)	6.80	(5,304)
2011-12	3,380	2,600	(780)	7.15	(5,577)
2012-13	2,028	1,300	(728)	7.31	(5,322)
Total	34,164	19,737	(14,427)		\$ (98,076)

¹ The annual number of trash collections is the number of city-wide transit stop trash receptacles multiplied by the number of times each receptacle was picked up during one year.

The city misinterpreted the program's parameters and guidelines requirement that it retain documentation to support its calculation of the annual number of trash collections. Section VII. (Records Retention) of the parameters and guidelines state:

Local agencies must retain documentation which supports the reimbursement of the maintenance costs identified in Section IV.B of these parameters and guidelines during the period subject to audit, including documentation showing the number of trash receptacles in the jurisdiction and the number of trash collections or pickups.

During audit fieldwork, we reviewed the city’s agreements with Eller Media Company, Conservation Corps of Long Beach (CCLB), and Shelter Clean Services, Inc. (Shelter Clean) and re-calculated the total number of transit-stop trash collections to be 19,737, as follows:

<u>Fiscal Year</u>	<u>Eller Media Company</u>	<u>CCLB</u>	<u>Shelter Clean</u>	<u>Total No. of Trash Collections</u>
2002-03	903	473	-	1,376
2003-04	1,092	572	-	1,664
2004-05	105	1,664	-	1,769
2005-06	-	1,664	-	1,664
2006-07	-	1,664	-	1,664
2007-08	-	1,664	-	1,664
2008-09	-	1,664	-	1,664
2009-10	-	1,664	108	1,772
2010-11	-	1,664	936	2,600
2011-12	-	1,664	936	2,600
2012-13	-	832	468	1,300
Total	<u>2,100</u>	<u>15,189</u>	<u>2,448</u>	<u>19,737</u>

Eller Media Company

On August 4, 1999, the city entered into a five-year agreement with Eller Media Company for ongoing maintenance of 21 bus shelters. The agreement applies to our audit period from August 28, 2002, through August 4, 2004. As such, we determined that 2,100 transit-stop trash collections, totaling \$14,154, are allowable, as follows:

<u>Fiscal Year</u>	<u>No. of Transit-stop Trash Receptacles</u>	<u>No. of Annual Collections</u>	<u>Total No. of Trash Collections</u>	<u>Unit Cost Rate</u>	<u>Amount Allowable</u>
2002-03	21	43 ¹	903	\$6.74	\$ 6,086
2003-04	21	52	1,092	6.74	7,360
2004-05	21	5 ²	105	6.74	708
Total			<u>2,100</u>		<u>\$ 14,154</u>

¹ The reimbursement period for FY 2002-03 is 43 weeks from August 28, 2002, through June 20, 2003.

² The agreement with Eller Media Company ended on August 4, 2004. Therefore, reimbursement for FY 2004-05 is for only five weeks, from July 1, 2004, through August 4, 2004.

Conservation Corps of Long Beach

The city had several agreements with CCLB for cleaning and maintenance of bus stops during the audit period. We reviewed the Project Approval Forms and determined that 15,189 transit-stop trash collections, totaling \$103,695, are allowable, as follows:

Fiscal Year	Transit-stop Trash Receptacles	No. of Annual Collections	Total No. of Trash Collections	Unit Cost Rate	Amount Allowable
2002-03	11	43 ¹	473	\$ 6.74	\$ 3,188
2003-04	11	52	572	6.74	3,855
2004-05	32	52	1,664	6.74	11,215
2005-06	32	52	1,664	6.74	11,215
2006-07	32	52	1,664	6.74	11,215
2007-08	32	52	1,664	6.74	11,215
2008-09	32	52	1,664	6.74	11,215
2009-10	32	52	1,664	6.78	11,282
2010-11	32	52	1,664	6.80	11,315
2011-12	32	52	1,664	7.15	11,898
2012-13	32	26 ²	832	7.31	6,082
Total			15,189		\$ 103,695

¹ The reimbursement period for FY 2002-03 is 43 weeks, from August 28, 2002, through June 20, 2003.

² The reimbursement period for FY 2012-13 is 26 weeks, from July 1, 2012, through December 27, 2012, due to the adoption of a new NPDES permit.

On March 13, 2002, the city entered into an agreement with CCLB for the cleaning and maintenance of 41 bus stops, once a week. To support the ongoing maintenance costs incurred, the city provided the Project Approval Form, which included a bus stop location list showing that only 11 of the 41 bus stops had trash receptacles.

FY 2004-05 through FY 2007-08

On July 1, 2004, the city entered into an agreement with CCLB for the cleaning and maintenance of 61 bus stops, once a week. To support the ongoing maintenance costs incurred, the city provided the Project Approval Form, which did not include a bus stop location list like the Project Approval Form mentioned previously. In addition, the city did not provide documentation to indicate that it purchased and installed trash receptacles at the bus stops that previously did not have them.

Therefore, in the absence of a bus stop location list indicating the number of bus stops with trash receptacles, we determined that CCLB maintained 32 transit-stop trash receptacles, as follows:

- 11 receptacles previously maintained by CCLB in FY 2002-03 and FY 2003-04; and
- 21 receptacles previously maintained by Eller Media Company (agreement ended August 4, 2004).

FY 2008-09 through 2012-13

The city is located within the Los Angeles River Watershed and is subject to the trash TMDL requirements, which became effective on September 23, 2008. Section II. (Eligible Claimants) of the parameters and guidelines states that transit-stop trash receptacles located within the trash TMDL are not eligible for reimbursement, as follows:

Beginning September 23, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the Los Angeles River trash TMDL requirements:

... Signal Hill ...

During audit fieldwork, the city provided a map of the Long Beach Transit bus stop locations; however, we were unable to identify which transit-stop trash receptacles are located in the Los Angeles River Watershed. In an email to its consultant, dated September 26, 2013, the city states that 47.54% of the city’s 61 bus stops are located in the Los Angeles River Watershed; therefore, 52.46% of the transit trash receptacles (or 32 transit receptacles) are not located in the Los Angeles River Watershed and are, therefore, eligible.

We identified 32 bus stops with trash receptacles that were previously maintained by CCLB. Absent documentation to support otherwise, we concluded that the bus stops with trash receptacles maintained by CCLB are located outside of the Los Angeles River Watershed and are, therefore, allowable.

Shelter Clean Services, Inc.

On May 18, 2010, the city entered into an agreement with Shelter Clean to maintain 18 bus shelters with trash receptacles. These 18 bus shelters were already maintained by CCLB, but required additional maintenance due to increased pedestrian traffic and public transit usage. We determined that 2,448 transit-stop trash collections, totaling \$17,210, are allowable, as follows:

<u>Fiscal Year</u>	<u>No. of Transit-stop Trash Receptacles</u>	<u>No. of Annual Collections</u>	<u>Total No. of Trash Collections</u>	<u>Unit Cost Rate</u>	<u>Amount Allowable</u>
2009-10	18	6 ¹	108	\$ 6.78	\$ 732
2010-11	18	52	936	6.80	6,365
2011-12	18	52	936	7.15	6,692
2012-13	18	26 ²	468	7.31	3,421
Total			<u>2,448</u>		<u>\$ 17,210</u>

¹ The agreement with Shelter Clean began on May 18, 2010. Therefore, the reimbursement period for FY 2009-10 is for only six weeks, from May 18, 2010, through June 30, 2010.

² The reimbursement period for FY 2012-13 is 26 weeks from July 1, 2012, through December 27, 2012, due to the adoption of a new NPDES permit.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012, with the adoption of a new NPDES permit. When claiming reimbursement for other mandated programs, we recommend that the city ensure that claimed costs include only actual costs that are supported by source documentation.

**FINDING 2—
Unreported offsetting
revenues**

The city did not report any offsetting revenues on its claims forms for the audit period. We found that the city should have offset \$101,656 in Proposition A Local Return funds that were used to pay for the ongoing maintenance of the transit-stop trash receptacles.

The following table summarizes the unreported Proposition A Local Return offset amount by fiscal year:

Fiscal Year	CCLB				Shelter Clean				Unreported Proposition A Local Return Offset
	No. of Transit-stop Trash Receptacles	No. of Annual Collections	Unit Cost Rate	Amount Offset	No. of Transit-stop Trash Receptacles	No. of Annual Collections	Unit Cost Rate	Amount Offset	
2002-03	11	43	\$ 6.74	\$ (3,188)	-	-	\$ -	\$ -	\$ (3,188)
2003-04	11	52	6.74	(3,855)	-	-	-	-	(3,855)
2004-05	32	52	6.74	(11,215)	-	-	-	-	(11,215)
2005-06	32	52	6.74	(11,215)	-	-	-	-	(11,215)
2006-07	32	52	6.74	(11,215)	-	-	-	-	(11,215)
2007-08	32	52	6.74	(11,215)	-	-	-	-	(11,215)
2008-09	32	52	6.74	(11,215)	-	-	-	-	(11,215)
2009-10	-	- ¹	-	-	-	-	-	-	-
2010-11	32	48 ²	6.80	(10,445)	-	-	-	-	(10,445)
2011-12	32	52	7.15	(11,898)	18	52	7.15	(6,692)	(18,590)
2012-13	32	26	7.31	(6,082)	18	26	7.31	(3,421)	(9,503)
Total				<u>\$ (91,543)</u>				<u>\$ (10,113)</u>	<u>\$ (101,656)</u>

¹ For FY 2009-10, the ongoing maintenance costs incurred by CCLB were paid for with general funds.

² For FY 2010-11, the ongoing maintenance costs incurred by CCLB in July 2010 were paid for with general funds.

Proposition A is a half-cent sales tax measure approved by Los Angeles County voters in 1980 to finance transit programs. Twenty-five percent of the sales tax revenue is dedicated to the Local Return Program to be used by cities for developing and/or improving public transit and related transportation infrastructure.

Section II. (Project Eligibility) of the Proposition A and Proposition C Local Return Guidelines identifies reimbursement for ongoing trash receptacle maintenance as follows:

2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Codes 150, 160, & 170)

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings – in street for buses and at sidewalk for passengers

- Bus turn-outs
- Benches
- Shelters
- Trash Receptacles
- Curb cuts
- Concrete or electrical work directly associated with the above items

As the city used Proposition A funds authorized to be used on the mandated activities, it did not have to rely on the use of discretionary funds to pay for the mandated activities. Moreover, when a local agency has raised revenues outside its appropriations limit to cover the cost of mandated activities, funds thus expended are not reimbursable.

Section VIII. (Offsetting Revenues and Reimbursements) of the parameters and guidelines, state:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state, or non-local source shall be identified and deducted from this claim.

Conservation Corps of Long Beach

The city used Proposition A Local Return funds, totaling \$91,543, to pay CCLB during the ongoing maintenance costs for the audit period.

FY 2002-03 through FY 2008-09

For FY 2002-03 through FY 2006-07, the city did not provide documentation to support the funding sources used to pay for CCLB's ongoing maintenance of the transit stop trash receptacles. However, we reviewed a memo from the Community Services Supervisor, dated October 19, 2007, requesting that FY 2007-08 contract with CCLB "**continue** to be funded with the use of MTA Prop A Transportation Funds" [*emphasis added*]. Absent documentation to support that the city used general funds to pay CCLB for ongoing maintenance costs for FY 2002-03 through FY 2006-07, we reasonably assumed that the same funding source (Proposition A) was used for the earlier years. Therefore, we offset the entire amount found to be allowable in Finding 1, totaling \$63,118, for FY 2002-03 through FY 2008-09.

FY 2009-10

For FY 2009-10, the city provided CCLB's monthly invoices for cleaning and maintenance of bus stops. The monthly invoices were stamped "Approved for Payment" with a note that Fund 001—which is the General Fund—was used to pay for the services provided. As such, we did not apply an offset.

FY 2010-11 through FY 2012-13

For FY 2010-11 through FY 2012-13, the city provided CCLB's monthly invoices for cleaning and maintenance services of bus stops. The monthly invoices were marked "Approved for Payment" with a note that Fund 006—which is the Proposition A fund—was used to pay for the services provided for every month except July 2010. Therefore, we offset the entire amount found to be allowable in Finding 1 for FY 2010-11 through FY 2012-13, except for the first four weeks of FY 2010-11 (e.g. July 2010), totaling \$28,425.

Shelter Clean Services, Inc.

The city used Proposition A Local Return funds, totaling \$10,113, to pay Shelter Clean Services for ongoing maintenance costs for FY 2011-12 and FY 2012-13.

For FY 2011-12, we reviewed a letter from the Director of Public Works to the Mayor and City Council, dated July 19, 2011, stating that "Public Works will utilize Prop A funds to cover this contract." Therefore, we offset the amount found to be allowable from Finding 1, totaling \$6,692.

For FY 2012-13, we reviewed the Shelter Clean invoices, which were stamped "Approved for Payment" with a note that Fund 006—which is the Proposition A Fund—was used to pay for the services provided. Therefore, we offset the amount found to be allowable in Finding 1, totaling \$3,421.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012, with the adoption of a new NPDES permit. When claiming reimbursement for other mandated programs, we recommend that the city ensure that it offsets all revenues and reimbursements raised outside its appropriation limit that are used to fund mandated activities.

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>

SECTION 5
REIMBURSEMENT CLAIMS

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES		CLAIM FOR PAYMENT		State Controller Use Only (19) Program Number 00314 (20) Date Filed <u>SEP 28 2011</u> (21) LRS Input <u>SEP 28</u>	PROGRAM 314
(01) Claimant Identification Number 9819872		Reimbursement Claim Data			
(02) Claimant Name CITY OF SIGNAL HILL		(22) FORM-1, (04) A.1.(g)	0		
County of Location LOS ANGELES		(23) FORM-1, (04) A.2.(g)	0		
Street Address or P.O. Box 2175 CHERRY AVE		Suite		(24) FORM-1, (04) A.3.(g)	0
City SIGNAL HILL	State CA	Zip Code 90806	(25) FORM-1, (04) A.4.(g)		0
		Type of Claim		(26) FORM-1, (04) A.5.(g)	0
		(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1, (06)	3,172
		(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1, (07)	21,379
		(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1, (08)	0
Fiscal Year of Cost		(06)	(12) 2002-2003	(30) FORM-1, (11)	0
Total Claimed Amount		(07)	(13) \$21,379	(31) FORM-1, (12)	0
Less: (refer to attached instructions)		(14)		(32)	
Less: Prior Claim Payment Received		(15)		(33)	
Net Claimed Amount		(16) \$21,379		(34)	
Due from State		(08)	(17) \$21,379	(35)	
Due to State		(18)		(36)	
(37) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Officer					
<i>Maida Alcantara</i>		Date Signed		<u>09.20.11</u>	
MAIDA ALCANTARA, FINANCE DIRECTOR		Telephone Number		<u>(562) 989-7319</u>	
Type or Print Name and Title of Authorized Signatory		E-Mail Address		<u>malcantara@cityofsignalhill.org</u>	
(38) Name of Agency Contact person for Claim		Telephone Number		<u>(562) 989-7319</u>	
MAIDA ALCANTARA		E-Mail Address		<u>malcantara@cityofsignalhill.org</u>	
Name of Consulting Firm / Claim Preparer		Telephone Number		<u>(949) 440-0845</u>	
MAXIMUS INC. / JEFF CHEN		E-Mail Address		<u>jeffreybchen@maximus.com</u>	

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
------------------------------	--	-------------------------

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2002-2003
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(03) Department	Public Works
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Direct Costs	Object Accounts
---------------------	------------------------

(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total

A. One-Time Activities	
-------------------------------	--

1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							

(05) Total One-Time Costs							
---------------------------	--	--	--	--	--	--	--

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections (Refer to claiming instructions)	3,172
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(07) Total Ongoing Costs	[Line (06) x RRM rate]	\$21,379
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Indirect Costs

(08) Indirect Cost Rate	[From ICRP or 10%]	
-------------------------	--------------------	--

(09) Total Indirect Costs	[Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]	
---------------------------	--	--

(10) Total Direct and Indirect Costs	[Line (05)(g) + line (07) + line (09)]	\$21,379
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Cost Reduction

(11) Less: Offsetting Savings	
-------------------------------	--

(12) Less: Other Reimbursements	
---------------------------------	--

(13) Total Claimed Amount	[Line (10) - {line (11) + line (12)}]	\$21,379
---------------------------	---------------------------------------	----------

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2002-2003</p>
--	--

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the permit</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2002-2003</p>
--	--

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2002-2003
---	--------------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Prepare contracts, conduct specification review process, advertise bids, and review and award bids</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2002-2003
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Purchase or construct receptacles and pads and install receptacles and pads</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2002-2003</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	---

(04) Description of Expenses	Object Accounts					(h)	(i)	
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES		CLAIM FOR PAYMENT		For State Controller Use Only	PROGRAM
				(19) Program Number 00314	314
				(20) Date Filed <u>SEP 28 2011</u>	
				(21) LRS Input <u> / / </u>	
(01) Claimant Identification Number 9819872		Reimbursement Claim Data			
(02) Claimant Name CITY OF SIGNAL HILL		ORIGINAL		(22) FORM-1, (04) A.1.(g)	0
County of Location LOS ANGELES				(23) FORM-1, (04) A.2.(g)	0
Street Address or P.O. Box 2175 CHERRY AVE		Suite		(24) FORM-1, (04) A.3.(g)	0
City SIGNAL HILL	State CA	Zip Code 90806		(25) FORM-1, (04) A.4.(g)	0
		Type of Claim		(26) FORM-1, (04) A.5.(g)	0
		(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1, (06)	3,172
		(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1, (07)	21,379
		(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1, (08)	0
Fiscal Year of Cost		(06)	(12) 2003-2004	(30) FORM-1, (11)	0
Total Claimed Amount		(07)	(13) \$21,379	(31) FORM-1, (12)	0
Less: (refer to attached instructions)		(14)		(32)	
Less: Prior Claim Payment Received		(15)		(33)	
Net Claimed Amount		(16) \$21,379		(34)	
Due from State		(08)	(17) \$21,379	(35)	
Due to State		(18)		(36)	
(37) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Officer		Date Signed		<u>09.20.11</u>	
<u>Maida Alcantara</u>		Telephone Number		<u>(562) 989-7319</u>	
MAIDA ALCANTARA, FINANCE DIRECTOR		E-Mail Address		<u>malcantara@cityofsignalhill.org</u>	
Type or Print Name and Title of Authorized Signatory					
(38) Name of Agency Contact person for Claim		Telephone Number		<u>(562) 989-7319</u>	
MAIDA ALCANTARA		E-Mail Address		<u>malcantara@cityofsignalhill.org</u>	
Name of Consulting Firm / Claim Preparer		Telephone Number		<u>(949) 440-0845</u>	
MAXIMUS INC. / JEFF CHEN		E-Mail Address		<u>jeffreybchen@maximus.com</u>	

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1
(01) Claimant CITY OF SIGNAL HILL				(02) Fiscal Year 2003-2004			
(03) Department Public Works							
Direct Costs		Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
A. One-Time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							
Reasonable Reimbursement Methodology (RRM)							
B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (Refer to claiming instructions)						3,172	
(07) Total Ongoing Costs						[Line (06) x RRM rate] \$21,379 ✓	
Indirect Costs							
(08) Indirect Cost Rate						[From ICRP or 10%]	
(09) Total Indirect Costs						[Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]	
(10) Total Direct and Indirect Costs						[Line (05)(g) + line (07) + line (09)] \$21,379	
Cost Reduction							
(11) Less: Offsetting Savings							
(12) Less: Other Reimbursements							
(13) Total Claimed Amount						[Line (10) - {line (11) + line (12)}] \$21,379 ✓	

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2003-2004</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the permit</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2003-2004
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2003-2004</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses	Object Accounts								
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	
<p><u>Prepare contracts, conduct specification review process, advertise bids, and review and award bids</u></p> <p>No eligible costs</p>									

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2003-2004</p>
--	--

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Purchase or construct receptacles and pads and install receptacles and pads</u></p> <p>No eligible costs</p>								

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2003-2004</p>
--	--

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts								
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	
<p><u>Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location</u></p> <p>No eligible costs</p>									

(05) Total [] Subtotal [] Page: ___ of ___	
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MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT		For State Controller Use Only (19) Program Number <u>00314</u> (20) Date Filed <u>SEP 28, 2011</u> (21) LRS Input <u> / / </u>	PROGRAM 314
(01) Claimant Identification Number 9819872		Reimbursement Claim Data	
(02) Claimant Name CITY OF SIGNAL HILL		(22) FORM-1, (04) A.1.(g)	0
County of Location LOS ANGELES		(23) FORM-1, (04) A.2.(g)	0
Street Address or P.O. Box 2175 CHERRY AVE		(24) FORM-1, (04) A.3.(g)	0
City SIGNAL HILL	State CA	Zip Code 90806	(25) FORM-1, (04) A.4.(g)
(03)		(09) Reimbursement <input checked="" type="checkbox"/>	(26) FORM-1, (04) A.5.(g)
(04)		(10) Combined <input type="checkbox"/>	(27) FORM-1, (06)
(05)		(11) Amended <input type="checkbox"/>	(28) FORM-1, (07)
(06)		(12) 2004-2005	(29) FORM-1, (08)
(07)		(13) \$21,379	(30) FORM-1, (11)
(08)		(14)	(31) FORM-1, (12)
(15)		(15)	(32)
(16)		(16) \$21,379	(33)
(17)		(17) \$21,379	(34)
(18)		(18)	(35)
(36)		(36)	(36)

ORIGINAL

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.

I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer

Maida Alcantara
MAIDA ALCANTARA, FINANCE DIRECTOR
 Type or Print Name and Title of Authorized Signatory

Date Signed 09.20.11
 Telephone Number (562) 989-7319
 E-Mail Address malcantara@cityofsignalhill.org

(38) Name of Agency Contact person for Claim
MAIDA ALCANTARA
 Name of Consulting Firm / Claim Preparer
MAXIMUS INC. / JEFF CHEN

Telephone Number (562) 989-7319
 E-Mail Address malcantara@cityofsignalhill.org
 Telephone Number (949) 440-0845
 E-Mail Address jeffreybchen@maximus.com

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2004-2005
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(03) Department	Public Works
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Direct Costs	Object Accounts
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(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total

A. One-Time Activities	
-------------------------------	--

1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections (Refer to claiming instructions)	3,172
(07) Total Ongoing Costs [Line (06) x RRM rate]	\$21,379

Indirect Costs

(08) Indirect Cost Rate [From ICRP or 10%]	
(09) Total Indirect Costs [Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]	
(10) Total Direct and Indirect Costs [Line (05)(g) + line (07) + line (09)]	\$21,379

Cost Reduction

(11) Less: Offsetting Savings	
(12) Less: Other Reimbursements	
(13) Total Claimed Amount [Line (10) - (line (11) + line (12))]	\$21,379 ✓

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2004-2005
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the permit</u></p> <p>No eligible costs</p>								

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2004-2005</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings</u></p> <p>No eligible costs</p>								

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2004-2005
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle. <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Prepare contracts, conduct specification review process, advertise bids, and review and award bids</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2004-2005</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

- | | |
|---|---|
| <input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle

<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings

<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids | <input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads

<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location |
|---|---|

(04) Description of Expenses	Object Accounts								
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	
<p><u>Purchase or construct receptacles and pads and install receptacles and pads</u></p> <p>No eligible costs</p>									
(05) Total [] Subtotal [] Page: ___ of ___									

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2004-2005
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES		CLAIM FOR PAYMENT		State Controller Use Only	PROGRAM
				(19) Program Number <u>00314</u>	314
				(20) Date Filed <u>01/29/2011</u>	
				(21) LRS Input <u> / / </u>	
(01) Claimant Identification Number 9819872				Reimbursement Claim Data	
(02) Claimant Name CITY OF SIGNAL HILL		ORIGINAL		(22) FORM-1, (04) A.1.(g)	0
County of Location LOS ANGELES				(23) FORM-1, (04) A.2.(g)	0
Street Address or P.O. Box 2175 CHERRY AVE		Suite		(24) FORM-1, (04) A.3.(g)	0
City SIGNAL HILL	State CA	Zip Code 90806		(25) FORM-1, (04) A.4.(g)	0
		Type of Claim		(26) FORM-1, (04) A.5.(g)	0
		(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(27) FORM-1, (06)	3,172
		(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1, (07)	21,379
		(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1, (08)	0
Fiscal Year of Cost		(06)	(12) 2005-2006	(30) FORM-1, (11)	0
Total Claimed Amount		(07)	(13) \$21,379	(31) FORM-1, (12)	0
LESS: (refer to attached instructions)		(14)		(32)	
Less: Prior Claim Payment Received		(15)		(33)	
Net Claimed Amount		(16)	\$21,379	(34)	
Due from State		(08)	(17) \$21,379	(35)	
Due to State		(18)		(36)	
(37) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Officer					
<i>Maida Alcantara</i>		Date Signed		<u>09.20.11</u>	
MAIDA ALCANTARA, FINANCE DIRECTOR		Telephone Number		<u>(562) 989-7319</u>	
Type or Print Name and Title of Authorized Signatory		E-Mail Address		<u>malcantara@cityofsignalhill.org</u>	
(38) Name of Agency Contact person for Claim					
MAIDA ALCANTARA		Telephone Number		<u>(562) 989-7319</u>	
Name of Consulting Firm / Claim Preparer		E-Mail Address		<u>malcantara@cityofsignalhill.org</u>	
MAXIMUS INC. / JEFF CHEN		Telephone Number		<u>(949) 440-0845</u>	
		E-Mail Address		<u>jeffreybchen@maximus.com</u>	

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2005-2006
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(03) Department	Public Works
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Direct Costs	Object Accounts
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(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
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A. One-Time Activities

1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections (Refer to claiming instructions)	3,172
(07) Total Ongoing Costs [Line (06) x RRM rate]	\$21,379

Indirect Costs

(08) Indirect Cost Rate [From ICRP or 10%]	
(09) Total Indirect Costs [Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]	
(10) Total Direct and Indirect Costs [Line (05)(g) + line (07) + line (09)]	\$21,379

Cost Reduction

(11) Less: Offsetting Savings	
(12) Less: Other Reimbursements	
(13) Total Claimed Amount [Line (10) - {line (11) + line (12)}]	\$21,379 ✓

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2005-2006
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the permit</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2005-2006</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___							
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2005-2006</p>
--	--

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Prepare contracts, conduct specification review process, advertise bids, and review and award bids</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2005-2006</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts								
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	
<p><u>Purchase or construct receptacles and pads and install receptacles and pads</u></p> <p>No eligible costs</p>									
(05) Total [] Subtotal [] Page: ___ of ___									

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2005-2006
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___
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MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES		State Controller Use Only		PROGRAM
CLAIM FOR PAYMENT		(19) Program Number 00314	314	
		(20) Date Filed <u>SEP 28 2011</u>		
		(21) LRS Input <u> / / </u>		
(01) Claimant Identification Number 9819872		Reimbursement Claim Data		
(02) Claimant Name CITY OF SIGNAL HILL		(22) FORM-1, (04) A.1.(g)	0	
County of Location LOS ANGELES		(23) FORM-1, (04) A.2.(g)	0	
Street Address or P.O. Box 2175 CHERRY AVE		(24) FORM-1, (04) A.3.(g)	0	
City SIGNAL HILL		(25) FORM-1, (04) A.4.(g)	0	
State CA		(26) FORM-1, (04) A.5.(g)	0	
Zip Code 90806		(27) FORM-1, (06)	3,172	
		Type of Claim		
		(03) (09) Reimbursement <input checked="" type="checkbox"/>		
		(04) (10) Combined <input type="checkbox"/>		
(05) (11) Amended <input type="checkbox"/>				
(06) Fiscal Year of Cost		(12) 2006-2007	(30) FORM-1, (11) 0	
(07) Total Claimed Amount		(13) \$21,379	(31) FORM-1, (12) 0	
Less: (refer to attached instructions)		(14)	(32)	
Less: Prior Claim Payment Received		(15)	(33)	
(16) Net Claimed Amount		(16) \$21,379	(34)	
(08) Due from State		(17) \$21,379	(35)	
(18) Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer				
<i>Maida Alcantara</i>		Date Signed	<u>09.20.11</u>	
MAIDA ALCANTARA, FINANCE DIRECTOR		Telephone Number	<u>(562) 989-7319</u>	
Type or Print Name and Title of Authorized Signatory		E-Mail Address	<u>malcantara@cityofsignalhill.org</u>	
(38) Name of Agency Contact person for Claim				
MAIDA ALCANTARA		Telephone Number	<u>(562) 989-7319</u>	
Name of Consulting Firm / Claim Preparer		E-Mail Address	<u>malcantara@cityofsignalhill.org</u>	
MAXIMUS INC. / JEFF CHEN		Telephone Number	<u>(949) 440-0845</u>	
		E-Mail Address	<u>jeffreybchen@maximus.com</u>	

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2006-2007
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(03) Department	Public Works
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Direct Costs	Object Accounts
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(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total

A. One-Time Activities

1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections (Refer to claiming instructions)	3,172
(07) Total Ongoing Costs [Line (06) x RRM rate]	\$21,379

Indirect Costs

(08) Indirect Cost Rate [From ICRP or 10%]	
(09) Total Indirect Costs [Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]	
(10) Total Direct and Indirect Costs [Line (05)(g) + line (07) + line (09)]	\$21,379

Cost Reduction

(11) Less: Offsetting Savings	
(12) Less: Other Reimbursements	
(13) Total Claimed Amount [Line (10) - (line (11) + line (12))]	\$21,379 ✓

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2006-2007
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost.	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the permit</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2006-2007</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses	Object Accounts								
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	
<p><u>Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings</u></p> <p>No eligible costs</p>									

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2006-2007
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Prepare contracts, conduct specification review process, advertise bids, and review and award bids</u></p> <p>No eligible costs</p>								

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2006-2007</p>
--	--

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	---

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Purchase or construct receptacles and pads and install receptacles and pads</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2006-2007
---	--------------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES			State Controller Use Only		PROGRAM
CLAIM FOR PAYMENT			(19) Program Number <u>00314</u> (20) Date Filed <u>SEP 28 2011</u> (21) LRS Input <u> / / </u>		314
(01) Claimant Identification Number 9819872			Reimbursement Claim Data		
(02) Claimant Name CITY OF SIGNAL HILL			(22) FORM-1, (04) A.1.(g)	0	
County of Location LOS ANGELES			(23) FORM-1, (04) A.2.(g)	0	
Street Address or P.O. Box 2175 CHERRY AVE			(24) FORM-1, (04) A.3.(g)	0	
City SIGNAL HILL			(25) FORM-1, (04) A.4.(g)	0	
State CA			(26) FORM-1, (04) A.5.(g)	0	
Zip Code 90806			(27) FORM-1, (06)	3,172	
Type of Claim			(28) FORM-1, (07)	21,379	
			(29) FORM-1, (08)	0	
			(30) FORM-1, (11)	0	
(03) (09) Reimbursement <input checked="" type="checkbox"/>	(04) (10) Combined <input type="checkbox"/>	(05) (11) Amended <input type="checkbox"/>	(31) FORM-1, (12)	0	
(06) (12) 2007-2008			(32)		
(07) (13) \$21,379			(33)		
Less: (refer to attached instructions)			(14)		
Less: Prior Claim Payment Received			(15)		
Net Claimed Amount			(16) \$21,379		
(08) (17) \$21,379			(34)		
Due from State			(35)		
Due to State			(36)		
(37) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Officer			Date Signed	<u>09.20.11</u>	
<u>Maida Alcantara</u>			Telephone Number	<u>(562) 989-7319</u>	
MAIDA ALCANTARA, FINANCE DIRECTOR			E-Mail Address	<u>malcantara@cityofsignalhill.org</u>	
Type or Print Name and Title of Authorized Signatory					
(38) Name of Agency Contact person for Claim			Telephone Number	<u>(562) 989-7319</u>	
MAIDA ALCANTARA			E-Mail Address	<u>malcantara@cityofsignalhill.org</u>	
Name of Consulting Firm / Claim Preparer			Telephone Number	<u>(949) 440-0845</u>	
MAXIMUS INC. / JEFF CHEN			E-Mail Address	<u>jeffreybchen@maximus.com</u>	

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2007-2008
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(03) Department	Public Works
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Direct Costs	Object Accounts
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(04) Reimbursable Activities	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total

A. One-Time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads	
(06) Annual number of trash collections (Refer to claiming instructions)	3,172
(07) Total Ongoing Costs	[Line (06) x RRM rate] \$21,379

Indirect Costs

(08) Indirect Cost Rate	[From ICRP or 10%]
(09) Total Indirect Costs	[Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]
(10) Total Direct and Indirect Costs	[Line (05)(g) + line (07) + line (09)] \$21,379

Cost Reduction

(11) Less: Offsetting Savings	
(12) Less: Other Reimbursements	
(13) Total Claimed Amount	[Line (10) - (line (11) + line (12))] \$21,379 ✓

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the permit</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2007-2008</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Prepare contracts, conduct specification review process, advertise bids, and review and award bids</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Purchase or construct receptacles and pads and install receptacles and pads</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2007-2008
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT	For State Controller Use Only (19) Program Number 00314 (20) Date Filed <u>SEP 28/2011</u> (21) LRS Input <u> </u>	PROGRAM 314
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(01) Claimant Identification Number 9819872			Reimbursement Claim Data			
(02) Claimant Name CITY OF SIGNAL HILL			(22) FORM-1, (04) A.1.(g)	0		
County of Location LOS ANGELES			(23) FORM-1, (04) A.2.(g)	0		
Street Address or P.O. Box 2175 CHERRY AVE			(24) FORM-1, (04) A.3.(g)	0		
City SIGNAL HILL	State CA	Zip Code 90806	(25) FORM-1, (04) A.4.(g)	0		
ORIGINAL			Type of Claim			
			(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(26) FORM-1, (04) A.5.(g)	0
			(04)	(10) Combined <input type="checkbox"/>	(27) FORM-1, (06)	3,172
			(05)	(11) Amended <input type="checkbox"/>	(28) FORM-1, (07)	21,379
(06) Fiscal Year of Cost			(29) FORM-1, (08)	0		
(07) Total Claimed Amount			(30) FORM-1, (11)	0		
(12) 2008-2009			(31) FORM-1, (12)	0		
(13) \$21,379			(14)	(32)		
Less: (refer to attached instructions)			(15)	(33)		
Less: Prior Claim Payment Received			(16) \$21,379	(34)		
Net Claimed Amount			(17) \$21,379	(35)		
(08) Due from State			(18)	(36)		
(17) \$21,379						
Due to State						

(37) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.

I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer

Maida Alcantara Date Signed 09.20.11

MAIDA ALCANTARA, FINANCE DIRECTOR Telephone Number (562) 989-7319

Type or Print Name and Title of Authorized Signatory E-Mail Address malcantara@cityofsignalhill.org

(38) Name of Agency Contact person for Claim Telephone Number (562) 989-7319

MAIDA ALCANTARA E-Mail Address malcantara@cityofsignalhill.org

Name of Consulting Firm / Claim Preparer Telephone Number (949) 440-0845

MAXIMUS INC. / JEFF CHEN E-Mail Address jeffreychen@maximus.com

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1	
(01) Claimant CITY OF SIGNAL HILL				(02)		Fiscal Year 2008-2009		
(03) Department		Public Works						
Direct Costs		Object Accounts						
(04) Reimbursable Activities		(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
A. One-Time Activities								
1. Identification of locations that are required to have a trash receptacle								
2. Selection/evaluations/and preparation of specifications and drawings								
3. Preparation of contracts/specification review process/advertise/review and award bids								
4. Purchase or construction and installation of receptacles and pads								
5. Moving/restoration at old location/and installation at new location								
(05) Total One-Time Costs								
Reasonable Reimbursement Methodology (RRM)								
B. Ongoing Activity: Maintain Trash Receptacles and Pads								
(06) Annual number of trash collections (Refer to claiming instructions)							3,172	
(07) Total Ongoing Costs [Line (06) x RRM rate]							\$21,379	
Indirect Costs								
(08) Indirect Cost Rate [From ICRP or 10%]								
(09) Total Indirect Costs [Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]								
(10) Total Direct and Indirect Costs [Line (05)(g) + line (07) + line (09)]							\$21,379	
Cost Reduction								
(11) Less: Offsetting Savings								
(12) Less: Other Reimbursements								
(13) Total Claimed Amount [Line (10) - {(line (11) + line (12))}]							\$21,379	

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2008-2009</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the permit</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2008-2009
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2008-2009
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Prepare contracts, conduct specification review process, advertise bids, and review and award bids</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2008-2009
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<u>Purchase or construct receptacles and pads and install receptacles and pads</u>								
No eligible costs								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2008-2009</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	---

(04) Description of Expenses	Object Accounts								
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	
<p><u>Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location</u></p> <p>No eligible costs</p>									

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES		State Controller Use Only	PROGRAM
CLAIM FOR PAYMENT		(19) Program Number <u>00314</u>	314
		(20) Date Filed <u>SEP 28, 2011</u>	
		(21) LRS Input <u> / / </u>	
(01) Claimant Identification Number 9819872		Reimbursement Claim Data	
(02) Claimant Name CITY OF SIGNAL HILL		(22) FORM-1, (04) A.1.(g)	0
County of Location LOS ANGELES		(23) FORM-1, (04) A.2.(g)	0
Street Address or P.O. Box 2175 CHERRY AVE		(24) FORM-1, (04) A.3.(g)	0
City SIGNAL HILL		(25) FORM-1, (04) A.4.(g)	0
State CA		(26) FORM-1, (04) A.5.(g)	0
Zip Code 90806		(27) FORM-1, (06)	3,172
		(28) FORM-1, (07)	21,506
		(29) FORM-1, (08)	0
		(30) FORM-1, (11)	0
Type of Claim		(31) FORM-1, (12)	0
(03)	(09) Reimbursement <input checked="" type="checkbox"/>	(14)	
(04)	(10) Combined <input type="checkbox"/>	(15)	
(05)	(11) Amended <input type="checkbox"/>	(16)	
Fiscal Year of Cost	(06) 2009-2010	(17)	
Total Claimed Amount	(07) \$21,506	(18)	
LESS: (refer to attached Instructions)	(14)	(32)	
Less: Prior Claim Payment Received	(15)	(33)	
Net Claimed Amount	(16) \$21,506	(34)	
Due from State	(08) \$21,506	(35)	
Due to State	(18)	(36)	
(37) CERTIFICATION OF CLAIM			
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer		Date Signed	<u>09.20.11</u>
<u>Maida Alcantara</u>		Telephone Number	<u>(562) 989-7319</u>
MAIDA ALCANTARA, FINANCE DIRECTOR		E-Mail Address	<u>malcantara@cityofsignalhill.org</u>
Type or Print Name and Title of Authorized Signatory			
(38) Name of Agency Contact person for Claim		Telephone Number	<u>(562) 989-7319</u>
MAIDA ALCANTARA		E-Mail Address	<u>malcantara@cityofsignalhill.org</u>
Name of Consulting Firm / Claim Preparer		Telephone Number	<u>(949) 440-0845</u>
MAXIMUS INC. / JEFF CHEN		E-Mail Address	<u>jeffreybchen@maximus.com</u>

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY						FORM 1		
(01) Claimant CITY OF SIGNAL HILL				(02)		Fiscal Year 2009-2010			
(03) Department			Public Works						
Direct Costs			Object Accounts						
(04) Reimbursable Activities			(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
A. One-Time Activities									
1. Identification of locations that are required to have a trash receptacle									
2. Selection/evaluations/and preparation of specifications and drawings									
3. Preparation of contracts/specification review process/advertise/review and award bids									
4. Purchase or construction and installation of receptacles and pads									
5. Moving/restoration at old location/and installation at new location									
(05) Total One-Time Costs									
Reasonable Reimbursement Methodology (RRM)									
B. Ongoing Activity: Maintain Trash Receptacles and Pads									
(06) Annual number of trash collections (Refer to claiming instructions)								3,172	
(07) Total Ongoing Costs						[Line (06) x RRM rate]		\$21,506	
Indirect Costs									
(08) Indirect Cost Rate						[From ICRP or 10%]			
(09) Total Indirect Costs						[Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]			
(10) Total Direct and Indirect Costs						[Line (05)(g) + line (07) + line (09)]		\$21,506	
Cost Reduction									
(11) Less: Offsetting Savings									
(12) Less: Other Reimbursements									
(13) Total Claimed Amount						[Line (10) - {line (11) + line (12)}]		\$21,506	

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2009-2010</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the permit</u></p> <p>No eligible costs</p>								

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2009-2010</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2009-2010</p>
--	--

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
<p><u>Prepare contracts, conduct specification review process, advertise bids, and review and award bids</u></p> <p>No eligible costs</p>								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2009-2010
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	---

(04) Description of Expenses	Object Accounts								
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel	
<u>Purchase or construct receptacles and pads and install receptacles and pads</u> No eligible costs									

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES	Form 2
ACTIVITY COST DETAIL		

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2009-2010
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	---

(04) Description of Expenses	Object Accounts					(g)	(h)	(i)
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	Contract Services	Fixed Assets	Travel
<p><u>Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location</u></p> <p>No eligible costs</p>								

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only		PROGRAM
			(19) Program Number 00314 (20) Date Filed (21) LRS Input <u>2/15/12</u>		314
(01) Claimant Identification Number 9819872			Reimbursement Claim Data		
(02) Claimant Name CITY OF SIGNAL HILL			(22) FORM 1, (04) A.1.(g)	0	
County of Location LOS ANGELES			(23) FORM 1, (04) A.2.(g)	0	
Street Address or P.O. Box 2175 CHERRY AVE			(24) FORM 1, (04) A.3.(g)	0	
City SIGNAL HILL			(25) FORM 1, (04) A.4.(g)	0	
State CA			(26) FORM 1, (04) A.5.(g)	0	
Zip Code 90806			(27) FORM 1, (06)	3,380	
Type of Claim (03) (09) Reimbursement <input checked="" type="checkbox"/> (04) (10) Combined <input type="checkbox"/> (05) (11) Amended <input type="checkbox"/>			(28) FORM 1, (07)	22,984	
			(29) FORM 1, (08)	10	
			(30) FORM 1, (11)	0	
Fiscal Year of Cost 2010-2011			(31) FORM 1, (12)	0	
Total Claimed Amount			(32)	0	
Less: (refer to attached instructions)			(33)	0	
Less: Prior Claim Payment Received			(34)	0	
Net Claimed Amount			(35)	0	
Due from State			(36)	0	
Due to State			(37)	0	
(37) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Officer					
 MAIDA ALCANTARA, FINANCE DIRECTOR			Date Signed <u>02/04/12</u> Telephone Number <u>(562) 989-7319</u> E-Mail Address <u>malcantara@cityofsignalhill.org</u>		
Type or Print Name and Title of Authorized Signatory					
(38) Name of Agency Contact person for Claim MAIDA ALCANTARA			Telephone Number <u>(562) 989-7319</u> E-Mail Address <u>malcantara@cityofsignalhill.org</u>		
Name of Consulting Firm / Claim Preparer MAXIMUS INC. / JEFF CHEN			Telephone Number <u>(949) 440-0845</u> E-Mail Address <u>jeffreybchen@maximus.com</u>		



PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2010-2011
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(03) Department	Public Works
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Direct Costs	Object Accounts
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(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
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A. One-Time Activities							
1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads							
(06) Annual number of trash collections (Refer to claiming instructions)							3,380
(07) Total Ongoing Costs	[Line (06) x RRM rate]						\$22,984

Indirect Costs							
(08) Indirect Cost Rate	[From ICRP or 10%]						10.00%
(09) Total Indirect Costs	[Line (05)(a) x 10%] or [Refer to Claiming Instructions for ICRP over 10%]						
(10) Total Direct and Indirect Costs	[Line (05)(g) + line (07) + line (09)]						\$22,984

Cost Reduction							
(11) Less: Offsetting Savings							
(12) Less: Other Reimbursements							
(13) Total Claimed Amount	[Line (10) - {(line (11) + line (12))}]						\$22,984

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2010-2011</p>
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
No eligible costs								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
-----------------------	--	------------------

(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: right;">2010-2011</p>
---	---

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
No eligible costs								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2010-2011
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses	Object Accounts					(g)	(h)	(i)
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	Contract Services	Fixed Assets	Travel
No eligible costs								

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2010-2011
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
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(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
No eligible costs								

(05) Total [] Subtotal [] Page: ___ of ___
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2010-2011
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
---	---

(04) Description of Expenses	Object Accounts							
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
No eligible costs								

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			FL State Controller Use Only	PROGRAM
			(19) Program Number 00314 (20) Date Filed FEB 15 2013 (21) LRS Input	314
(01) Claimant Identification Number 9819872			Reimbursement Claim Data	
(02) Claimant Name CITY OF SIGNAL HILL			(22) FORM 1, (04) A.1.(g)	0
County of Location LOS ANGELES			(23) FORM 1, (04) A.2.(g)	0
Street Address or P.O. Box 2175 CHERRY AVE			(24) FORM 1, (04) A.3.(g)	0
City SIGNAL HILL			(25) FORM 1, (04) A.4.(g)	0
State CA			(26) FORM 1, (04) A.5.(g)	0
Zip Code 90806			(27) FORM 1, (06)	3,380
Type of Claim			(09) Reimbursement <input checked="" type="checkbox"/>	24,167
			(10) Combined <input type="checkbox"/>	
			(11) Amended <input type="checkbox"/>	
(03)			(28) FORM 1, (07)	0
(04)			(29) FORM 1, (08)	0
(05)			(30) FORM 1, (11)	0
Fiscal Year of Cost			(12) 2011-2012	0
Total Claimed Amount			(13) \$24,167	0
Less: (refer to attached instructions)			(14)	
Less: Prior Claim Payment Received			(15)	
Net Claimed Amount			(16) \$24,167	
Due from State			(17) \$24,167	
Due to State			(18) <i>VB</i>	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer				
<i>Terri J Marsh</i>			Date Signed	<i>2/6/13</i>
Terri Marsh, Finance Director			Telephone Number	(562) 989-7319
Type or Print Name and Title of Authorized Signatory			E-Mail Address	TMarsh@cityofsignalhill.org
(38) Name of Agency Contact person for Claim			Telephone Number	(562) 989-7318
Joy Getz			E-Mail Address	jgetz@cityofsignalhill.org
Name of Consulting Firm / Claim Preparer			Telephone Number	(949) 440-0845
MAXIMUS Consulting Services, Inc. / Jeff Chen			E-Mail Address	jeffreychen@maximus.com

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2011-2012
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(03) Department	
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Direct Costs	Object Accounts						
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(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
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A. One-Time Activities							
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1. Identification of locations that are required to have a trash receptacle							
2. Selection/evaluations/and preparation of specifications and drawings							
3. Preparation of contracts/specification review process/advertise/review and award bids							
4. Purchase or construction and installation of receptacles and pads							
5. Moving/restoration at old location/and installation at new location							
(05) Total One-Time Costs							

Reasonable Reimbursement Methodology (RRM)

B. Ongoing Activity: Maintain Trash Receptacles and Pads

(06) Annual number of trash collections (Refer to claiming instructions)	3,380
(07) Total Ongoing Costs [Line (06) x RRM rate]	\$24,167

Indirect Costs

(08) Indirect Cost Rate [From ICRP or 10%]	
(09) Total Indirect Costs [Line (05)(a) x 10%] or [Refer to Claim Summary Instructions]	
(10) Total Direct and Indirect Costs [Line (05)(g) + line (07) + line (09)]	\$24,167

Cost Reduction

(11) Less: Offsetting Revenues	
(12) Less: Other Reimbursements	
(13) Total Claimed Amount [Line (10) - {line (11) + line (12)}]	\$24,167

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02)	Fiscal Year 2011-2012
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
No Eligible Costs								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant <p style="text-align: center;">CITY OF SIGNAL HILL</p>	(02) Fiscal Year <p style="text-align: center;">2011-2012</p>
---	--

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input checked="" type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
No Eligible Costs								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
-----------------------	--	------------------

(01) Claimant CITY OF SIGNAL HILL	(02)	Fiscal Year 2011-2012
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input checked="" type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
No Eligible Costs								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
-----------------------	--	------------------

(01) Claimant CITY OF SIGNAL HILL	(02)	Fiscal Year 2011-2012
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input checked="" type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
No Eligible Costs								

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
-----------------------	--	------------------

(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2011-2012
---	--------------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads
<input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings	<input checked="" type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
<input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
No Eligible Costs								

(05) Total [] Subtotal [] Page: ___ of ___	
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ORIGINAL

State Controller's Office

Local Mandated Cost Manual

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM FOR PAYMENT			For State Controller Use Only	PROGRAM
			(19) Program Number 00314 (20) Date Filed FEB 13 2014 (21) LRS Input	314
(01) Claimant Identification Number 9819872			Reimbursement Claim Data	
(02) Claimant Name CITY OF SIGNAL HILL			(22) FORM 1, (04) A.1.(g)	0
County of Location LOS ANGELES			(23) FORM 1, (04) A.2.(g)	0
Street Address or P.O. Box 2175 CHERRY AVE			(24) FORM 1, (04) A.3.(g)	0
City SIGNAL HILL			(25) FORM 1, (04) A.4.(g)	0
State CA			(26) FORM 1, (04) A.5.(g)	0
Zip Code 90806			(27) FORM 1, (06)	2,028
Type of Claim			(28) FORM 1, (07)	14,825
(03) (09) Reimbursement <input checked="" type="checkbox"/>			(29) FORM 1, (08)	10
(04) (10) Combined <input type="checkbox"/>				
(05) (11) Amended <input type="checkbox"/>				
Fiscal Year of Cost (06) 2012-2013			(30) FORM 1, (11)	0
Total Claimed Amount (07) \$14,825			(31) FORM 1, (12)	0
Less: (refer to attached Instructions)			(32)	
Less: Prior Claim Payment Received			(33)	
Net Claimed Amount			(34)	
Due from State (08) \$14,825			(35)	
Due to State			(36)	
(37) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of the Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>				
Signature of Authorized Officer			Date Signed	<u>2/7/14</u>
<u>Terri Marsh</u>			Telephone Number	<u>(562) 989-7319</u>
Terri Marsh, Finance Director			E-Mail Address	<u>TMarsh@cityofsignalhill.org</u>
Type or Print Name and Title of Authorized Signatory				
(38) Name of Agency Contact person for Claim			Telephone Number	<u>(562) 989-7318</u>
Joy Getz			E-Mail Address	<u>jgetz@cityofsignalhill.org</u>
Name of Consulting Firm / Claim Preparer			Telephone Number	<u>(949) 440-0845</u>
MAXIMUS Consulting, Michelle Mendoza			E-Mail Address	<u>michellemendoza@maximus.com</u>

Form FAM-27 (Revised 07/12)

PROGRAM 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES CLAIM SUMMARY	FORM 1
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2012-2013							
(03) Department								
Direct Costs	Object Accounts							
(04) Reimbursable Activities	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%; text-align: center;">(a) Salaries</td> <td style="width:12.5%; text-align: center;">(b) Benefits</td> <td style="width:12.5%; text-align: center;">(c) Materials and Supplies</td> <td style="width:12.5%; text-align: center;">(d) Contract Services</td> <td style="width:12.5%; text-align: center;">(e) Fixed Assets</td> <td style="width:12.5%; text-align: center;">(f) Travel</td> <td style="width:12.5%; text-align: center;">(g) Total</td> </tr> </table>	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total		
A. One-Time Activities								
1. Identification of locations that are required to have a trash receptacle								
2. Selection/evaluations/and preparation of specifications and drawings								
3. Preparation of contracts/specification review process/advertise/review and award bids								
4. Purchase or construction and installation of receptacles and pads								
5. Moving/restoration at old location/and installation at new location								
(05) Total One-Time Costs								

Reasonable Reimbursement Methodology (RRM)	
B. Ongoing Activity: Maintain Trash Receptacles and Pads	
(06) Annual number of trash collections (Refer to claiming instructions)	2,028
(07) Total Ongoing Costs [Line (06) x RRM rate]	\$14,825

Indirect Costs	
(08) Indirect Cost Rate [From ICRP or 10%]	10.00%
(09) Total Indirect Costs [Line (05)(a) x 10%] or [Refer to Claim Summary Instructions]	
(10) Total Direct and Indirect Costs [Line (05)(g) + line (07) + line (09)]	\$14,825

Cost Reduction	
(11) Less: Offsetting Revenues	
(12) Less: Other Reimbursements	
(13) Total Claimed Amount [Line (10) - {(line (11) + line (12))}]	\$14,825

Revised 07/12

Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(01) Claimant CITY OF SIGNAL HILL	(02) Fiscal Year 2012-2013
--	-----------------------------------

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

A. One-time Activities

<input checked="" type="checkbox"/> 1. Identification of locations that are required to have a trash receptacle <input type="checkbox"/> 2. Selection/evaluation and preparation of specifications and drawings <input type="checkbox"/> 3. Preparation of contracts/specification review process/advertisement/review and award of bids	<input type="checkbox"/> 4. Purchase or construction and installation of receptacles and pads <input type="checkbox"/> 5. Moving/restoration at old location/and installation at new location
--	--

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel

(05) Total [] Subtotal [] Page: ___ of ___	
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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Program 314	MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES ACTIVITY COST DETAIL	Form 2
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(05) Total [] Subtotal [] Page: ___ of ___	
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DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On February 19, 2021, I served the:

- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Claremont) issued February 19, 2021**
- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Santa Clarita) issued February 19, 2021**
- **Notice of Complete Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Consolidation of Claims, Schedule for Comments, and Tentative Hearing Date (City of Signal Hill) issued February 19, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Claremont on February 10, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Santa Clarita on February 9, 2021**
- **Notice of Intent to Join a Consolidated Incorrect Reduction Claim filed by the City of Signal Hill on February 9, 2021**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, and 20-0304-I-11

Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006

City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009

City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

City of Signal Hill, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on February 19, 2021 at Sacramento, California.



Jill L. Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 2/19/21

Claim Number: 20-0304-I-08 Consolidated with 19-0304-I-04, 20-0304-I-06, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Claremont
City of Downey
City of Glendora
City of Santa Clarita
City of Signal Hill
County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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March 19, 2021

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Mr. Andrew Mowbray
City of Pomona
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Pomona, CA 91766

Ms. June Overholt
City of Glendora
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Glendora, CA 91741-3380

Mr. Adam Pirrie
City of Claremont
207 Harvard Avenue
Claremont, CA 91711

Ms. Hannah Shin-Heydorn
City of Signal Hill
2175 Cherry Avenue
Signal Hill, CA 90755

Ms. Natalie Sidarous
State Controller's Office
Local Government Programs
and Services Division
3301 C Street, Suite 740
Sacramento, CA 95816

And Parties, Interested Parties, and Interested Persons (See Mailing List)

Re: Draft Proposed Decision, Schedule for Comments, and Notice of Hearing
Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06,
20-0304-I-08, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, and 20-0304-I-13
Los Angeles Regional Quality Control Board Order No. 01-182,
Permit CAS004001, Part 4F5c3
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, 2009-2010, 2010-2011, 2011-2012
City of Claremont, Claimant
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006
City of Downey, Claimant
Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012
City of Glendora, Claimant
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, 2009-2010, 2010-2011, 2011-2012
City of Pomona, Claimant
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009
City of Santa Clarita, Claimant
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013
City of Signal Hill, Claimant
Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013
County of Los Angeles, Claimant

J:\MANDATES\IRC\2020\0304 (Municipal Storm Water and Urban Runoff Discharges)\20-0304-I-08 consolidated with 19-0304-I-04, 20-0304-I-06, 09, 10, 11, 13\Correspondence\draftPDtrans.docx

Messrs. Gandhi, Gest, Mowbray, and Pirrie, and Mss. Barrera, Magaña, Overholt, Shin-Heydorn, and Sidarous
March 19, 2021
Page 2

Dear Messrs. Gandhi, Gest, Mowbray, and Pirrie, and Mss. Barrera, Magaña, Overholt, Shin-Heydorn, and Sidarous:

The Draft Proposed Decision for the above-captioned matter is enclosed for your review and comment.

Written Comments

Written comments may be filed on the Draft Proposed Decision not later than **5:00 p.m. on April 9, 2021**. Please note that all representations of fact submitted to the Commission must be signed under penalty of perjury by persons who are authorized and competent to do so and must be based upon the declarant's personal knowledge, information, or belief. (Cal. Code Regs., tit. 2, § 1187.5.) Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over an objection in civil actions. (Cal. Code Regs., tit. 2, § 1187.5.) The Commission's ultimate findings of fact must be supported by substantial evidence in the record.¹

You are advised that comments filed with the Commission are required to be electronically filed (e-filed) in an unlocked legible and searchable PDF file, using the Commission's Dropbox. (Cal. Code Regs., tit. 2, § 1181.3(c)(1).) Refer to http://www.csm.ca.gov/dropbox_procedures.php on the Commission's website for electronic filing instructions. If e-filing would cause the filer undue hardship or significant prejudice, filing may occur by first class mail, overnight delivery or personal service only upon approval of a written request to the executive director. (Cal. Code Regs., tit. 2, § 1181.3(c)(2).)

If you would like to request an extension of time to file comments, please refer to section 1187.9(a) of the Commission's regulations.

Hearing

This matter is set for hearing on **Friday, May 28, 2021**, at 10:00 a.m. via Zoom. The Proposed Decision will be issued on or about May 14, 2021.

Please notify Commission staff not later than the Wednesday prior to the hearing that you or a witness you are bringing plan to testify and please specify the names of the people who will be speaking for inclusion on the witness list and so that detailed instructions regarding how to participate as a witness in this meeting on Zoom can be provided to them. When calling or emailing, please identify the item you want to testify on and the entity you represent. The Commission Chairperson reserves the right to impose time limits on presentations as may be necessary to complete the agenda.

¹ Government Code section 17559(b), which provides that a claimant or the state may commence a proceeding in accordance with the provisions of section 1094.5 of the Code of Civil Procedure to set aside a decision of the Commission on the ground that the Commission's decision is not supported by substantial evidence in the record.

Messrs. Gandhi, Gest, Mowbray, and Pirrie, and Mss. Barrera, Magaña, Overholt, Shin-

Heydorn, and Sidarous

March 19, 2021

Page 3

If you would like to request postponement of the hearing, please refer to section 1187.9(b) of the Commission's regulations.

Sincerely,

A handwritten signature in cursive script, appearing to read "Heather Halsey".

Heather Halsey
Executive Director

Hearing Date: May 28, 2021

J:\MANDATES\IRC\2020\0304 (Municipal Storm Water and Urban Runoff Discharges)\20-0304-I-08 consolidated with 19-0304-I-04, 20-0304-I-06, 09, 10, 11, 13\IRC\Draft PD.docx

ITEM ____
CONSOLIDATED INCORRECT REDUCTION CLAIM
DRAFT PROPOSED DECISION

Los Angeles Regional Quality Control Board Order No. 01-182,
Permit CAS004001, Part 4F5c3

Municipal Storm Water and Urban Runoff Discharges

19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, and 20-0304-I-11,
and 20-0304-I-13

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-
2009, 2009-2010, 2010-2011, 2011-2012, City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012, City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-
2009, City of Pomona, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-
2009, City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-
2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013,
City of Signal Hill, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-
2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, County of Los Angeles, Claimant

EXECUTIVE SUMMARY

Overview

This Consolidated Incorrect Reduction Claim (IRC) filed pursuant to Government Code section 17558.7(b) challenges the State Controller's (Controller's) reduction of reimbursement claims filed by the cities of Claremont, Downey, Glendora, Pomona, Santa Clarita, and Signal Hill, and the County of Los Angeles (claimants) for the *Municipal Stormwater and Urban Runoff Discharges* program for fiscal years ranging from 2002-2003 through 2012-2013 (audit period). This IRC and Decision are limited to the issue of whether local return revenues received by the claimants from the Los Angeles County Metropolitan Transportation Authority under the Proposition A and Proposition C local return programs, which were used to fund the costs of the mandated program, are required to be identified as offsetting revenues.

The Controller made reductions based on offsetting local return program revenues which were not identified and deducted from the claims. The revenues at issue are the Proposition A and Proposition C local return funds that the claimants used to pay for the installation and maintenance of trash receptacles under the mandate. The reductions made on this basis and contested by the claimants are as follows (with corresponding fiscal years noted):

City of Claremont:	\$166,345 (fiscal years 2002-2003 through 2011-2012) ¹
City of Downey:	\$186,921 (fiscal years 2002-2003 through 2005-2006) ²
City of Glendora:	\$79,856 (fiscal years 2008-2009 through 2011-2012) ³
City of Pomona:	\$264,515 (fiscal years 2002-2003 through 2011-2012) ⁴
City of Santa Clarita:	\$ 177,692 (fiscal years 2002-2003 through 2008-2009) ⁵
City of Signal Hill:	\$101,656 (fiscal years 2002-2003 through 2007-2008) ⁶
County of Los Angeles:	\$6,129,851 (fiscal years 2002-2003 through 2012-2013) ⁷

Staff finds that the Controller’s reductions, based on offsetting revenues from the Proposition A and C local return programs, are correct as a matter of law and recommends that the Commission on State Mandates (Commission) deny this Consolidated IRC.

Procedural History

On November 5, 2020, the County of Los Angeles filed its IRC *Municipal Stormwater and Urban Runoff Discharges*, 20-0304-I-08 with the intent to consolidate on behalf of other similarly situated claimants.⁸ On December 10, 2020, Commission staff issued the Notice of Complete Incorrect Reduction Claim with Intent to Consolidate, Schedule for Comments, and Notice of Tentative Hearing Date, which requested the Controller to provide a list of all claims reduced under the *Municipal Stormwater and Urban Runoff Discharges* Program. On

¹ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 1.

² Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, page 1.

³ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 1.

⁴ Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, page 8.

⁵ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, page 45. The Controller’s reduction of \$177,692 includes \$153,320 in revenues from the claimant’s Transit System Fund. The Transit System Fund includes Proposition A and Proposition C local return funds, as well as other transit funds and fees received, as identified on page 45 of Exhibit F, City of Santa Clarita’s Notice of Intent, filed February 9, 2021. These consolidated IRCs pertain only to the Controller’s determination that Proposition A and Proposition C local return funds are offsetting revenues; no IRC was filed disputing the other Transit System Fund revenues.

⁶ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 1.

⁷ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 1.

⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 1.

January 11, 2021 the Controller provided a list of claims reduced and filed a request for a three-month extension of time to comment on *Municipal Storm Water and Urban Runoff Discharges*, 20-0304-I-06. On January 13, 2021, Commission staff partially approved the Controller’s request for extension to March 4, 2021 and issued the Notice of Claimant’s Intent to Consolidate and Opportunity for Eligible Claimants to Join the Consolidated Claim which provided claimants 30 days to join the consolidated claim so long as either they had already timely filed an IRC or were filing the Notice within three-years of notice of the reduction.⁹

City of Claremont: The reimbursement claims for fiscal years 2002-2003 through 2010-2011 are dated September 24, 2011 and marked received September 28, 2011.¹⁰ The reimbursement claim for fiscal year 2011-2012 is dated January 22, 2013.¹¹ The Controller issued the final audit report on October 20, 2017.¹² The claimant filed its IRC *Municipal Storm Water and Urban Runoff Discharges*, 20-0304-I-06 on October 16, 2020. The Controller did not file comments on the IRC. The City of Claremont filed its Notice of Intent to Join a Consolidated IRC (Notice of Intent) on February 10, 2021.¹³

⁹ Cal. Code. Regs., tit. 2 § 1185.4.

¹⁰ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, pages 11, 12, 14, 18, 20, 22, 24, 26, 28, 30.

¹¹ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 32.

¹² Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 3. The Controller refers to its review of the reimbursement claims filed by the cities of Claremont and Pomona and the County of Los Angeles as “reviews” or “desk reviews” (instead of audits) and its reports thereon as “final letters” or “final letter reports” (instead of final audit reports). While Government Code section 17558.5 authorizes the Controller to audit or review a reimbursement claim filed by a local agency or school district and to make adjustments thereto, the Controller’s underlying authority, as prescribed by Government Code 12410, is to “superintend the fiscal concerns of the state,” including auditing “the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment.” Furthermore, section 1185.1(c) of the Commission’s regulations refers to the deadline for filing an incorrect reduction claim as no later than three years after the date the claimant first receives from the Controller “a final state audit report, letter, or other written notice of adjustment to a reimbursement claim, which complies with Government Code section 17558.5(c).” For the sake of simplicity and because whether it is called an “audit” or a “desk review” the requirements of 1185.1(c) are met so long as notice that complies with 17558.5(c) is given, this decision refers to the Controller’s audits and reviews of the claimants’ reimbursement claims as “audits” and the final reports and letters issued thereon as “final audit reports.”

¹³ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 1.

City of Downey: The reimbursement claims for fiscal years 2002-2003 through 2005-2006 are dated September 21, 2011.¹⁴ On June 30, 2017, the Controller issued the final audit report.¹⁵ The claimant filed its IRC *Municipal Stormwater and Urban Runoff Discharges*, 19-0304-I-04 on June 30, 2020. The Controller did not file comments on the IRC. The City of Downey filed its Notice of Intent to Join on February 4, 2021.¹⁶

City of Glendora: The reimbursement claims for fiscal years 2008-2009 and 2009-2010 were filed September 28, 2011.¹⁷ The reimbursement claims for fiscal years 2010-2011 and 2011-2012 were filed February 11, 2013.¹⁸ On August 9, 2018, the Controller issued the final audit report.¹⁹ The City of Glendora filed its Notice of Intent to Join on January 28, 2021.²⁰

City of Pomona: The reimbursement claims for fiscal years 2002-2003 through 2010-2011 were filed August 1, 2011.²¹ The reimbursement claim for fiscal year 2011-2012 was filed February 15, 2013.²² On May 21, 2018, the Controller issued its final audit report.²³ The City of Pomona filed its Notice of Intent to Join on February 10, 2021.²⁴

City of Santa Clarita: The reimbursement claims for fiscal years 2002-2003 through 2008-2009 were filed September 28, 2011.²⁵ On August 28, 2018, the Controller issued a final audit report.²⁶ The City of Santa Clarita filed its Notice of Intent to Join on February 9, 2021.²⁷

¹⁴ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, pages 33, 41, 43, 45.

¹⁵ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, page 4.

¹⁶ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, page 1.

¹⁷ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, pages 20, 22.

¹⁸ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, 24, 26.

¹⁹ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 3.

²⁰ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 1.

²¹ Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, pages 13, 17, 19, 21, 23, 25, 28, 30, 32.

²² Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, page 34.

²³ Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, page 2.

²⁴ Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, page 1.

²⁵ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, pages 2, 3, 7, 11, 15, 19, 23, 28.

²⁶ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, page 33.

²⁷ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, page 1.

City of Signal Hill: The reimbursement claims for fiscal years 2002-2003 through 2009-2010 were filed September 28, 2011.²⁸ The reimbursement claim for fiscal year 2010-2011 was filed February 15, 2012.²⁹ The reimbursement claim for fiscal year 2011-2012 was filed February 15, 2013.³⁰ The reimbursement claim for fiscal year 2012-2013 was filed February 13, 2014.³¹ The Controller issued the final audit report on June 25, 2018.³² The City of Signal Hill filed its Notice of Intent to Join on February 9, 2021.³³

County of Los Angeles: The reimbursement claims for fiscal years 2002-2003 through 2008-2009 are dated September 26, 2012.³⁴ The reimbursement claim for fiscal year 2009-2010 is dated September 22, 2011.³⁵ The reimbursement claim for fiscal year 2010-2011 is dated December 15, 2011.³⁶ The reimbursement claim for fiscal year 2011-2012 is dated February 11, 2013.³⁷ The reimbursement claim for fiscal year 2012-2013 is dated February 4, 2014.³⁸ The Controller issued the final audit report on November 6, 2017.³⁹ The County filed its IRC with intent to consolidate on November 5, 2020.⁴⁰

Commission staff issued the Draft Proposed Decision on March 19, 2021.⁴¹

Commission Responsibilities

Government Code section 17561(d) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state-mandated costs if the Controller determines that the claim is excessive or unreasonable.

²⁸ Exhibit G, City of Signal Hill's Notice of Intent to Join, filed February 9, 2021, pages 24, 31, 38, 45, 52, 59, 66, 73.

²⁹ Exhibit G, City of Signal Hill's Notice of Intent to Join, filed February 9, 2021, page 80.

³⁰ Exhibit G, City of Signal Hill's Notice of Intent to Join, February 9, 2021, page 87.

³¹ Exhibit G, City of Signal Hill's Notice of Intent to Join, filed February 9, 2021, page 94.

³² Exhibit G, City of Signal Hill's Notice of Intent to Join, filed February 9, 2021, page 5.

³³ Exhibit G, City of Signal Hill's Notice of Intent to Join, filed February 9, 2021, page 1.

³⁴ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, pages 168, 178, 191, 194, 197, 203.

³⁵ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 206.

³⁶ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 209.

³⁷ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 212.

³⁸ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 218.

³⁹ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 148.

⁴⁰ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020.

⁴¹ Exhibit H, Draft Proposed Decision, issued March 18, 2021.

Government Code section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission's regulations requires the Commission to send the decision to the Controller and request that the costs in the claim be reinstated.

The Commission must review questions of law, including interpretation of parameters and guidelines, de novo, without consideration of legal conclusions made by the Controller in the context of an audit.⁴² The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6 of the California Constitution.⁴³ The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitution and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 and not apply it as an "equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities."⁴⁴

With regard to the Controller's audit decisions, the Commission must determine whether they were arbitrary, capricious, or entirely lacking in evidentiary support. This standard is similar to the standard used by the courts when reviewing an alleged abuse of discretion of a state agency.⁴⁵

The Commission must also review the Controller's audit in light of the fact that the initial burden of providing evidence for a claim of reimbursement lies with the claimant.⁴⁶ In addition, sections 1185.1(f)(3) and 1185.2(d) and (e) of the Commission's regulations require that any assertions of fact by the parties to an IRC be supported by documentary evidence. The Commission's ultimate findings of fact must be supported by substantial evidence in the record.⁴⁷

⁴² *City of Sacramento v. State of California* (1990) 50 Cal.3d 51, 64, 71, fn. 15; *County of San Diego v. State of California* (1997) 15 Cal.4th 68, 109.

⁴³ *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

⁴⁴ *County of Sonoma v. Commission on State Mandates* (2000), 84 Cal.App.4th 1264, 1281, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817.

⁴⁵ *Johnston v. Sonoma County Agricultural Preservation and Open Space District* (2002) 100 Cal.App.4th 973, 983-984; *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547.

⁴⁶ *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

⁴⁷ Government Code section 17559(b), which provides that a claimant or the state may commence a proceeding in accordance with the provisions of section 1094.5 of the Code of Civil Procedure to set aside a decision of the Commission on the ground that the Commission's decision is not supported by substantial evidence in the record.

Claims filed with the Commission which challenge reductions made by the Controller for the same mandate may be consolidated, provided certain requirements are met. Under Government Code section 17558.7(b) and section 1185.3 of the Commission's regulations, an individual claimant may seek to consolidate incorrect reduction claims on behalf of a class of claimants if all of the following apply:

- (1) The method, act, or practice that the claimant alleges led to the reduction has led to similar reductions of other parties' claims, and all of the claims involve common questions of law or fact.
- (2) The common questions of law or fact among the claims predominate over any matter affecting only an individual claim.
- (3) The consolidation of similar claims by individual claimants would result in consistent decision making by the Commission.
- (4) The claimant filing the consolidated claim would fairly and adequately protect the interests of the other claimants.⁴⁸

The Commission may also consolidate incorrect reduction claims, in part or in whole, as necessary to ensure the complete, fair, or timely consideration of any such claims.⁴⁹

A claimant seeking to file a consolidated incorrect reduction claim must notify the Commission of its intent to do so at the time of filing.⁵⁰ Under Government Code section 17558.7(b) and section 1185.3 of the Commission's regulations, the Commission shall request that the Controller provide, within 30 days, the Commission and the claimant with a list of claimants for whom the Controller has reduced similar claims under the same mandate, and the date each claimant was notified of the adjustment. Upon receipt of this list from the Controller, the claimant may notify, and the Commission shall notify, the claimants on the list and other interested parties of the claimant's intent to file a consolidated incorrect reduction claim.⁵¹ Within 30 days of receiving the Commission's notice, any other eligible claimant shall file a notice of intent to join the consolidated incorrect reduction claim.⁵²

Any claimant that joins a consolidated incorrect reduction claim may opt out and not be bound by any determination made on the consolidated claim by filing a written notice of its intent to opt out not later than 15 days after service of the Controller's comments on the consolidated claim.⁵³ A claimant that opts out of a consolidated claim shall file an individual IRC no later than one

⁴⁸ Government Code section 17558.7(b), California Code of Regulations, title 2, section 1185.3.

⁴⁹ California Code of Regulations, title 2, section 1185.6.

⁵⁰ California Code of Regulations, title 2, section 1185.3(b).

⁵¹ Government Code section 17558.7(d), California Code of Regulations, title 2, section 1185.3(f).

⁵² Government Code section 17558.7(e), California Code of Regulations, title 2, section 1185.4(a).

⁵³ Government Code section 17558.7(f), California Code of Regulations, title 2, section 1185.5.

year after opting out or within the three-year limitations period specified in section 1185.1(c) of the Commission’s regulations.⁵⁴ If a claimant opts out and an individual IRC for the claimant is already on file with the Commission, the individual filing is automatically reinstated.⁵⁵

Claims

The following chart provides a brief summary of the claims and issues raised and staff’s recommendation.

Issue	Description	Staff Recommendation
Did the claimants timely file the IRCs and Notices of Intent to Join the Consolidated IRC?	At the time the final audit reports were issued, section 1185.1(c) of the Commission’s regulations required IRCs to be filed no later than three years after the claimant first receives a final state audit report, letter, or other written notice of adjustment to a reimbursement claim, which complies with the notice requirements of Government Code section 17558.5(c). A notice of intent to join a consolidated IRC is subject to the three-year limitations period specified in section 1185.1(c). ⁵⁶ Additionally, all Notices of Intent must be filed within 30 days of the Notice of the Opportunity to Join a Consolidated IRC. ⁵⁷	<i>Timely filed</i> –The IRCs and Notices of Intent to Join a Consolidated IRC were all filed within three years of the respective final audit reports and within 30 days of the Notice of the Opportunity to Join a Consolidated IRC and are therefore timely.
Is the Controller’s determination, that the Proposition A and Proposition C local return	Section VIII of the Parameters and Guidelines provides that revenues or reimbursement received from	<i>Correct as a matter of law</i> – The Proposition A and Proposition C local return funds used by the claimants

⁵⁴ Government Code section 17558.7(f), California Code of Regulations, title 2, section 1185.5(b).

⁵⁵ California Code of Regulations, title 2, section 1185.5(c).

⁵⁶ California Code of Regulations, title 2, section 1185.4(d).

⁵⁷ Government Code section 17558.7(d), California Code of Regulations, title 2, section 1185.3(f).

Issue	Description	Staff Recommendation
<p>funds used to install and maintain trash receptacles as required by Part 4F5C3 of the <i>Municipal Stormwater and Urban Runoff Discharges</i> program are offsetting revenues that should have been identified and deducted from the reimbursement claims, correct as a matter of law?</p>	<p>any “federal, state, or non-local source” must be identified and deducted from the claim.⁵⁸</p> <p>The Controller found that the claimants failed to identify and deduct as offsetting revenues the funds received from the Los Angeles County Metropolitan Transportation Authority under the Proposition A and Proposition C local return programs.</p> <p>The claimants contend that Proposition A and Proposition C are local sales and use taxes and an offset of those funds is both unconstitutional and inconsistent with the Parameters and Guidelines.⁵⁹ The claimants further assert that an offset constitutes an invalid retroactive application of the Parameters and Guidelines.⁶⁰</p>	<p>to pay for the mandated activities are offsetting revenues that should have been identified and deducted from their reimbursement claims. Article XIII B, section 6 of the California Constitution requires that the state provide reimbursement only when a local government is mandated to spend its own proceeds of taxes subject to the appropriations limit of article XIII B.⁶¹</p> <p>Proposition A and Proposition C are transactions and use taxes levied by the Los Angeles County Metropolitan Transportation Authority. The funds distributed to the claimants through the Proposition A and Proposition C local return programs are not the claimants’ “proceeds of taxes” because the claimants do not have the authority to levy the taxes, nor are the tax revenues distributed to the claimants subject to the claimants’ appropriations limits.</p>

⁵⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 138 (Parameters and Guidelines).

⁵⁹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 10.

⁶⁰ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 10.

⁶¹ See *Dept. of Finance v. Commission on State Mandates* (2016) 1 Cal.5th 749, 762-763; *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 486–487.

Issue	Description	Staff Recommendation
		<p>Moreover, the Controller’s reduction of those funds in accordance with the Parameters and Guidelines does not constitute a retroactive application of the law. The requirement in section VIII of the Parameters and Guidelines that reimbursement received from any “non-local source” be identified and deducted from the claim simply restates the requirement under article XIII B, section 6 that mandate reimbursement is only required to the extent that the local government expends its own proceeds of taxes. A rule that merely restates or clarifies existing law “does not operate retrospectively even if applied to transactions predating its enactment because the true meaning of the [rule] remains the same.”⁶²</p>

Staff Analysis

A. The Claimants Timely Filed the IRCs and Notices of Intent to Join the Consolidated IRC.

At the time the final audit reports were issued, section 1185.1(c) of the Commission’s regulations required an incorrect reduction claim to be filed with the Commission no later than three years after the date the claimant first receives from the Controller “a final state audit report, letter, or other written notice of adjustment to a reimbursement claim, which complies with Government Code section 17558.5(c).” A notice of intent to join a consolidated incorrect reduction claim is subject to the three-year statute of limitations specified in section 1185.1(c).⁶³ This means that the claimant must either already have a timely filed IRC pending or else file the Notice of Intent

⁶² *Western Security Bank v. Superior Court* (1997) 15 Cal.4th 232, 243.

⁶³ California Code of Regulations, title 2, section 1185.4(d).

within three years from the first notice of reduction. Additionally, all Notices of Intent must be filed within 30 days of the Notice of the Opportunity to Join a Consolidated IRC.⁶⁴

Based on the analysis in the Decision below, staff finds that the IRCs and Notices of Intent to Join were timely filed by the cities of Claremont, Downey, Glendora, Pomona, Santa Clarita, and Signal Hill, and the County of Los Angeles within three years of the respective final audit reports and within 30 days of the Notice of the Opportunity to Join a Consolidated IRC.

B. The Controller’s Determination, That Proposition A and Proposition C Local Return Funds Are Offsetting Revenue that Should Have Been Identified and Deducted from the Reimbursement Claims, Is Correct as a Matter of Law.

The Controller determined that the claimants received revenues from the Los Angeles County Metropolitan Transportation Authority’s (Metro’s) Proposition A and Proposition C local return programs and used those funds to perform the mandated activities of installing and maintaining transit-stop trash receptacles.⁶⁵ The Controller reasoned that under section VIII of the Parameters and Guidelines, Proposition A and Proposition C local return funds are unreported offsets that must be deducted from the reimbursement claims.⁶⁶

1. Proposition A and Proposition C local return funds constitute reimbursement from a non-local source within the meaning of the Parameters and Guidelines.

Section VIII of the Parameters and Guidelines addresses offsetting revenues as follows:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate

⁶⁴ Government Code section 17558.7(d), California Code of Regulations, title 2, section 1185.3(f).

⁶⁵ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, pages 8-9; Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, pages 18-19; Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, pages 12-13; Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, pages 8-9; Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, pages 44-46; Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, pages 19-20; Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 153-154.

⁶⁶ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, pages 8-9; Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, pages 18-19; Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, pages 12-13; Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, pages 8-9; Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, pages 44-46; Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, pages 19-20; Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 153-154.

received from any federal, state or non-local source shall be identified and deducted from this claim.⁶⁷

The claimants assert that Proposition A and Proposition C local return funds do not fall within section VIII because Proposition A and Proposition C are local taxes and therefore not a “federal, state, or non-local source.”⁶⁸ According to the claimants, the Controller does not dispute that “Proposition A is a local sales tax imposed on local citizens,” citing to the fact that the Controller did not comment on, or seek modification of, the Parameters and Guidelines before they were adopted.⁶⁹ While the Parameters and Guidelines do not expressly require that funds from the Proposition A or Proposition C local return programs be identified as offsetting revenue, they do state that “reimbursement for this mandate received from any federal, state or *non-local source* shall be identified and deducted from this claim.”⁷⁰

2. Proposition A and Proposition C local return tax revenues are not the claimants’ “proceeds of taxes” within the meaning of article XIII B of the California Constitution because the taxes are not levied by the claimants nor subject to the claimants’ appropriations limit.

Article XIII B, section 6 was specifically designed to protect the tax revenues of local governments from state mandates that would require expenditure of tax revenues which are subject to limitation. The California Supreme Court, in *County of Fresno v. State of California*,⁷¹ explained:

Section 6 was included in article XIII B in recognition that article XIII A of the Constitution severely restricted the taxing powers of local governments. (See *County of Los Angeles I, supra*, 43 Cal.3d at p. 61.) The provision was intended to preclude the state from shifting financial responsibility for carrying out governmental functions onto local entities that were ill equipped to handle the task. (*Ibid.*; see *Lucia Mar Unified School Dist. v. Honig* (1988) 44 Cal.3d 830, 836, fn. 6.) Specifically, it was designed to protect the tax revenues of local governments from state mandates that would require expenditure of such revenues. Thus, although its language broadly declares that the “state shall provide a subvention of funds to reimburse ... local government for the costs [of a state-mandated new] program or higher level of service,” read in its textual and

⁶⁷ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 138 (Parameters and Guidelines).

⁶⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 16.

⁶⁹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 16-17.

⁷⁰ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 138 (Parameters and Guidelines), emphasis added.

⁷¹ *County of Fresno v. State of California* (1991) 53 Cal.3d 482.

historical context section 6 of article XIII B requires subvention only when the costs in question can be recovered *solely from tax revenues*.⁷²

Neither Proposition A nor Proposition C are the claimants’ “local taxes” because they are neither levied by the claimants nor subject to the claimants’ appropriations limits. As such, any costs incurred by the claimants in performing the mandated activities that are funded by Proposition A or Proposition C, non-local taxes, are excluded from mandate reimbursement under article XIII B, section 6.

The power of a local government to tax is derived from the Constitution, upon the Legislature’s authorization.⁷³ “The Legislature may not impose taxes for local purposes but may authorize local governments to impose them.”⁷⁴ In other words, a local government’s taxing authority is derived from statute.

Metro, as the successor to the Los Angeles County Transportation Commission, is authorized by statute to levy the Proposition A and Proposition C transactions and use taxes throughout Los Angeles County.⁷⁵ Under the Proposition A and Proposition C ordinances, twenty-five percent of Proposition A taxes and twenty percent of Proposition C taxes, respectively, are allocated to the local return programs funds for the cities and the County to use for public transit purposes.⁷⁶ Permissible uses include bus stop improvements and maintenance projects, which include the installation, replacement and maintenance of trash receptacles.⁷⁷

The claimants do not dispute receiving Proposition A and Proposition C tax revenues through the local return programs during the audit period and using those funds for the eligible purposes of installing and maintaining trash receptacles at transit stops. Nonetheless, the claimants’ receipt of revenues, from taxes that are levied neither by nor for the claimants, does not alter the nature of those funds as Metro’s “proceeds of taxes” and subject to Metro’s appropriations limit.

Reimbursement under article XIII B, section 6 is only required to the extent that a local government must incur “increased actual expenditures of limited tax proceeds that are counted against the local government’s spending limit.”⁷⁸ Because the Proposition A and Proposition C

⁷² *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487, emphasis in original.

⁷³ California Constitution, article XIII, section 24(a).

⁷⁴ *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 450 [“Taxes are levied by the Legislature, or by counties and municipalities under their delegated power, for the support of the state, county, or municipal government”].

⁷⁵ Public Utilities Code section 130350 (Stats. 1976, ch. 1333).

⁷⁶ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 47 (Local Return Guidelines).

⁷⁷ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 53 (Local Return Guidelines).

⁷⁸ *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1283; *County of Los Angeles v. Commission on State Mandates* (2003) 110 Cal.App.4th 1176, 1185.

local return funds are not the claimants’ “proceeds of taxes levied by or for that entity,” they are not the claimants’ “appropriations subject to limitation.”⁷⁹

3. The advancement of Proposition A or Proposition C funds to pay for the installation and maintenance of the trash receptacles does not alter the nature of those funds, nor does the deduction of those funds as offsetting revenues from the costs claimed constitute a retroactive application of the law.

The claimants argue that because the Local Return Guidelines permit the claimants to use Proposition A and Proposition C funds on mandated activities and then, upon reimbursement from the state, apply those funds to other transit projects, the claimants cannot now be penalized for doing so through retroactive application of the Parameters and Guidelines.⁸⁰ The claimants allege that the Controller’s application of the Parameters and Guidelines is both incorrect as a matter of law and arbitrary and capricious.⁸¹ Whether the Controller correctly interpreted the Parameters and Guidelines in finding that Proposition A and Proposition C are non-local sources of funds that must be deducted from the reimbursement claims is purely a question of law subject to the de novo standard of review and to which the arbitrary and capricious standard does not apply.⁸²

Where, as here, a local government funds mandated activities with *other than* its own proceeds of taxes (e.g., revenue from a tax levied by a separate local government entity), those amounts must be offset against its reimbursement claims. Because the claimants used “non-local source” funds to install and maintain transit-stop trash receptacles, they were required to identify and deduct those funds from their claims. The fact that the Commission did not adopt the Parameters and Guidelines for the *Municipal Stormwater and Urban Runoff Discharges* program until well into the audit period⁸³ does not alter the analysis, nor does the claimants’ ability under the Local Return Guidelines to expend Proposition A or Proposition C funds on the installation and maintenance of transit stop trash receptacles prior to mandate reimbursement. A rule that merely restates or clarifies existing law “does not operate retrospectively even if applied to transactions predating its enactment because the true meaning of the [rule] remains the same.”⁸⁴

Conclusion

Based on the forgoing analysis, staff finds that the IRCs and Notices of Intent to Join a Consolidated IRC were timely filed and the Controller’s determination, that Proposition A and

⁷⁹ California Constitution, article XIII B, section 8.

⁸⁰ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 18-19.

⁸¹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 18.

⁸² *City of Sacramento v. State of California* (1990) 50 Cal.3d 51, 64, 71, fn. 15; *County of San Diego v. State of California* (1997) 15 Cal.4th 68, 109.

⁸³ The Parameters and Guidelines for the *Municipal Stormwater and Urban Runoff Discharges* program were adopted March 24, 2011. The claimants’ reimbursement claims range from fiscal years 2002-2003 through 2012-2013.

⁸⁴ *Western Security Bank v. Superior Court* (1997) 15 Cal.4th 232, 243.

Proposition C local return funds are offsetting revenues that should have been identified and deducted from the reimbursement claims, is correct as a matter of law. Accordingly, the Commission denies this Consolidated IRC.

Staff Recommendation

Staff recommends that the Commission adopt the Proposed Decision to deny this Consolidated IRC. Staff further recommends that the Commission authorize staff to make any technical, non-substantive changes to the Proposed Decision following the hearing.

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE CONSOLIDATED INCORRECT
REDUCTION CLAIM

Los Angeles Regional Quality Control Board
Order No. 01-182; Permit CAS004001
Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-
2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, 2009-2010, 2010-2011, 2011-
2012, City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-
2005, 2005-2006, City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-
2011, 2011-2012, City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-
2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, 2009-2010, 2010-2011, 2011-
2012, City of Pomona, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-
2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-
2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, 2009-2010, 2010-2011, 2011-
2012, 2012-2013, City of Signal Hill,
Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-
2005, 2005-2006, 2006-2007, 2007-2008,
2008-2009, 2009-2010, 2010-2011, 2011-
2012, 2012-2013, County of Los Angeles,
Claimant

Case Nos.: 19-0304-I-04, 20-0304-I-06,
20-0304-I-08, 20-0304-I-09, 20-0304-I-10,
20-0304-I-11, and 20-0304-I-13

*Municipal Stormwater and Urban Runoff
Discharges*

DECISION PURSUANT TO
GOVERNMENT CODE SECTION 17500
ET SEQ.; CALIFORNIA CODE OF
REGULATIONS, TITLE 2, DIVISION 2,
CHAPTER 2.5, ARTICLE 7.

(Adopted May 28, 2021)

DECISION

The Commission on State Mandates (Commission) heard and decided this Consolidated Incorrect Reduction Claim (IRC) during a regularly scheduled hearing on May 28, 2021. [Witness list will be included in the adopted Decision.]

The law applicable to the Commission’s determination of a reimbursable state-mandated program is article XIII B, section 6 of the California Constitution, Government Code sections 17500 et seq., and related case law.

The Commission [adopted/modified] the Proposed Decision to [approve/partially approve/deny] the IRC by a vote of [vote will be included in the adopted Decision], as follows:

Member	Vote
Lee Adams, County Supervisor	
Jeannie Lee, Representative of the Director of the Office of Planning and Research	
Gayle Miller, Representative of the Director of the Department of Finance, Chairperson	
Sarah Olsen, Public Member	
Spencer L. Walker, Representative of the State Treasurer	
Jacqueline Wong-Hernandez, Representative of the State Controller, Vice Chairperson	

Summary of the Findings

This Consolidated Incorrect Reduction Claim (IRC) alleges that the State Controller’s Office (Controller) incorrectly reduced reimbursement claims filed by the cities of Claremont, Downey, Glendora, Pomona, Santa Clarita, and Signal Hill, and the County of Los Angeles for costs claimed to implement the *Municipal Stormwater and Urban Runoff Discharges* program. This IRC and Decision are limited to the to the issue of whether local return revenues received by the claimants from the Los Angeles County Metropolitan Transportation Authority under the Proposition A and Proposition C local return programs, which were used to fund the costs of the mandated program, are required to be identified as offsetting revenues.

The Controller found that the claimants failed to identify and deduct as offsetting revenues the Proposition A and Proposition C local return funds received from the Los Angeles County Metropolitan Transportation Authority under the Proposition A and Proposition C local return programs that the claimants used to pay for the installation and maintenance of trash receptacles at transit stops as required by the mandated program.

The Commission finds that the IRCs and Notices of Intent to Join a Consolidated IRC (Notice of Intent to Join) were timely filed.

The Commission further finds that the Controller’s determination, that Proposition A and Proposition C local return funds are offsetting revenues that should have been identified and deducted from the reimbursement claims, is correct as a matter of law. Proposition A and Proposition C are transactions and use taxes levied by the Los Angeles County Metropolitan Transportation Authority (Metro) and subject to Metro’s spending limitation. These taxes are not levied by or for the cities and County and are not subject to the cities’ or County’s appropriation limits. However, a portion of the Proposition A and Proposition C tax revenues are distributed to the claimant cities and county through the Proposition A and Proposition C local return programs for use on eligible transportation projects. Under article XIII B, section 6 of the California Constitution, the state is required to provide reimbursement only when a local

government is mandated to spend its own proceeds of taxes subject to the appropriations limit of article XIII B.⁸⁵ The Proposition A and Proposition C local return funds distributed to the claimants are not the claimants’ “proceeds of taxes” because the claimants do not levy the taxes, nor are the taxes subject to the claimants’ appropriations limits.

Accordingly, the Commission denies this Consolidated IRC.

COMMISSION FINDINGS

I. Chronology

08/01/2011	The City of Pomona filed its reimbursement claims for fiscal years 2002-2003 through 2010-2011. ⁸⁶
09/21/2011	The City of Downey filed its reimbursement claims for fiscal years 2002-2003, 2003-2004, 2004-2005, and 2005-2006. ⁸⁷
09/22/2011	The County of Los Angeles filed its reimbursement claim for fiscal year 2009-2010. ⁸⁸
09/28/2011	The City of Claremont filed its reimbursement claims for fiscal years 2002-2003 through 2010-2011. ⁸⁹ The City of Glendora filed its reimbursement claims for fiscal years 2008-2009 and 2009-2010. ⁹⁰ The City of Santa Clarita filed its reimbursement claims for fiscal years 2002-2003 through 2008-2009. ⁹¹ The City of Signal Hill filed its reimbursement claims for fiscal years 2002-2003 through 2009-2010. ⁹²
12/15/2011	The County of Los Angeles filed its reimbursement claim for fiscal year 2010-2011. ⁹³

⁸⁵ *Dept. of Finance v. Commission on State Mandates* (2016) 1 Cal.5th 749, 762-763; *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 486-487.

⁸⁶ Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, pages 13, 17, 19, 21, 23, 25, 28, 30, 32.

⁸⁷ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, pages 33, 41, 43, 45.

⁸⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 206.

⁸⁹ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, pages 11, 12, 14, 18, 20, 22, 24, 26, 28, 30.

⁹⁰ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, pages 20, 22.

⁹¹ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, pages 2, 3, 7, 11, 15, 19, 23, 28.

⁹² Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, pages 24, 31, 38, 45, 52, 59, 66, 73.

⁹³ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 209.

02/15/2012	The City of Signal Hill filed its reimbursement claim for fiscal year 2010-2011. ⁹⁴
09/26/2012	The County of Los Angeles filed its reimbursement claims for fiscal years 2002-2003 through 2008-2009. ⁹⁵
01/22/2013	The City of Claremont filed its reimbursement claims for fiscal year 2011-2012. ⁹⁶
02/11/2013	The City of Glendora filed its reimbursement claims for fiscal years 2010-2011 and 2011-2013. ⁹⁷ The County of Los Angeles filed its reimbursement claim for fiscal year 2011-2012. ⁹⁸
02/15/2013	The City of Pomona filed its reimbursement claim for fiscal year 2011-2012. ⁹⁹ The City of Signal Hill filed its reimbursement claim for fiscal year 2011-2012. ¹⁰⁰
02/04/2014	The County of Los Angeles filed its reimbursement claim for fiscal year 2012-2013. ¹⁰¹
02/13/2014	The City of Signal Hill filed its reimbursement claim for fiscal year 2012-2013. ¹⁰²
06/30/2017	The Controller issued the final audit report to the City of Downey. ¹⁰³
10/20/2017	The Controller issued the final audit report to the City of Claremont. ¹⁰⁴

⁹⁴ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 80.

⁹⁵ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 168, 178, 191, 194, 197, 203.

⁹⁶ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 32.

⁹⁷ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, pages 24, 26.

⁹⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 212.

⁹⁹ Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, page 34.

¹⁰⁰ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 87.

¹⁰¹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 218.

¹⁰² Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 94.

¹⁰³ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, page 4.

¹⁰⁴ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 3. The Controller refers to its review of the reimbursement claims filed by the cities of Claremont and Pomona and the County of Los Angeles as “reviews” or “desk reviews” (instead of audits) and its reports thereon as “final letters” or “final letter reports” (instead of final audit reports). While Government Code section 17558.5 authorizes the Controller to audit or review a reimbursement claim filed by a local agency or school district and to make adjustments thereto, the Controller’s

11/06/2017	The Controller issued the final audit report to the County of Los Angeles. ¹⁰⁵
05/21/2018	The Controller issued the final audit report to the City of Pomona. ¹⁰⁶
06/25/2018	The Controller issued the final audit report to the City of Signal Hill. ¹⁰⁷
08/09/2018	The Controller issued the final audit report to the City of Glendora. ¹⁰⁸
08/28/2018	The Controller issued the final audit report to the City of Santa Clarita. ¹⁰⁹
06/30/2020	The City of Downey filed its IRC.
10/16/2020	The City of Claremont filed its IRC.
11/05/2020	The County of Los Angeles filed its IRC with intent to consolidate on behalf of other similarly situated claimants. ¹¹⁰
01/28/2021	The City of Glendora filed its Notice of Intent to Join a Consolidated IRC (Notice of Intent to Join). ¹¹¹
02/04/2021	The City of Downey filed its Notice of Intent to Join. ¹¹²

underlying authority, as prescribed by Government Code 12410, is to “superintend the fiscal concerns of the state,” including auditing “the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment.” Furthermore, section 1185.1(c) of the Commission’s regulations refers to the deadline for filing an incorrect reduction claim as no later than three years after the date the claimant first receives from the Controller “a final state audit report, letter, or other written notice of adjustment to a reimbursement claim, which complies with Government Code section 17558.5(c).” For the sake of simplicity and because whether it is called an “audit” or a “desk review” the requirements of 1185.1(c) are met so long as notice that complies with 17558.5(c) is given, this decision refers to the Controller’s audits and reviews of the claimants’ reimbursement claims as “audits” and the final reports and letters issued thereon as “final audit reports.”

¹⁰⁵ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 148.

¹⁰⁶ Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, page 2.

¹⁰⁷ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed November 9, 2021, page 5.

¹⁰⁸ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 3.

¹⁰⁹ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, page 33.

¹¹⁰ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020.

¹¹¹ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021.

¹¹² Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021.

- 02/09/2021 The City of Santa Clarita filed its Notice of Intent to Join.¹¹³ The City of Signal Hill filed its Notice of Intent to Join.¹¹⁴
- 02/10/2021 The City of Claremont filed its Notice of Intent to Join.¹¹⁵ The City of Pomona filed its Notice of Intent to Join.¹¹⁶
- 03/19/2021 Commission staff issued the Draft Proposed Decision.¹¹⁷

II. Background

This Consolidated IRC challenges the Controller’s reduction of reimbursement claims filed by the cities of Claremont, Downey, Glendora, Pomona, Santa Clarita, and Signal Hill, and County of Los Angeles for the *Municipal Stormwater and Urban Runoff Discharges* program for fiscal years ranging from 2002-2003 through 2012-2013 (audit period). Specifically, this IRC addresses the issue of whether local return revenues received by the claimants from the Los Angeles County Metropolitan Transportation Authority under Proposition A and Proposition C local return program, which the claimants used to fund the costs of the mandated program, are required to be identified as offsetting revenues.

A. The Municipal Stormwater and Urban Runoff Discharges Program

The *Municipal Stormwater and Urban Runoff Discharges* 03-TC-04, 03-TC-19,03-TC-20, 03-TC-21 program arose from a consolidated test claim filed by the County of Los Angeles and cities within the County alleging that various sections of a 2001 stormwater permit issued by the Los Angeles Regional Water Control Board, a state agency, constituted a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution.¹¹⁸

On July 31, 2009, the Commission adopted the Test Claim Decision, finding that the following activity in part 4F5c3 of the permit imposed a reimbursable state mandate on those local agencies subject to the permit that are not subject to a trash total maximum daily load (TDML):

Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.¹¹⁹

¹¹³ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021.

¹¹⁴ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021.

¹¹⁵ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021.

¹¹⁶ Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021.

¹¹⁷ Exhibit H, Draft Proposed Decision, issued March 18, 2021.

¹¹⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 132 (Parameters and Guidelines).

¹¹⁹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 132 (Parameters and Guidelines).

The Commission adopted the Parameters and Guidelines for this program on March 24, 2011.¹²⁰ The Parameters and Guidelines provide for reimbursement as follows:

For each eligible local agency, the following activities are reimbursable:

- A. Install Trash Receptacles (one-time per transit stop, reimbursed using actual costs):
 1. Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.
 2. Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings.
 3. Prepare contracts, conduct specification review process, advertise bids, and review and award bids.
 4. Purchase or construct receptacles and pads and install receptacles and pads.
 5. Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location.
- B. Maintain Trash Receptacles and Pads (on-going, reimbursed using the reasonable reimbursement methodology):
 1. Collect and dispose of trash at a disposal/recycling facility. This activity is limited to no more than three times per week.
 2. Inspect receptacles and pads for wear, cleaning, emptying, and other maintenance needs.
 3. Maintain receptacles and pads. This activity includes painting, cleaning, and repairing receptacles; and replacing liners. The cost of paint, cleaning supplies and liners is reimbursable. Graffiti removal is not reimbursable.
 4. Replace individual damaged or missing receptacles and pads. The costs to purchase and install replacement receptacles and pads and dispose of or recycle replaced receptacles and pads are reimbursable.¹²¹

Section VIII of the Parameters and Guidelines provides the following regarding offsetting revenues and reimbursements:

¹²⁰ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 132 (Parameters and Guidelines).

¹²¹ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 135 (Parameters and Guidelines).

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.¹²²

B. The Controller’s Audits and Summary of the Issues

City of Claremont: The Controller performed an audit of reimbursement claims filed by the City of Claremont for fiscal years 2002-2003 through 2011-2012 and found that of the total amount of \$170,182 claimed, \$166,345 was unallowable.¹²³ The Controller determined that the claimant “did not offset any revenues on its claim forms for the review period” and “should have offset \$166,345 in Proposition C local return funds that were used to pay for the ongoing maintenance of transit stop trash receptacles.”¹²⁴

The Controller characterized Proposition C funds as “special revenue” funds, which it defined as funds that “are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.”¹²⁵ Because the claimant used Proposition C funds to pay for the mandated activities, “it was not required to rely on the use of discretionary general funds.”¹²⁶ The Controller determined that under the Parameters and Guidelines, the claimant should have identified and offset the Proposition C funds from the reimbursement claims.¹²⁷

City of Downey: The Controller audited costs claimed by the City of Downey for fiscal years 2002-2003 through 2013-2014 and determined that of the \$716,563 claimed, \$652,652 was unallowable.¹²⁸ The audit report contains two findings: That the claimant overstated ongoing maintenance costs (Finding 1) and did not report offsetting revenues or reimbursements on its claim forms for the audit period (Finding 2).¹²⁹ Only Finding 2 is at issue in this consolidated IRC.

Finding 2 states that the claimant did not offset any revenues or reimbursements on its claim forms and should have offset \$186,921 for the audit period.¹³⁰ The Controller found that for fiscal years 2002-2003 through 2005-2006, the claimant used Proposition A local return funds to

¹²² Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 138 (Parameters and Guidelines).

¹²³ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 3.

¹²⁴ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 8.

¹²⁵ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 8.

¹²⁶ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 9.

¹²⁷ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, pages 8-9.

¹²⁸ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, page 4.

¹²⁹ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, pages 14, 17.

¹³⁰ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, pages 17-18.

pay for the mandated activities.¹³¹ Specifically, one-time costs to purchase and install transit stop trash receptacles during the 2002-2003 fiscal year were reduced, as were ongoing trash receptacle maintenance costs for fiscal years 2002-2003 through 2005-2006, to the extent the claimant paid for those activities with Proposition A local return funds.¹³²

The Controller reasoned that because the claimant used Proposition A funds to pay for both the one-time and ongoing mandated activities, “it did not have to rely solely on discretionary general funds to pay for the mandated activities.”¹³³ The Controller determined that under section VIII of the Parameters and Guidelines, the Proposition A funds were required to be identified and deducted from the reimbursement claims.¹³⁴

City of Glendora: The Controller audited costs claimed by the City of Glendora for fiscal years 2002-2003 through 2011-2012.¹³⁵ Of \$190,310 in total claimed costs, the Controller found that \$79,856 was unallowable because the claimant did not offset Proposition C local return funds used to pay for the mandated activities.¹³⁶ The Controller determined that the claimant used Proposition C revenues in fiscal years 2008-2009 through 2011-2012 to pay for the salaries and benefits of employees who maintained transit stop trash receptacles.¹³⁷ To the extent the claimant “used Proposition C monies to fund the payroll costs of city staff who performed the reimbursable activities,” it was required under section VII of the Parameters and Guidelines to deduct those revenues from its costs claimed.¹³⁸

The Controller described Proposition C as a “special supplementary sales tax” whose revenues are “restricted solely to benefiting public transit,” as opposed to unrestricted general sales taxes which can be used for any general governmental purpose.¹³⁹ Because Proposition C funds constitute “revenues raised outside of [the claimant’s] appropriations limit,” to the extent it paid for the mandated activities using Proposition C funds, the claimant did not incur increased costs as a direct result of the mandate program.¹⁴⁰ Additionally, the Local Return Guidelines permit advancement of Proposition C funds only when reimbursement is available from grant or private funding; mandate reimbursement does not qualify as such.¹⁴¹

¹³¹ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, page 18.

¹³² Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, pages 18-19.

¹³³ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, page 19.

¹³⁴ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, page 19.

¹³⁵ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 6.

¹³⁶ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 3.

¹³⁷ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 12.

¹³⁸ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 13.

¹³⁹ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 14.

¹⁴⁰ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 15.

¹⁴¹ Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 15.

City of Pomona: The Controller audited reimbursement claims filed by the City of Pomona for fiscal years 2002-2003 and found that the entire claimed amount of \$272,474 was unallowable.¹⁴² The Controller made two findings: That the claimant claimed ineligible on-time costs for the 2002-2003 fiscal year (Finding 1) and did not report offsetting revenues or reimbursements on its claim forms for the audit period (Finding 2).¹⁴³ Only Finding 2 is at issue in this consolidated IRC. In Finding 2, the Controller determined that the claimant should have offset \$264,515 in Proposition A local return funds used to pay \$81,392 in one-time costs and \$183,123 in ongoing maintenance costs.¹⁴⁴

The Proposition A and Proposition C Local Return Guidelines identify installation and maintenance of transit stop trash receptacles as projects eligible to be paid for using Proposition A funds.¹⁴⁵ Under section VIII of the Parameters and Guidelines, the claimant was required to identify and deduct from its claims those Proposition A funds used to pay for the mandated activities.¹⁴⁶ The Controller reasoned that because mandate reimbursement is limited to costs incurred solely from a local agency's tax revenues, to the extent the claimant elected to use Proposition A funds, reimbursement was not required.¹⁴⁷

City of Santa Clarita: The Controller audited costs claimed by the City of Santa Clarita for fiscal years 2002-2003 through 2008-2009.¹⁴⁸ The Controller found the entire claimed amount of \$362,982 was unallowable because the claimant misstated the annual number of trash collections and did not offset "restricted funds" used to pay for the mandated activities.¹⁴⁹ At issue in this consolidated IRC is only Finding 2, wherein the Controller found that the claimant should have, but did not, offset \$177,692 in "restricted funds," including Proposition A and Proposition C local return funds, as revenues or reimbursements on its claim forms for the audit period.¹⁵⁰

Specifically, the Controller found that the claimant should have offset \$24,372 in Proposition A and Proposition C funds that were used to purchase and install transit-stop trash receptacles in fiscal year 2007-2008 and \$153,320 in revenues from the claimant's Transit System Fund that were used to pay for ongoing trash receptacle maintenance throughout the audit period.¹⁵¹ The

¹⁴² Exhibit E, City of Pomona's Notice of Intent to Join, filed February 10, 2021, page 2.

¹⁴³ Exhibit E, City of Pomona's Notice of Intent to Join, filed February 10, 2021, pages 7-8.

¹⁴⁴ Exhibit E, City of Pomona's Notice of Intent to Join, filed February 10, 2021, page 8.

¹⁴⁵ Exhibit E, City of Pomona's Notice of Intent to Join, filed February 10, 2021, page 9.

¹⁴⁶ Exhibit E, City of Pomona's Notice of Intent to Join, filed February 10, 2021, page 9.

¹⁴⁷ Exhibit E, City of Pomona's Notice of Intent to Join, filed February 10, 2021, page 10.

¹⁴⁸ Exhibit F, City of Santa Clarita's Notice of Intent to Join, filed February 9, 2021, page 33.

¹⁴⁹ Exhibit F, City of Santa Clarita's Notice of Intent to Join, filed February 9, 2021, page 33.

¹⁵⁰ Exhibit F, City of Santa Clarita's Notice of Intent to Join, filed February 9, 2021, page 44.

¹⁵¹ Exhibit F, City of Santa Clarita's Notice of Intent to Join, filed February 9, 2021, pages 44-45. The Transit System Fund includes Proposition A and Proposition C local return funds, as well as other transit funds and fees received, as identified on page 45 of Exhibit F, City of Santa

Controller reasoned that because the Transit System Fund (which is funded with Proposition A and Proposition C local return funds) is used to account for revenues from fee-generating activities, and no general funds were transferred into the Fund during the audit period, the claimant did not have to rely on discretionary funds to pay for the mandated activities.¹⁵²

The Controller describes Proposition A and Proposition C as special supplementary sales taxes, the proceeds of which are restricted to the development and/or improvement of public transit services, as opposed to unrestricted general sales taxes, which “can be spent for any general governmental purpose.”¹⁵³ The Controller further notes that the claimant did not provide any documentation showing that the Proposition A and Proposition C local return funds were included in the claimant’s appropriations limit.¹⁵⁴

City of Signal Hill: The Controller audited costs claimed by the City of Signal Hill for fiscal years 2002-2003 through 2012-2013.¹⁵⁵ Of the total claimed amount of \$233,135, the Controller found that \$199,732 was unallowable because the claimant overstated the number of trash collections and did not offset Proposition A local return funds used to pay for the mandated activities.¹⁵⁶ At issue in this consolidated IRC is only Finding 2, wherein the Controller found that the claimant failed to report as offsetting revenues the Proposition A funds it used to pay for ongoing trash receptacle maintenance.¹⁵⁷ The Controller asserts that, because the claimant used Proposition A funds which the Controller characterizes as “revenues outside [the claimant’s] appropriations limit,” the claimant did not have to rely on discretionary funds to pay for the mandated activities.¹⁵⁸ Under section VIII of the Parameters and Guidelines, the claimant was required to offset its claims for reimbursement in the amount of Proposition A funds applied to the mandated activities.¹⁵⁹

County of Los Angeles: The County of Los Angeles claimed \$6,129,851 for fiscal years 2002-2003 through 2012-2013.¹⁶⁰ The Controller found that all costs claimed were unallowable because the claimant did not offset Proposition A local return funds used to pay for the mandated

Clarita’s Notice of Intent, filed February 9, 2021. These consolidated IRCs pertain only to the Controller’s determination that Proposition A and Proposition C local return funds are offsetting revenues; no IRC was filed disputing the other Transit System Fund revenues.

¹⁵² Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, page 45.

¹⁵³ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, page 47.

¹⁵⁴ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, page 47.

¹⁵⁵ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 5.

¹⁵⁶ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 5.

¹⁵⁷ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 19.

¹⁵⁸ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 20.

¹⁵⁹ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 20.

¹⁶⁰ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 148.

activities.¹⁶¹ Specifically, the Controller found that the claimant used Proposition A funds to pay \$288,802 in one-time costs and \$5,841,049 in ongoing maintenance costs.¹⁶²

The Controller described Proposition A as a “special supplementary sales tax” that is “restricted solely for the development and or improvement of public transit services.”¹⁶³ The claimant did not provide the Controller with any documentation showing that the Proposition A funds are included in the claimant’s appropriation limit.¹⁶⁴ The Controller asserts that because the claimant used “restricted” Proposition A funds to pay for the mandated activities, it did not have to rely on discretionary general funds and was required under the Parameters and Guidelines to offset the Proposition A funds from its reimbursement claims.¹⁶⁵ Furthermore, the Controller disagrees with the claimant’s assertion that Proposition A funds may be advanced pending mandate reimbursement.¹⁶⁶ Under the Local Return Guidelines, Proposition A funds may only be advanced for projects that will be reimbursed from federal, state, or local grant funding; mandate reimbursement does not qualify as grant funding.¹⁶⁷

C. Proposition A and Proposition C Local Return Funds

In 1977, the Legislature created the Los Angeles County Transportation Commission (Transportation Commission) as a countywide transportation improvement agency¹⁶⁸ and authorized the Transportation Commission to levy a transactions and use tax throughout Los Angeles County.¹⁶⁹

A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County of Los Angeles may be adopted by the Los Angeles County Transportation Commission in accordance with Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, provided that a majority of the electors voting on the measure vote to authorize its enactment at a special election called for that purpose by the commission.¹⁷⁰

¹⁶¹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 153.

¹⁶² Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 153.

¹⁶³ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 158.

¹⁶⁴ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 158.

¹⁶⁵ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 153-154.

¹⁶⁶ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 158.

¹⁶⁷ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 158.

¹⁶⁸ Public Utilities Code section 130050.

¹⁶⁹ Public Utilities Code sections 130231(a), 130350.

¹⁷⁰ Public Utilities Code section 130350 (Stats. 1976, ch. 1333). Proposition A was passed by a majority of voters as required by the original language of Public Utilities Code section 130350, but not the two-thirds vote required by article XIII A, section 4 (Proposition 13). Thereafter, the

In 1980, Los Angeles County voters approved Proposition A, a one-half percent transactions and use tax to fund public transit projects throughout the County.¹⁷¹ In 1990, voters approved Proposition C, a second one-half percent transactions and use tax, also used to fund public transit projects countywide.¹⁷² The Los Angeles County Transportation Commission is statutorily authorized to levy both taxes.¹⁷³

The Los Angeles County Transportation Commission is authorized to impose a transactions and use tax within the County of Los Angeles pursuant to the approval by the voters of the commission's Ordinance No. 16 [Proposition A] in 1980 and its Ordinance No. 49 [Proposition C] in 1990, and has the authority and power vested in the Southern California Rapid Transit District to plan, design, and construct an exclusive public mass transit guideway system in the County of Los Angeles, including, but not limited to, Article 5 (commencing with Section 30630 of Chapter 5 of Part 3 of Division 11).¹⁷⁴

The purpose of the Proposition A tax is to “improve and expand existing public transit Countywide, including reduction of transit fare, to construct and operate a rail rapid transit system hereinafter described, and to more effectively use State and Federal funds, benefit assessments, and fares.”¹⁷⁵ Under the Proposition A ordinance, tax revenues can be used for capital or operating expenses¹⁷⁶ and are allocated as follows:

- a. Twenty-five percent, calculated on an annual basis, to local jurisdictions for local transit, based on their relative percentage share of the population of the County of Los Angeles.

executive director of the Transportation Commission refused to levy the tax. The Transportation Commission filed a petition for writ of mandate to compel the executive director to implement the tax. The case went before the California Supreme Court, which held in *Los Angeles County Transp. Commission v. Richmond* (1982) 31 Cal.3d 19 that that the Transportation Commission could, consistent with Proposition 13, impose the tax with the consent of only the majority of voters, as opposed to two-thirds of voters. Section 130350 was amended in 2007 to reflect the two-thirds vote requirement.

¹⁷¹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 47 (Local Return Guidelines).

¹⁷² Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 47 (Local Return Guidelines).

¹⁷³ Public Utilities Code section 130231(a).

¹⁷⁴ Public Utilities Code section 130231(a).

¹⁷⁵ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 33 (Proposition A Ordinance).

¹⁷⁶ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 33 (Proposition A Ordinance).

- b. Thirty-five percent, calculated on an annual basis, to the commission for construction and operation of the System.
- c. The remainder shall be allocated to the Commission for public transit purposes.¹⁷⁷

The purpose of the Proposition C tax is to “improve transit service and operations, reduce traffic congestion, improve air quality, efficiently operate and improve the condition of the streets and freeways utilized by public transit, and reduce foreign fuel dependence.”¹⁷⁸ The enumerated purposes of the tax include:

- (1) Meeting operating expenses; purchasing or leasing supplies, equipment or materials; meeting financial reserve requirements; obtaining funds for capital projects necessary to maintain service within existing service areas;
- (2) Increasing funds for existing public transit service programs;
- (3) Instituting or increasing passenger or commuter services on rail or highway rights of way;
- (4) Continued development of a regional transportation improvement program.¹⁷⁹

Under the Proposition C Ordinance, tax revenues are allocated as follows:

- (1) Forty percent to improve and expand rail and bus transit, including fare subsidies, graffiti prevention and removal, and increased energy-efficiency;
- (2) Five percent to improve and expand rail and bus security;
- (3) Ten percent to increase mobility and reduce congestion;
- (4) Twenty percent to the Local Return Program; and
- (5) Twenty-five percent to provide transit-related improvements to freeways and state highways.¹⁸⁰

¹⁷⁷ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 34 (Proposition A Ordinance).

¹⁷⁸ Exhibit X, Metro, Proposition C Ordinance: http://media.metro.net/projects_studies/taxpayer_oversight_comm/proposition_c_ordinance.pdf (accessed on February 22, 2021), page 3.

¹⁷⁹ Exhibit X, Metro, Proposition C Ordinance: http://media.metro.net/projects_studies/taxpayer_oversight_comm/proposition_c_ordinance.pdf (accessed on February 22, 2021), page 3.

¹⁸⁰ Exhibit X, Metro, Proposition C Ordinance: http://media.metro.net/projects_studies/taxpayer_oversight_comm/proposition_c_ordinance.pdf (accessed on February 22, 2021), pages 3-4.

In 1993, the Transportation Commission merged with the Southern California Rapid Transit District to form the Los Angeles County Metropolitan Transportation Authority (Metro).¹⁸¹ Since becoming the successor agency to the Transportation Commission, Metro has continued to levy the Proposition A and Proposition C taxes.¹⁸²

Local jurisdictions receive transportation funding from Metro through the Proposition A and Proposition C local return programs. Twenty-five percent of Proposition A funds and twenty percent of Proposition C funds are allocated to the local return programs for cities and the County to use for “in developing and/or improving public transit, paratransit, and the related transportation infrastructure.”¹⁸³ Metro allocates and distributes local return funds to cities and the County of Los Angeles (for unincorporated areas) each month, on a “per capita” basis.¹⁸⁴

Use of Proposition A tax revenues is restricted to “eligible transit, paratransit, and Transportation Systems Management improvements” and cities are encouraged to use the funds to improve transit services.¹⁸⁵

The Proposition A Ordinance requires that LR [Local Return] funds be used exclusively to benefit public transit. Expenditures related to fixed route and paratransit services, Transportation Demand Management, Transportation Systems Management and fare subsidy programs that exclusively benefit transit are all eligible uses of Proposition A LR funds.¹⁸⁶

The Proposition C Ordinance requires that Proposition C local return funds be used to benefit “public transit, paratransit, and related services including to improve and expand supplemental paratransit services to meet the requirements of the Federal Americans With Disabilities Act.”¹⁸⁷

¹⁸¹ Public Utilities Code sections 130050.2, 130051.13. Section 130050.2 states as follows: “There is hereby created the Los Angeles County Metropolitan Transportation Authority. The authority shall be the single successor agency to the Southern California Rapid Transit District and the Los Angeles County Transportation Commission as provided by the act that enacted this section.”

¹⁸² Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 47 (Local Return Guidelines).

¹⁸³ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 47 (Local Return Guidelines).

¹⁸⁴ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 47, 74 (Local Return Guidelines).

¹⁸⁵ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 33, 35 (Proposition A Ordinance).

¹⁸⁶ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 47 (Local Return Guidelines).

¹⁸⁷ Exhibit X, Metro, Proposition C Ordinance: http://media.metro.net/projects_studies/taxpayer_oversight_comm/proposition_c_ordinance.pdf (accessed on February 22, 2021), page 4.

Eligible projects include “Congestion Management Programs, bikeways and bike lanes, street improvements supporting public transit service, and Pavement Management System projects.”¹⁸⁸

Amongst the eligible uses of Proposition A and Proposition C local return funds are bus stop improvements and maintenance projects.¹⁸⁹ The Local Return Guidelines provide as follows:

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings – in street for buses and at sidewalk for passengers
- Bus turn-outs
- Benches
- Shelters
- *Trash receptacles*
- Curb cut
- Concrete or electrical work directly associated with the above items.¹⁹⁰

Proposition A local return funds may also “be given, loaned or exchanged” between local jurisdictions, provided that certain conditions are met, including that the traded funds be used for public transit purposes.¹⁹¹ Proposition C funds cannot be traded.¹⁹² Jurisdictions are permitted to use local return funds to advance eligible projects that will be reimbursed by “federal, state, or local grant funding, or private funds.”¹⁹³ Subsequent reimbursement funds must then be deposited into the Proposition A or Proposition C Local Return Fund.¹⁹⁴

¹⁸⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 47 (Local Return Guidelines).

¹⁸⁹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 53 (Local Return Guidelines).

¹⁹⁰ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 53 (Local Return Guidelines), emphasis added.

¹⁹¹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 59 (Local Return Guidelines).

¹⁹² Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 47 (Local Return Guidelines).

¹⁹³ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 76 (Local Return Guidelines).

¹⁹⁴ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 76 (Local Return Guidelines).

III. Positions of the Parties

A. Cities of Claremont, Downey, Glendora, Pomona, Santa Clarita, and Signal Hill and County of Los Angeles

The claimants challenge the Controller’s finding that their use of Proposition A and Proposition C local return funds during the audit period to pay for the mandated activities of installing and maintaining transit stop trash receptacles constituted reimbursement from a non-local source.¹⁹⁵ The claimants do not dispute the Controller’s determination that the claimants used Proposition A and Proposition C funds to perform mandated activities. Rather, the claimants argue that requiring the claimants to offset Proposition A and Proposition C local return funds from their reimbursement claims (1) violates article XIII B, section 6 of the California Constitution; (2) is inconsistent with the Parameters and Guidelines; and (3) constitutes an unlawful retroactive application of the Parameters and Guidelines.¹⁹⁶ The claimants assert that the Controller’s actions were arbitrary, capricious, and lacking in evidentiary support.¹⁹⁷

The claimants argue that offsetting Proposition A and Proposition C local return funds is unconstitutional.¹⁹⁸ The Controller characterizes Proposition A and Proposition C as “special supplementary” sales taxes, the use of which is restricted, and distinguishes restricted sales taxes from unrestricted general sales taxes, the latter of which the Controller asserts can be used for any general governmental purpose.¹⁹⁹ The claimants challenge the Controller’s conclusion that

¹⁹⁵ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 10. The claimants’ position is derived from the IRC filed by the County of Los Angeles, the lead claimant in this consolidated IRC, which was joined by all claimants to this consolidated claim. While the County of Los Angeles’ IRC involves Proposition A only, the County asserts that there is no relevant distinction here between Proposition A and Proposition C.

Propositions A and C both were adopted for transit purposes, and both provide local agencies with direct “local return” funds that were available to the municipalities for local transit needs. Gest Decl. at ¶ 7.

In addition to these factual similarities, the main legal issue in each IRC is essentially identical, because all relate to the same essential SCO argument – that because special sales tax, instead of other tax revenues were advanced to pay for the receptacles, such sales tax revenues should have offset the reimbursement request.

Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 5. Because of the factual and legal similarities between Proposition A and Proposition C, reference to Proposition C has been added to the County of Los Angeles’ discussion of Proposition A in order to capture the reimbursement claims involving Proposition C.

¹⁹⁶ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 10.

¹⁹⁷ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 14.

¹⁹⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 14.

¹⁹⁹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 14.

because the claimants used Proposition A or Proposition C tax revenues to perform the mandated activities of installing and maintaining trash receptacles, they did not have to rely on general funds.²⁰⁰ Neither article XIII B, section 6 nor the case law interpreting it distinguishes between general and restricted taxes.²⁰¹ Proposition A and Proposition C are local sales and use taxes, the revenues of which article XIII B, section 6 was designed to protect.²⁰² Furthermore, whether the Proposition A and Proposition C local return funds are subject to the claimants' appropriations limit "is irrelevant to the question before the Commission, which is whether the State has mandated a program that requires the expenditure of local tax revenue."²⁰³ By requiring the claimants to use local tax revenues to pay for the mandated activities simply because the revenues are restricted to public transit purposes, the Controller has added a new requirement that violates article XIII B, section 6 and precludes the claimants from using local tax revenues on other transit programs of their choosing.²⁰⁴

The claimants further assert that the offset is inconsistent with the Parameters and Guidelines.²⁰⁵ The Controller's approach shifts the financial burden of a state-mandated program onto a local agency simply because the local agency uses a "restricted" local sales tax to fund the mandate.²⁰⁶ The claimants reason that Proposition A and Proposition C local return funds do not constitute offsetting revenues under section VIII of the Parameters and Guidelines because Proposition A and Proposition C are local taxes and therefore not a "federal, state, or non-local source."²⁰⁷ The claimants point out that the Controller does not dispute that "Proposition A is a local sales tax imposed on local citizens," citing to the fact that the Controller did not seek to revise the Parameters and Guidelines before they were adopted to require deduction of "special local taxes" like Proposition A.²⁰⁸

The claimants did not err in using Proposition A or Proposition C funds to pay for the installation and maintenance of the trash receptacles because the trash receptacles qualified for such use.²⁰⁹ Under the Local Return Guidelines, the claimants were permitted to initially use the Proposition A or Proposition C funds for trash receptacles and then, upon reimbursement by the state, apply

²⁰⁰ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 17.

²⁰¹ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, pages 14-15.

²⁰² Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, pages 14-15.

²⁰³ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 15, footnote 4.

²⁰⁴ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 15.

²⁰⁵ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 16.

²⁰⁶ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 16.

²⁰⁷ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 16.

²⁰⁸ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, pages 16-17.

²⁰⁹ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 17.

those funds to other transit projects.²¹⁰ This is exactly the sort of “advance” contemplated by the Local Return Guidelines.²¹¹

The claimants challenge the Controller’s position that Proposition A and Proposition C funds can only permissibly be used as an advance where funds will be repaid by federal, state, or local grants, or private funds, all of which are distinguishable from subvention of funds to reimburse a local government for the cost of state mandated activities.²¹² The claimants assert that whether reimbursement is from a non-grant source is irrelevant; the Local Return Guidelines anticipate “reimbursement not only from grant funds but also other ‘fund sources.’”²¹³

Expending Proposition A or Proposition C funds prior to reimbursement is consistent with the intent behind article XIII B, section 6.²¹⁴ Neither Proposition A nor Proposition C is a “source other than taxes” under Government Code section 17556(d) and the Parameters and Guidelines, the use of which to pay for mandated expenses renders the expenses ineligible for reimbursement.²¹⁵ By denying the claimants this portion of their claims for reimbursement, the claimants’ transportation project funding is limited as though the state were to refuse to reimburse the claimants for general funds used for the same purpose.²¹⁶

The claimants further allege that the Controller is retroactively applying the Parameters and Guidelines in contravention of applicable law.²¹⁷ The fiscal years during which the claimants used Proposition A funds to pay for the mandated activities preceded the effective date of the Parameters and Guidelines.²¹⁸ The claimants argue that in addition to being unlawful, it is arbitrary and capricious for the Controller to find that the Parameters and Guidelines retroactively prohibited the use of Proposition A and Proposition C funds in way that was lawful at the time the funds were used.²¹⁹

B. State Controller’s Office

The Controller has not yet commented on any of the subject IRCs or Notices of Intent to Join.

²¹⁰ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 17.

²¹¹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 17.

²¹² Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 17-18.

²¹³ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 17.

²¹⁴ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 18.

²¹⁵ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 18.

²¹⁶ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 18.

²¹⁷ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 18.

²¹⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 18.

²¹⁹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 18.

IV. Discussion

Government Code section 17561(d) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state-mandated costs if the Controller determines that the claim is excessive or unreasonable.

Government Code section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission's regulations requires the Commission to send the decision to the Controller and request that the costs in the claim be reinstated.

The Commission must review questions of law, including interpretation of the parameters and guidelines, de novo, without consideration of legal conclusions made by the Controller in the context of an audit.²²⁰ The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6 of the California Constitution.²²¹ The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitutional and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 and not apply it as an "equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities."²²²

With regard to the Controller's audit decisions, the Commission must determine whether they were arbitrary, capricious, or entirely lacking in evidentiary support. This standard is similar to the standard used by the courts when reviewing an alleged abuse of discretion of a state agency.²²³ Under this standard, the courts have found that:

When reviewing the exercise of discretion, "[t]he scope of review is limited, out of deference to the agency's authority and presumed expertise: 'The court may not reweigh the evidence or substitute its judgement for that of the agency. [Citation.]'" ... "In general ... the inquiry is limited to whether the decision was arbitrary, capricious, or entirely lacking in evidentiary support..." [Citations.] When making that inquiry, the " "court must ensure that an agency has adequately considered all relevant factors, and has demonstrated a rational

²²⁰ *City of Sacramento v. State of California* (1990) 50 Cal.3d 51, 64, 71, fn. 15; *County of San Diego v. State of California* (1997) 15 Cal.4th 68, 109.

²²¹ *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

²²² *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1281, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817.

²²³ *Johnson v. Sonoma County Agricultural Preservation and Open Space Dist.* (2002) 100 Cal.App.4th 973, 983-984. See also *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547.

connection between those factors, the choice made, and the purposes of the enabling statute.” [Citation.]’ ”²²⁴

The Commission must review the Controller’s audit in light of the fact that the initial burden of providing evidence for a claim of reimbursement lies with the claimant.²²⁵ In addition, sections 1185.1(f)(3) and 1185.2(d) and (e) of the Commission’s regulations require that any assertions of fact by the parties to an IRC must be supported by documentary evidence. The Commission’s ultimate findings of fact must be supported by substantial evidence in the record.²²⁶

Claims challenging reductions made by the Controller for the same mandate may be consolidated, provided certain requirements are met. Under Government Code section 17558.7(b) and section 1185.3 of the Commission’s regulations, an individual claimant may seek to consolidate incorrect reduction claims on behalf of a class of claimants if all of the following apply:

- (1) The method, act, or practice that the claimant alleges led to the reduction has led to similar reductions of other parties' claims, and all of the claims involve common questions of law or fact.
- (2) The common questions of law or fact among the claims predominate over any matter affecting only an individual claim.
- (3) The consolidation of similar claims by individual claimants would result in consistent decision making by the Commission.
- (4) The claimant filing the consolidated claim would fairly and adequately protect the interests of the other claimants.²²⁷

The Commission may also consolidate incorrect reduction claims, in part or in whole, as necessary to ensure the complete, fair, or timely consideration of any such claims.²²⁸

A claimant seeking to file a consolidated incorrect reduction claim must notify the Commission of its intent to do so at the time of filing.²²⁹ Under Government Code section 17558.7(b) and section 1185.3 of the Commission’s regulations, the Commission shall request that the Controller provide, within 30 days, the Commission and the claimant with a list of claimants for whom the Controller has reduced similar claims under the same mandate, and the date each claimant was

²²⁴ *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

²²⁵ *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

²²⁶ Government Code section 17559(b), which provides that a claimant or the state may commence a proceeding in accordance with the provisions of section 1094.5 of the Code of Civil Procedure to set aside a decision of the Commission on the ground that the Commission’s decision is not supported by substantial evidence in the record.

²²⁷ Government Code section 17558.7(b); California Code of Regulations, title 2, section 1185.3.

²²⁸ California Code of Regulations, title 2, section 1185.6.

²²⁹ California Code of Regulations, title 2, section 1185.3(b).

notified of the adjustment. Upon receipt of this list from the Controller, the claimant may notify, and the Commission shall notify, the claimants on the list and other interested parties of the claimant's intent to file a consolidated incorrect reduction claim.²³⁰ Within 30 days of receiving the Commission's notice, any other eligible claimant shall file a notice of intent to join the consolidated incorrect reduction claim.²³¹

Any claimant that joins a consolidated incorrect reduction claim may opt out and not be bound by any determination made on the consolidated claim within 15-days of service of the Controller's comments.²³² A claimant that opts out of a consolidated claim shall file an individual IRC no later than one year after opting out or within the three-year period of limitation under section 1185.1(c) of the Commission's regulations.²³³ If a claimant opts out and an individual IRC for the claimant is already on file with the Commission, the individual filing is automatically reinstated.²³⁴

A. The Claimants Timely Filed the IRCs and Notices of Intent to Join.

At the time the final audit reports were issued, section 1185.1(c) of the Commission's regulations required an incorrect reduction claim to be filed with the Commission no later than three years after the date the claimant first receives from the Controller a final state audit report, letter, or other written notice of adjustment to a reimbursement claim, which complies with Government Code section 17558.5(c). Under Government Code section 17558.5(c), the Controller is required to notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review. The notice must specify which claim components were adjusted and in what amount, as well as interest charges on claims adjusted, and the reason for the adjustment.²³⁵ A notice of intent to join a consolidated incorrect reduction claim is subject to the three-year statute of limitations specified in section 1185.1(c).²³⁶

This means that, to join the consolidated claim, the claimant must either already have a timely filed IRC pending or else file the Notice of Intent within three years from the first notice of

²³⁰ Government Code section 17558.7(d); California Code of Regulations, title 2, section 1185.3(f).

²³¹ Government Code section 17558.7(e); California Code of Regulations, title 2, section 1185.4(a).

²³² Government Code section 17558.7(f); California Code of Regulations, title 2, section 1185.5.

²³³ Government Code section 17558.7(f); California Code of Regulations, title 2, section 1185.5(b).

²³⁴ California Code of Regulations, title 2, section 1185.5(c).

²³⁵ Government Code section 17558.5(c).

²³⁶ California Code of Regulations, title 2, section 1185.4(d).

reduction. Additionally, all Notices of Intent must be filed within 30 days of the Notice of the Opportunity to Join a Consolidated IRC.²³⁷

City of Claremont: The Controller issued its final audit report to the City of Claremont on October 20, 2017, which complied with section 17558.5(c).²³⁸ The claimant filed the IRC *Municipal Stormwater and Urban Runoff Discharges*, 20-0304-I-06 on October 16, 2020, within three years of the date of the final audit report. The Commission finds that the IRC was timely filed. On January 13, 2021, Commission staff issued the Notice of Claimant's Intent to Consolidate and Opportunity for Eligible Claimants to Join the Consolidated Claim. The City of Claremont filed its Notice of Intent to Join on February 10, 2021, within 30 days of the Notice of Opportunity for Eligible Claimant's to Join the Consolidated Claim. The Commission finds that the Notice of Intent was timely filed.

City of Downey: The Controller issued its final audit report to the City of Downey on June 30, 2017, which complied with section 17558.5(c).²³⁹ The claimant filed the IRC *Municipal Stormwater and Urban Runoff Discharges*, 19-0304-I-04 on June 30, 2017, three years from the date of the final audit report. The Commission finds that the IRC was timely filed. On January 13, 2021, Commission staff issued the Notice of Claimant's Intent to Consolidate and Opportunity for Eligible Claimants to Join the Consolidated Claim. The City of Downey filed its Notice of Intent to Join on February 4, 2021, within 30 days of the Notice of Opportunity for Eligible Claimant's to Join the Consolidated Claim. The Commission finds that the Notice of Intent was timely filed.

City of Glendora: The Controller issued its final audit report to the City of Glendora on August 9, 2018, which complied with section 17558.5(c).²⁴⁰ On January 13, 2021, Commission staff issued the Notice of Claimant's Intent to Consolidate and Opportunity for Eligible Claimants to Join the Consolidated Claim. The claimant filed the Notice of Intent to Join *Municipal Stormwater and Urban Runoff Discharges*, 20-0304-I-09 (20-0304-I-08) on January 28, 2021, within three years of the date of the final audit report and within 30 days of the Notice of Opportunity for Eligible Claimant's to Join the Consolidated Claim.²⁴¹ The Commission finds that the Notice of Intent was timely filed.

City of Pomona: The Controller issued its final audit report to the City of Pomona on May 21, 2018, which complied with section 17558.5(c).²⁴² On January 13, 2021, Commission staff issued the Notice of Claimant's Intent to Consolidate and Opportunity for Eligible Claimants to Join the Consolidated Claim. The claimant filed the Notice of Intent to Join

²³⁷ Government Code section 17558.7(d), California Code of Regulations, title 2, section 1185.3(f).

²³⁸ Exhibit B, City of Claremont's Notice of Intent to Join, filed February 10, 2021, page 3.

²³⁹ Exhibit C, City of Downey's Notice of Intent to Join, filed February 4, 2021, page 4.

²⁴⁰ Exhibit D, City of Glendora's Notice of Intent to Join, filed January 28, 2021, page 3.

²⁴¹ Exhibit D, City of Glendora's Notice of Intent to Join, filed January 28, 2021, page 1.

²⁴² Exhibit E, City of Pomona's Notice of Intent to Join, filed February 10, 2021, page 2.

Municipal Stormwater and Urban Runoff Discharges, 20-0304-I-09 (20-0304-I-08) on February 10, 2021, within three years of the date of the final audit report and within 30 days of the Notice of Opportunity for Eligible Claimant's to Join the Consolidated Claim.²⁴³ The Commission finds that the Notice of Intent was timely filed.

City of Santa Clarita: The Controller issued its final audit report to the City of Santa Clarita on August 28, 2018, which complied with section 17558.5(c).²⁴⁴ On January 13, 2021, Commission staff issued the Notice of Claimant's Intent to Consolidate and Opportunity for Eligible Claimants to Join the Consolidated Claim. The claimant filed the Notice of Intent to Join *Municipal Stormwater and Urban Runoff Discharges, 20-0304-I-11 (20-0304-I-08)* on February 9, 2021, within three years of the date of the final audit report and within 30 days of the Notice of Opportunity for Eligible claimant's to Join the Consolidated Claim.²⁴⁵ The Commission finds that the Notice of Intent was timely filed.

City of Signal Hill: The Controller issued its final audit report to the City of Signal Hill on June 25, 2018, which complied with section 17558.5(c).²⁴⁶ On January 13, 2021, Commission staff issued the Notice of Claimant's Intent to Consolidate and Opportunity for Eligible Claimants to Join the Consolidated Claim. The claimant filed the Notice of Intent to Join *Municipal Stormwater and Urban Runoff Discharges, 20-0304-I-10 (20-0304-I-08)* on February 9, 2021, within three years of the date of the final audit report and within 30 days of the Notice of Opportunity for Eligible claimant's to Join the Consolidated Claim.²⁴⁷ The Commission finds that the Notice of Intent was timely filed.

County of Los Angeles: The Controller issued its final audit report to the County of Los Angeles on November 6, 2017, which complied with section 17558.5(c).²⁴⁸ The claimant filed the IRC with intent to consolidate *Municipal Stormwater and Urban Runoff Discharges, 20-0304-I-08* on November 5, 2020, within three years of the date of the final audit report.²⁴⁹ The Commission finds that the IRC was timely filed.

Based on the above, the Commission finds that the IRCs and Notices of Intent to Join were timely filed by the cities of Claremont, Downey, Glendora, Pomona, Santa Clarita, and Signal Hill, and the County of Los Angeles.

²⁴³ Exhibit E, City of Pomona's Notice of Intent to Join, filed February 10, 2021, page 1.

²⁴⁴ Exhibit F, City of Santa Clarita's Notice of Intent to Join, filed February 9, 2021, page 33.

²⁴⁵ Exhibit F, City of Santa Clarita's Notice of Intent to Join, filed February 9, 2021, page 1.

²⁴⁶ Exhibit G, City of Signal Hill's Notice of Intent to Join, filed February 9, 2021, page 5.

²⁴⁷ Exhibit G, City of Signal Hill's Notice of Intent to Join, filed February 9, 2021, page 1.

²⁴⁸ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 148.

²⁴⁹ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 1.

B. The Controller’s Determination, That Proposition A and Proposition C Local Return Funds Are Offsetting Revenues that Should Have Been Identified and Deducted from the Reimbursement Claims, Is Correct as a Matter of Law.

The Controller found that the claimants failed to report offsetting revenues for the audit period in the following amounts:

City of Claremont:	\$166,345 ²⁵⁰
City of Downey:	\$186,921 ²⁵¹
City of Glendora:	\$79,856 ²⁵²
City of Pomona:	\$264,515 ²⁵³
City of Santa Clarita:	\$177,692 ²⁵⁴
City of Signal Hill:	\$101,656 ²⁵⁵
County of Los Angeles:	\$6,129,851 ²⁵⁶

The Controller determined that the claimants received tax revenues from the Los Angeles County Metropolitan Transportation Authority’s Proposition A and Proposition C local return programs and used those funds to perform the mandated activities of installing and maintaining transit-stop trash receptacles.²⁵⁷ The Controller reasoned that under section VIII of the Parameters and Guidelines, Proposition A and Proposition C local return funds are non-local source funds and therefore constitute offsetting revenues or reimbursements that should have been deducted from the reimbursement claims.²⁵⁸

²⁵⁰ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, page 3.

²⁵¹ Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, page 17.

²⁵² Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, page 3.

²⁵³ Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, page 8.

²⁵⁴ Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, page 44.

²⁵⁵ Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, page 19.

²⁵⁶ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 148.

²⁵⁷ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, pages 8-9; Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, pages 18-19; Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, pages 12-13; Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, pages 8-9; Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, pages 44-46; Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, pages 19-20; Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 153-154.

²⁵⁸ Exhibit B, City of Claremont’s Notice of Intent to Join, filed February 10, 2021, pages 8-9; Exhibit C, City of Downey’s Notice of Intent to Join, filed February 4, 2021, pages 18-19; Exhibit D, City of Glendora’s Notice of Intent to Join, filed January 28, 2021, pages 12-13;

The claimants do not contest receiving and using Proposition A and Proposition C local return funds in the manner alleged by the Controller. Rather, the claimants argue that the Controller’s determination that the Proposition A and Proposition C funds are unreported offsets that must be deducted from the reimbursement claims violates article XIII B, section 6 of the California Constitution, is inconsistent with the Parameters and Guidelines, and constitutes an unlawful retroactive application of the Parameters and Guidelines.²⁵⁹

1. Proposition A and Proposition C local return funds constitute reimbursement from a non-local source within the meaning of the Parameters and Guidelines.

Section VIII of the Parameters and Guidelines addresses offsetting revenues as follows:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.²⁶⁰

The claimants assert that Proposition A and Proposition C local return funds do not fall within section VIII because Proposition A and Proposition C are local taxes and therefore not a “federal, state, or non-local source.”²⁶¹ According to the claimants, the Controller does not dispute that “Proposition A is a local sales tax imposed on local citizens,” citing to the fact that the Controller did not comment on, or seek modification of, the Parameters and Guidelines before they were adopted.²⁶² The Commission disagrees. While the Parameters and Guidelines do not expressly require that funds from Proposition A or Proposition C, be identified as offsetting revenue, they do state that “reimbursement for this mandate received from any federal, state or *non-local source* shall be identified and deducted from this claim.”²⁶³

Exhibit E, City of Pomona’s Notice of Intent to Join, filed February 10, 2021, pages 8-9; Exhibit F, City of Santa Clarita’s Notice of Intent to Join, filed February 9, 2021, pages 44-46; Exhibit G, City of Signal Hill’s Notice of Intent to Join, filed February 9, 2021, pages 19-20; Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 153-154.

²⁵⁹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 10.

²⁶⁰ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 138 (Parameters and Guidelines).

²⁶¹ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 16.

²⁶² Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 16-17.

²⁶³ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 138 (Parameters and Guidelines), emphasis added.

The Parameters and Guidelines must be interpreted in a manner that is consistent with the California Constitution²⁶⁴ and principles of mandates law.²⁶⁵ Neither Proposition A nor Proposition C are the claimants’ “local taxes” because they are neither levied by the claimants nor subject to the claimants’ appropriations limits. Any costs incurred by the claimants in performing the mandated activities that are funded by Proposition A or Proposition C, non-local taxes, are excluded from mandate reimbursement under article XIII B, section 6 of the California Constitution.

2. Proposition A and Proposition C local return tax revenues are not the claimants’ “proceeds of taxes” within the meaning of article XIII B of the California Constitution because the taxes are not levied by the claimants nor subject to the claimants’ appropriations limit.

Interpreting the reimbursement requirement in article XIII B, section 6 of the California Constitution requires an understanding of articles XIII A and XIII B, which “work in tandem, together restricting California governments’ power both to levy and to spend taxes for public purposes.”²⁶⁶

In 1978, the voters adopted Proposition 13, which added article XIII A to the California Constitution. Article XIII A drastically reduced property tax revenue previously enjoyed by local governments by providing that “the maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value” and that the one percent (1%) tax was to be collected by counties and “apportioned according to law to the districts within the counties...”²⁶⁷ In addition to limiting property tax revenue, section 4 also restricts a local government’s ability to impose special taxes by requiring a two-thirds approval by voters.²⁶⁸

Article XIII B was adopted by the voters less than 18 months after the addition of article XIII A, and was billed as “the next logical step to Proposition 13.”²⁶⁹ While article XIII A is aimed at controlling ad valorem property taxes and the imposition of new special taxes, “the thrust of article XIII B is toward placing certain limitations on the growth of appropriations at both the state and local government level; in particular, Article XIII B places limits on the authorization to expend the ‘proceeds of taxes.’”²⁷⁰

²⁶⁴ See *State Board of Equalization v. Board of Supervisors* (1980) 105 Cal.App.3d 813, 823, holding that a Board tax rule was null and void, as applied, because it violated the Constitution.

²⁶⁵ *Clovis Unified School Dist. v. Chiang* (2010) 188 Cal.App.4th 794, 811-812.

²⁶⁶ *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 486.

²⁶⁷ California Constitution, article XIII A, section 1.

²⁶⁸ California Constitution, article XIII A, section 1.

²⁶⁹ *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 446.

²⁷⁰ *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 446.

Article XIII B established “an appropriations limit,” or spending limit for each “local government” beginning in fiscal year 1980-1981.²⁷¹ Section 1 of article XIII B defines the appropriations limit as follows:

The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided by this article.²⁷²

No “appropriations subject to limitation” may be made in excess of the appropriations limit, and revenues received in excess of authorized appropriations must be returned to the taxpayers within the following two fiscal years.²⁷³

Article XIII B does not limit the ability to expend government funds collected from all sources; the appropriations limit is based on “appropriations subject to limitation,” meaning “any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity.”²⁷⁴ For local agencies, “proceeds of taxes” subject to the appropriations limit include all tax revenues; proceeds from regulatory charges and fees to the extent such proceeds exceed the costs reasonably borne by government in providing the product or service; the investment of tax revenue; and subventions received from the state (other than pursuant to section 6).²⁷⁵

No limitation is placed on the expenditure of those revenues that do not constitute “proceeds of taxes.”²⁷⁶ For example, appropriations subject to limitation do not include “local agency loan funds or indebtedness funds, investment (or authorizations to invest) funds of the state, or of an entity of local government in accounts at banks or savings and loan associations or in liquid securities.”²⁷⁷

Article XIII B, section 6 was specifically designed to protect the tax revenues of local governments from state mandates that would require expenditure of tax revenues which are subject to limitation. The California Supreme Court, in *County of Fresno v. State of California*,²⁷⁸ explained:

Section 6 was included in article XIII B in recognition that article XIII A of the Constitution severely restricted the taxing powers of local governments. (See *County of Los Angeles I, supra*, 43 Cal.3d at p. 61.) The provision was intended

²⁷¹ California Constitution, article XIII B, section 8(h).

²⁷² California Constitution, article XIII B, section 1.

²⁷³ California Constitution, article XIII B, section 2.

²⁷⁴ California Constitution, article XIII B, section 8.

²⁷⁵ California Constitution, article XIII B, section 8; *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 448.

²⁷⁶ *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 447.

²⁷⁷ California Constitution, article XIII B, section 8(i).

²⁷⁸ *County of Fresno v. State of California* (1991) 53 Cal.3d 482.

to preclude the state from shifting financial responsibility for carrying out governmental functions onto local entities that were ill equipped to handle the task. (*Ibid.*; see *Lucia Mar Unified School Dist. v. Honig* (1988) 44 Cal.3d 830, 836, fn. 6.) Specifically, it was designed to protect the tax revenues of local governments from state mandates that would require expenditure of such revenues. Thus, although its language broadly declares that the “state shall provide a subvention of funds to reimburse ... local government for the costs [of a state-mandated new] program or higher level of service,” read in its textual and historical context section 6 of article XIII B requires subvention only when the costs in question can be recovered *solely from tax revenues*.²⁷⁹

The purpose of section 6 is to preclude “the state from shifting financial responsibility for carrying out governmental functions to local governmental entities, which are ‘ill equipped’ to assume increased financial responsibilities because of the taxing and spending limitations that articles XIII A and XIII B impose.”²⁸⁰ Article XIII B, section 6 must therefore be read in light of the tax and spend limitations imposed by articles XIII A and XIII B; it requires the state to provide reimbursement only when a local government is mandated to expend its own proceeds of taxes subject to the appropriations limit of article XIII B.²⁸¹

- a. The Proposition A and Proposition C sales taxes are not levied by or for the claimants.

The crux of the claimants’ position is that Proposition A and Proposition C are local taxes because they are imposed on “local citizens” and therefore do not fall into any of the offsetting revenue categories enumerated in section VIII the Parameters and Guidelines, which include “federal, state, or non-local source” revenue.²⁸² The claimants disagree with the Controller’s characterization of Proposition A as a supplementary, restricted use tax, as opposed to a general tax, which the claimants assert is a distinction that exists in neither article XIII B, section 6 nor the case law interpreting it.²⁸³

There is no difference between a municipality using local sales tax monies to install trash receptacles, receiving a subvention of funds, and then using those funds for other general purposes, and a municipality using Proposition A local sales tax revenues to install trash receptacles, receiving a subvention of funds, and then using those funds for other public transit purposes. In both cases, the State has mandated the expenditure of funds for a program the State believes should be implemented in lieu of other programs the municipality believes should have

²⁷⁹ *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487, emphasis in original.

²⁸⁰ *Dept. of Finance v. Commission on State Mandates* (2016) 1 Cal.5th 749, 763 (quoting *County of San Diego v. State of California* (1997) 15 Cal.4th 68, 81).

²⁸¹ *Dept. of Finance v. Commission on State Mandates* (2016) 1 Cal.5th 749, 762-763; *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 486-487.

²⁸² Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 16-17.

²⁸³ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 14-15.

priority, requiring the municipality to expend funds not on the municipality's priorities, but on the programs mandated by the State.²⁸⁴

The power of a local government to tax is derived from the Constitution, upon the Legislature's authorization.²⁸⁵ "The Legislature may not impose taxes for local purposes but may authorize local governments to impose them."²⁸⁶ In other words, a local government's taxing authority is derived from statute.

Metro, as the successor to the Los Angeles County Transportation Commission, is authorized by statute to levy the Proposition A and Proposition C transactions and use taxes throughout Los Angeles County.²⁸⁷ Public Utilities Code section 130350, as originally enacted, states as follows:

A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County of Los Angeles may be adopted by the Los Angeles County Transportation Commission in accordance with Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, provided that a majority of the electors voting on the measure vote to authorize its enactment at a special election called for that purpose by the commission.²⁸⁸

Under the Proposition A and Proposition C ordinances, twenty-five percent of Proposition A taxes and twenty percent of Proposition C taxes, respectively, are allocated to the local return program funds for cities and the County to use for public transit purposes.²⁸⁹ As discussed above, local jurisdictions are then permitted to use those funds on public transit projects as prescribed by the Local Return Guidelines.²⁹⁰ Permissible uses include bus stop improvements and maintenance projects, which include the installation, replacement and maintenance of trash receptacles.²⁹¹

²⁸⁴ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 15.

²⁸⁵ California Constitution, article XIII, section 24(a).

²⁸⁶ *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 450 ("Taxes are levied by the Legislature, or by counties and municipalities under their delegated power, for the support of the state, county, or municipal government").

²⁸⁷ Public Utilities Code section 130350 (Stats. 1976, ch. 1333).

²⁸⁸ Public Utilities Code section 130350 (Stats. 1976, ch. 1333).

²⁸⁹ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 47 (Local Return Guidelines).

²⁹⁰ See Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, pages 41-111 (Local Return Guidelines).

²⁹¹ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 53 (Local Return Guidelines).

The claimants do not dispute receiving Proposition A and Proposition C revenues through the local return program during the audit period, at least a portion of which was used for the eligible purposes of installing and maintaining trash receptacles at transit stops. Nonetheless, the claimants misunderstand what constitutes a local agency’s “local sales tax revenues” for purposes of determining eligibility for reimbursement under article XIII B, section 6. Contrary to the claimants’ assertions, the Proposition A and Proposition C transactions and use taxes are *not* the claimants’ “local taxes” because they are neither levied by nor for the claimants.

The phrase “to levy taxes by or for an entity” has a special meaning of long-standing. The concept of one entity levying taxes for another dates back to at least 1895 (stats. 1895, p. 219) and the adoption of an act providing for the levy of taxes “by or for” municipal corporations. This act allowed general law and charter cities to continue to exercise their taxing power directly or, if they so desired, to have the county levy and collect their taxes for them. (*Griggs v. Hartzoke* (1910) 13 Cal.App. 429, 430–432, 109 P. 1104; *County of Los Angeles v. Superior Court* (1941) 17 Cal.2d 707, 710–711, 112 P.2d 10.) The legal effect of this arrangement, as explained by case law, was that the taxing power exercised was that of the city, and it remained in the city. The county officers in levying taxes for the city became ex-officio officers of the city and exercised the city’s taxing power. (*Madary v. City of Fresno* (1912) 20 Cal.App. 91, 93–94, 128 P. 340.) In levying taxes for the city the county was levying “municipal taxes” through the ordinary county machinery. (*Griggs, supra*, 13 Cal.App. at p. 432, 109 P. 1104.)

Thus, the salient characteristics of one entity levying taxes “for” another entity are: (1) the entity for whom the taxes are levied has the taxing power; (2) the levying officers of the county exercise the taxing power of the entity for whom they are levying; (3) they exercise such power as ex-officio officers of that entity, and (4) the taxes collected are those of the “levied for” entity.²⁹²

Similar to the redevelopment agency in *Bell Community Redevelopment Agency v. Woosley*, the claimants here do not have the power to levy the Proposition A and Proposition C taxes.²⁹³ Therefore, Metro is not levying the Proposition A and Proposition C taxes “for” the claimants. The claimants’ receipt and use of Proposition A and Proposition C tax revenues through the local return programs does not change the nature of those funds as Metro’s “proceeds of taxes” and subject to Metro’s appropriations limit.

²⁹² *Bell Community Redevelopment Agency v. Woosley* (1985) 169 Cal.App.3d 24, 32.

²⁹³ See *Bell Community Redevelopment Agency v. Woosley* (1985) 169 Cal.App.3d 24, 27 [Because redevelopment agency did not have the authority to levy a tax to fund its efforts, allocation and payment of tax increment funds to redevelopment agency by county, a government taxing agency, were not “proceeds of taxes levied by or for” the redevelopment agency and therefore were not subject to the appropriations limit of Article XIII B].

- b. Proposition A and Proposition C local return funds allocated to the claimants are not subject to the claimants' appropriations limits.

Article XIII B does not limit a local government's ability to expend tax revenues that are not the claimant's "proceeds of taxes."²⁹⁴ Where a tax is neither levied by nor for the local government claiming reimbursement, the resulting revenue is not the local government's "proceeds of taxes" and is therefore not the local government's "appropriations subject to limitation."²⁹⁵

Reimbursement under article XIII B, section 6 is only required to the extent that a local government must incur "increased actual expenditures of limited tax proceeds that are counted against the local government's spending limit."²⁹⁶ Because the Proposition A and Proposition C local return funds are not the claimants' "proceeds of taxes levied by or for that entity," they are not the claimants' "appropriations subject to limitation."²⁹⁷

While the Proposition A ordinance does not state whether Proposition A tax proceeds are subject to Metro's appropriations limit,²⁹⁸ Metro receives the revenues of any transactions and use tax it levies and then allocates and distributes them to local jurisdictions in accordance with the applicable tax ordinances.²⁹⁹ Los Angeles County has passed four separate half-cent transportation sales taxes over the past 40 years: Proposition A (1980), Proposition C (1990), Measure R (2008) and Measure M (2016).³⁰⁰ With the exception of Proposition A, the remaining three tax ordinances expressly state that their respective transportation sales tax revenues are subject to either the Los Angeles County Transportation Commission's (as predecessor to Metro) or Metro's appropriations limit.

The Proposition C Ordinance states in relevant part:

3-10-080 Appropriations Limit. A [Los Angeles County Transportation] Commission appropriations limit is hereby established equal to the revenues collected and allocated during the 1990/91 fiscal year plus an amount equal to one and a half times the taxes that would be levied or allocated on a one-half of one

²⁹⁴ *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 447.

²⁹⁵ California Constitution, article XIII B, section 8.

²⁹⁶ *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1283; *County of Los Angeles v. Commission on State Mandates* (2003) 110 Cal.App.4th 1176, 1185.

²⁹⁷ California Constitution, article XIII B, section 8.

²⁹⁸ Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, pages 31-39 (Proposition A Ordinance).

²⁹⁹ Public Utilities Code section 130354, which states: "The revenues received by the Los Angeles County Transportation Commission from the imposition of the transactions and use taxes shall be used for public transit purposes"; Exhibit A, County of Los Angeles' Consolidated IRC, filed November 5, 2020, page 74 (Local Return Guidelines).

³⁰⁰ Exhibit X, Metro, Local Return Program: https://www.metro.net/projects/local_return_pgm/ (accessed on February 25, 2021), page 1.

percent transaction and use tax in the first full fiscal year following enactment and implementation of this Ordinance.³⁰¹

Measure R and Measure M are both subject to Metro’s appropriations limit.³⁰² Both ordinances provide as follows:

SECTION 13. APPROPRIATIONS LIMIT

Article XIII B of the California Constitution requires certain governmental entities to establish an annual appropriations limit. This appropriations limit is subject to adjustment as provided by law. To the extent required by law, Metro shall establish an annual appropriations limit and expenditures of the retail transactions and use tax shall be subject to such limit.³⁰³

Government Code section 7904 prohibits appropriation of the same proceeds of taxes to the appropriations limit of more than one local jurisdiction or the state.³⁰⁴ The Proposition A and Proposition C funds levied by Metro and allocated to the claimants through the local return programs cannot be subject to both Metro and the claimants’ appropriations limits. The claimants have submitted no evidence, and the Commission is aware of none, to show that the Proposition A or Proposition C local return funds they received during the audit period were subject to the claimants’ appropriations limits.

The claimants are incorrect in asserting that the Controller’s finding functionally reduces the claimants’ transportation funding as though the state were to refuse to reimburse the claimants as if they had relied upon general funds for the same purpose.³⁰⁵ While Proposition A and Proposition C are imposed on the “local citizens” of the claimants’ jurisdictions, the taxes are levied throughout Los Angeles County by and for Metro, who then distributes a portion of the revenues to cities and the County of Los Angeles. Because the Proposition A and Proposition C taxes are neither levied by nor for the claimants, nor subject to the claimants’ appropriations limits, the Proposition A and Proposition C local return revenues do not constitute the claimants’ “local proceeds of taxes” for which claimants are entitled to reimbursement under article XIII B,

³⁰¹ Exhibit X, Proposition C Ordinance: http://media.metro.net/projects_studies/taxpayer_oversight_comm/proposition_c_ordinance.pdf (accessed on February 22, 2021), page 6.

³⁰² Exhibit X, Measure R Ordinance: <https://media.metro.net/measureR/images/ordinance.pdf> (accessed on February 25, 2021), page 16; Exhibit X, Measure M Ordinance: https://theplan.metro.net/wp-content/uploads/2016/09/measurem_ordinance_16-01.pdf (accessed on February 25, 2021), page 22.

³⁰³ Exhibit X, Measure R Ordinance: <https://media.metro.net/measureR/images/ordinance.pdf> (accessed on February 25, 2021), page 16; Exhibit X, Measure M Ordinance: https://theplan.metro.net/wp-content/uploads/2016/09/measurem_ordinance_16-01.pdf (accessed on February 25, 2021), page 22.

³⁰⁴ Government Code section 7904.

³⁰⁵ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 18.

section 6. Local government cannot accept the benefits of non-local tax revenue that is exempt from the appropriations limit, while asserting an entitlement to reimbursement under article XIII B, section 6.³⁰⁶ To the extent that the claimants funded the mandated activities using Proposition A or Proposition C tax revenues, reimbursement is not required under article XIII B, section 6 of the California Constitution.

3. The advancement of Proposition A or Proposition C funds to pay for the installation and maintenance of the trash receptacles does not alter the nature of those funds as offsetting revenues, nor does the deduction of those funds from the costs claimed constitute a retroactive application of the law.

The claimants argue that because the Local Return Guidelines permit the claimants to use Proposition A and Proposition C funds on mandated activities and then, upon reimbursement from the state, apply those funds to other transit projects, the claimants cannot now be penalized for doing so through retroactive application of the Parameters and Guidelines.³⁰⁷ The claimants allege that the Controller’s application of the Parameters and Guidelines is both incorrect as a matter of law and arbitrary and capricious.³⁰⁸ Whether the Controller correctly interpreted the Parameters and Guidelines in finding that Proposition A and Proposition C are non-local sources of funds that must be deducted from the reimbursement claims is purely a question of law subject to the de novo standard of review and to which the arbitrary and capricious standard does not apply.³⁰⁹

Because the claimants used “non-local source” funds to install and maintain trash receptacles, they were required to identify and deduct those funds from their claims for reimbursement. As discussed above, the Proposition A and Proposition C funds received by the claimants are not the claimants’ “proceeds of taxes” within the meaning of article XIII B, section 8. The requirement in section VIII of the Parameters and Guidelines that reimbursement received from any “non-local source” must be identified and deducted from the claim simply restates the requirement under article XIII B, section 6 that mandate reimbursement is only required to the extent that the local government expends its own proceeds of taxes.³¹⁰ A rule that merely restates or clarifies existing law “does not operate retrospectively even if applied to transactions predating its enactment because the true meaning of the [rule] remains the same.”³¹¹

³⁰⁶ See *City of El Monte v. Commission on State Mandates* (2000) 83 Cal.App.4th 266, 281-282.

³⁰⁷ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, pages 18-19.

³⁰⁸ Exhibit A, County of Los Angeles’ Consolidated IRC, filed November 5, 2020, page 18.

³⁰⁹ *City of Sacramento v. State of California* (1990) 50 Cal.3d 51, 64, 71, fn. 15; *County of San Diego v. State of California* (1997) 15 Cal.4th 68, 109.

³¹⁰ *Dept. of Finance v. Commission on State Mandates* (2016) 1 Cal.5th 749, 762-763; *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 486-487; see also Government Code section 17553(b)(1)(F)(iii) and California Code of Regulations, title 2, section 1183.7(g)(2).

³¹¹ *Western Security Bank v. Superior Court* (1997) 15 Cal.4th 232, 243.

Where, as here, a local government funds mandated activities with *other than* its own proceeds of taxes (e.g., revenue from a tax levied by a separate local government entity), it is required to deduct those revenues from its reimbursement claim. The fact that the Commission did not adopt the Parameters and Guidelines for the *Municipal Stormwater and Urban Runoff Discharges* program until well into the audit period³¹² does not alter the analysis, nor does the claimants' ability under the Local Return Guidelines to expend Proposition A or Proposition C funds on the installation and maintenance of transit stop trash receptacles prior to mandate reimbursement.

The Commission finds that the Controller's determination, that the Proposition A and Proposition C local return funds are offsetting revenue that should have been identified and deducted from the reimbursement claims, is correct as a matter of law.

V. Conclusion

Based on the forgoing analysis, the Commission finds that the IRCs and Notices of Intent to Join were timely filed and the Controller's determination, that Proposition A and Proposition C local return funds are offsetting revenues that should have been identified and deducted from the reimbursement claims, is correct as a matter of law. Accordingly, the Commission denies this Consolidated IRC.

³¹² The Parameters and Guidelines for the *Municipal Stormwater and Urban Runoff Discharges* program were adopted March 24, 2011. The reimbursement claims at issue range from fiscal years 2002-2003 through 2012-2013.

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On March 19, 2021, I served the:

- **Draft Proposed Decision, Schedule for Comments, and Notice of Hearing issued March 19, 2021**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, and 20-0304-I-13

Los Angeles Regional Quality Control Board Order No. 01-182,
Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006

City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Pomona, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009

City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

City of Signal Hill, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on March 19, 2021 at Sacramento, California.



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Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Claremont
 City of Downey
 City of Glendora
 City of Pomona
 City of Santa Clarita
 City of Signal Hill
 County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

RECEIVED
April 08, 2021
*Commission on
State Mandates*

IN RE CONSOLIDATED INCORRECT
REDUCTION CLAIM
Los Angeles Regional Quality Control Board
Order No. 01-182, Permit CAS004001,
Part 4F5c3
Municipal Stormwater and Urban Runoff
Discharges


Case Nos.: 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, and 20-0304-I-11, and 20-0304-I-13

**RESPONSE OF THE CITY OF
CLAREMONT TO DRAFT DECISION;
DECLARATION OF ADAM PIRRIE IN
IN SUPPORT OF THE CITY OF
CLAREMONT'S INCORRECT
REDUCTION CLAIM**

The Commission's Draft Decision in this matter recommends denial of the City of Claremont's Consolidated Incorrect Reduction Claim on the grounds that Metro Proposition A and C funds were not included in the City's Gann Appropriations Limit. This is incorrect with respect to the City of Claremont. As set forth in the attached declaration, Proposition A and Proposition C funds were included in the City of Claremont Gann Appropriations Limit for the Fiscal Years 2002-2003 through 2011-2012.

The City of Claremont further joins in the Comments filed by the County of Los Angeles in this matter.

Dated: 4-1-21


Adam Pirrie
Finance Director
City of Claremont

**DECLARATION OF ADAM PIRRIE IN IN SUPPORT OF THE CITY OF
CLAREMONT'S INCORRECT REDUCTION CLAIM**

I, Adam Pirrie, hereby declare:

1. I am the Finance Director of the City of Claremont. I make this declaration in Support of the City of Claremont's Consolidated Incorrect Reduction Claim.

2. I have personal knowledge of the matters set forth herein and, if called to testify, could and would testify competently hereto.

3. I have had my staff research the records of the City of Claremont with respect to the installation and maintenance of trash receptacles for the Fiscal Years 2002-2003 through 2011-2012. The City's records reflect that City's receipt of Proposition A or Proposition C funds were included in the City's Gann Appropriations Limit for these fiscal years.

4. Attached hereto as Exhibit 1 are documents reflecting this inclusion.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 1 day of April, at Claremont, California.



Adam Pirrie

EXHIBIT 1

RESOLUTION NO. 2002-36

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING APPROPRIATION LIMIT FOR FISCAL YEAR 2002-03.

WHEREAS, pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit; and,

WHEREAS, Attachment 1 detailing the base year appropriation limit, the various adjustment factors from 1978-79 through 2002-03 and the appropriations limit for all of these years attached to and are incorporated into this resolution as though fully set forth; and,

WHEREAS, pursuant to Government Code Section 7910, the documentation used for the determination of the appropriation limit has been available to the public for fifteen days prior to this meeting.

NOW, THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

Section 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriation limit pursuant to California Constitution Article XIII-B, Section 8, Subdivision (c):

a. Population Adjustment Factor

(1) The population adjustment factor selected for fiscal year 2002-03 is the change in population within the City of Claremont.

b. Cost of Living Adjustment Factor

(1) The cost of living adjustment factor selected for fiscal year 2002-03 is the change in California per capita personal income.

Section 2. The City Council establishes the appropriation limit for the City of Claremont for fiscal year 2002-03 in accordance with the figures contained in Attachment 1. The appropriation limit established for fiscal year 2002-03 is calculated pursuant to Proposition 111.

Section 3. The Mayor shall sign this resolution and the city clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 25th day of June, 2002.



Mayor of the City of Claremont

ATTEST:



City Clerk of the City of Claremont

APPROVED AS TO FORM:



City Attorney of the City of Claremont

CITY OF CLAREMONT

APPROPRIATION LIMIT CALCULATION

----- CLAREMONT POPULATION -----			-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --		
DATE	ORIGINAL	REVISED LAST REV.	ORIGINAL	REVISED	LAST REV.	PROP. 4 City	PROP 111 County	
1-1-78		27,087						
1-1-79	28,137	28,367	29,815			1.1007		
1-1-80	29,815	30,245	30,245			1.0144		
1-1-81	30,245	32,956	33,123			1.0952		
1-1-82	33,123	33,733				1.0184		
1-1-83	33,257	33,582				0.9955		
1-1-84	33,589	34,248				1.0198		
1-1-85	34,213	34,362				1.0033		
1-1-86	34,362	35,060	8,228,477			1.0203		
1-1-87	35,060	35,996	8,385,319	8,400,370		1.0267 *	1.0209	
1-1-88	35,996	36,932	36,741	8,536,807	8,555,937	1.0207 *	1.0185	
1-1-89	36,530	36,530	36,516	8,632,069	8,650,337	0.9939	1.0110 *	
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	1.0022	1.0187 *
1-1-91	32,503	31,965	32,166	8,964,736	8,998,754	0.8882	1.0200 *	
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017	1.0110 *
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049	1.0078 *
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0140 *	1.0055
1-1-95	33,632	33,900		9,229,730	9,312,421		1.0137 *	1.0033
1-1-96	34,028	34,042		9,369,848	9,361,333		1.0118 *	1.0052
1-1-97	34,405	34,345		9,488,227	9,459,681		1.0111	1.0136 *
1-1-98	34,722	34,668		9,603,291	9,574,918		1.0110	1.0181 *
1-1-99	35,413	35,269		9,757,542	9,702,280		1.0215 *	1.0166
1-1-00	35,968	34,215		9,884,255	9,630,608		1.0198 *	1.0173
1-1-01	35,255	34,942		9,802,780	9,641,223		1.0304	1.0181 *
1-1-02	35,551			9,824,807			1.0174	1.0183 *

* = OPTION CHOSEN

U.S. C.P.I.		CALIF. PER CAPITA COST OF LIVING FACTOR		---- APPROPRIATION LIMIT ----		
		PROP. 4	PROP. 111	PROP 4	PROP.111	FY
				\$4,337,133		1978-79
10.17%		1.1017		5,259,386		1979-80
	12.11%	1.1211		5,981,204		1980-81
	9.12%	1.0912		7,148,031		1981-82
6.79%		1.0679		7,773,837		1982-83
	2.35%	1.0235		7,920,718		1983-84
4.74%		1.0474		8,460,424		1984-85
3.74%		1.0374		8,805,807		1985-86
2.30%		1.0230		9,191,210		1986-87
3.04%	3.47%	1.0304	1.0347 *	9,723,488	9,764,066	1987-88
3.93%	4.66%	1.0393	1.0466 *	10,314,808	10,430,606	1988-89
4.98%	5.19%	1.0498	1.0519 *	10,762,431	11,092,646	1989-90
	4.21%		1.0421 *		11,775,812	1990-91
	4.14%		1.0414 *		12,508,597	1991-92
	-0.64%		0.9936 *		12,565,256	1992-93
	2.72%		1.0272 *		13,007,706	1993-94
	0.71%		1.0071 *		13,283,461	1994-95
	4.72%		1.0472 *		14,101,014	1995-96
	4.67%		1.0467 *		14,933,693	1996-97
	4.67%		1.0467 *		15,843,680	1997-98
	4.15%		1.0415 *		16,799,864	1998-99
	4.53%		1.0453 *		17,938,457	1999-00
	4.91%		1.0491 *		19,191,856	2000-01
	7.82%		1.0782 *		21,067,197	2001-02
	-1.27%		0.9873 *		21,180,277	2002-03

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss.
CITY OF CLAREMONT)

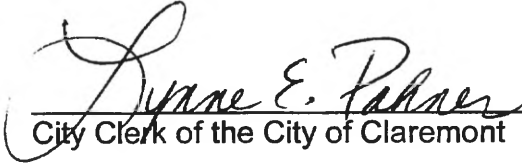
I, Lynne Pahner, City Clerk of the City of Claremont, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 2002-36 was regularly adopted by the City Council of said City of Claremont at a regular meeting of said council held on the 25th day of June, 2002, by the following vote:

AYES: Councilmembers: Baldonado, Leiga, Rosenthal, Mayor Held

NOES: Councilmembers: None

ABSTAINED: Councilmembers: None

ABSENT: Councilmembers: Miller



City Clerk of the City of Claremont

CITY OF CLAREMONT - - - APPROPRIATION LIMIT CALCULATION

----- CLAREMONT POPULATION -----				-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --			CALIF.		COST OF LIVING FACTOR		---- APPROPRIATION LIMIT ----		
DATE	ORIGINAL	REVISED	LAST REV.	ORIGINAL	REVISED	LAST REV.	PROP. 4 City	PROP 111 County	U.S. C.P.I.	PER CAPITA	PROP. 4	PROP. 111	PROP 4	PROP.111	FY	
1-1-78		27,087													1978-79	
1-1-79	28,137	28,367	29,815				1.1007		10.17%		1.1017				1979-80	
1-1-80	29,815	30,245	30,245				1.0144			12.11%	1.1211				1980-81	
1-1-81	30,245	32,956	33,123				1.0952			9.12%	1.0912				1981-82	
1-1-82	33,123	33,733					1.0184		6.79%		1.0679				1982-83	
1-1-83	33,257	33,582					0.9955			2.35%	1.0235				1983-84	
1-1-84	33,589	34,248					1.0198		4.74%		1.0474				1984-85	
1-1-85	34,213	34,362					1.0033		3.74%		1.0374				1985-86	
1-1-86	34,362	35,060		8,228,477			1.0203		2.30%		1.0230				1986-87	
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0267	* 1.0209	3.04%	3.47%	1.0304	1.0347	*		1987-88	
1-1-88	35,996	36,932	36,741	8,536,807	8,555,937		1.0207	* 1.0185	3.93%	4.66%	1.0393	1.0466	*		1988-89	
1-1-89	36,530	36,530	36,516	8,632,069	8,650,337		0.9939	1.0110	4.98%	5.19%	1.0498	1.0519	*		1989-90	
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	1.0022	1.0187	*	4.21%		1.0421	*		1990-91	
1-1-91	32,503	31,965	32,166	8,964,736	8,988,754		0.8882	1.0200	*	4.14%		1.0414	*		1991-92	
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017	1.0110	*	-0.64%		0.9936	*		1992-93	
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049	1.0078	*	2.72%		1.0272	*		1993-94	
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0140	* 1.0055		0.71%		1.0071	*		1994-95	
1-1-95	33,632	33,900		9,229,730	9,312,421		1.0137	* 1.0033		4.72%		1.0472	*		1995-96	
1-1-96	34,028	34,042		9,369,848	9,361,333		1.0118	* 1.0062		4.67%		1.0467	*		1996-97	
1-1-97	34,405	34,345		9,488,227	9,459,681		1.0111	1.0136	*	4.67%		1.0467	*		1997-98	
1-1-98	34,722	34,668		9,603,291	9,574,918		1.0110	1.0181	*	4.15%		1.0415	*		1998-99	
1-1-99	35,413	35,269		9,757,542	9,702,280		1.0215	* 1.0166		4.53%		1.0453	*		1999-00	
1-1-00	35,968	34,215		9,884,255	9,630,608		1.0198	* 1.0173		4.91%		1.0491	*		2000-01	
1-1-01	35,255	34,942		9,802,780	9,641,223		1.0304	1.0181	*	7.82%		1.0782	*		2001-02	
1-1-02	35,551			9,824,807			1.0174	1.0183	*	-1.27%		0.9873	*		2002-03	

* = OPTION CHOSEN

TAX RECEIPT CALCULATION						
Type of Tax	Actual FY 97-98	Actual FY 98-99	Actual FY 99-00	Actual FY 00-01	Budgeted FY 01-02	Proposed FY 02-03
Secured Prop Tax (net)	1,843,833	1,869,012	2,039,394	2,240,592	2,300,437	2,463,494
Sales Tax	2,568,293	2,537,445	2,993,379	3,216,173	3,300,000	3,416,000
Sales Tax - pub. protn	205,727	217,006	230,605	245,322	215,000	215,000
TOT	532,631	450,514	363,967	479,846	375,000	295,000
Business License	427,429	406,951	458,997	502,230	500,000	515,000
Property Transfer	76,895	83,340	121,692	130,345	88,000	103,000
UUT	2,994,286	3,083,860	3,034,321	3,382,867	3,276,325	3,446,977
LLD	1,556,116	1,448,572	1,513,608	1,569,278	1,611,000	1,672,547
Gas Tax Fund	611,204	634,420	642,326	650,276	655,000	653,700
Prop A	378,284	385,779	424,583	461,314	444,871	452,501
Fund 130 - clean air	37,481	36,294	38,786	39,923	37,000	39,000
Prop C	313,748	322,564	353,155	395,576	369,086	384,626
Total	\$ 11,545,927	\$ 11,475,757	\$ 12,214,814	\$ 13,313,741	\$ 13,171,719	\$ 13,656,845
Allowable under GANN calculation						\$ 21,180,277
Amount Current Taxes are Less than GANN Limit						\$ 7,523,431

**Claremont City Council
Agenda Report**

TO: GLENN D. SOUTHARD, CITY MANAGER
FROM: BRIDGET HEALY, ADMINISTRATIVE SERVICES DIRECTOR
DATE: JULY 8, 2003
SUBJECT: FISCAL YEAR 2003-2004 APPROPRIATION LIMIT

SUMMARY

Pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit.

Attachment B describes the history and provisions of the appropriations limit.

Using the County Population Adjustment factor, Claremont's appropriations limit for FY 2003-2004 is \$22.03 million. The FY 2003-2004 proceeds of taxes subject to the appropriation limit are approximately \$14.43 million.

Staff Recommendation

Staff recommends that the City Council adopt the resolution determining and establishing the appropriation limit for FY 2003-2004.

ANALYSIS

The two-year budget that was adopted by the City Council on June 25, 2002, included revenue and expenditure budgets for FY 2003-2004 but did not include the appropriation limit calculation for FY 2003-2004. The calculation could not be made until the State Department of Finance released annual cost of living factors and new population figures.

The City's FY 2003-2004 appropriation limit and budgeted tax receipts are shown as part of the attached resolution. Using the County Population Adjustment factor, the appropriation limit is calculated at \$22.03 million, and the budgeted tax receipts are \$14.43 million. The difference of \$7.60 million is the City's margin for allowable taxable growth.

FINANCIAL REVIEW

Since the City's budgeted tax receipts are \$7.60 million less than the appropriation limit, this appropriation calculation does not have a financial impact on the City.

COUNCIL COMMITTEE/COMMISSION RECOMMENDATION

Not Required

PUBLIC NOTICE PROCESS

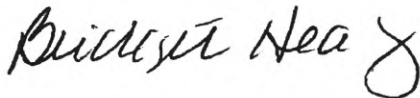
This item has been noticed through the regular agenda notification process. Copies are available at the City Hall public counter, the Youth Activity Center, the Alexander Hughes Community Center, and the Claremont Public Library. Documentation supporting the appropriation calculation has been on file in the City Clerk's office, in accordance with the state's filing requirement.

ALTERNATIVES TO STAFF RECOMMENDATION

In addition to the staff recommendation, there are the following alternatives:

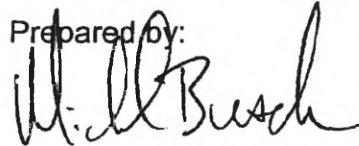
1. Request additional information
2. Reschedule consideration of adopting the appropriation limit.

Submitted by:



Bridget Healy
Administrative Services Director

Prepared by:



Michael Busch
Budget and Finance Manager

R:\Year End Close\Appropriations Limit\Appropriation Limit 03-04 Staff Report.doc

Attachments: A - Appropriation Limit Resolution with Attachment
 B - Appropriations Limit History & Provisions

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING AN APPROPRIATION LIMIT FOR FISCAL YEAR 2003-2004.

WHEREAS, Pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit; and

WHEREAS, Attachment 1, attached hereto, detailing the base year appropriation limit, the various adjustment factors from 1978-1979 through 2003-2004 and the appropriation limit for all these years is incorporated into this resolution as though fully set forth; and

WHEREAS, pursuant to Government code Section 7910, the documentation used for the determination of the appropriation limit has been available to the public prior to this meeting.

NOW THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

Section 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriation limit pursuant to California Constitution, Article XIII-B, Section 8, Subdivision (c):

- a. Population Adjustment Factor
 - (1) The population adjustment factor selected for fiscal year 2003-2004 is the change in population with the County of Los Angeles.
- b. Cost of Living Adjustment Factor
 - (1) The cost of living adjustment factor selected for fiscal year 2003-2004 is the change in California per capita personal income.

Section 2. The City Council establishes the appropriation limit for the City of Claremont for fiscal year 2003-2004 in accordance with the figures contained on Attachment A.

1. The appropriation limit established for fiscal year 2003-2004 is calculated pursuant to Proposition 111.

Section 3. That the Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 8th day of July, 2002.

Mayor, City of Claremont

ATTEST:

City Clerk, City of Claremont

APPROVED AS TO FORM:

Jouice R. Conner
City Attorney, City of Claremont

CITY OF CLAREMONT - - - APPROPRIATION LIMIT CALCULATION

DATE	CLAREMONT POPULATION			LOS ANGELES COUNTY POPULATION			APPROPRIATION FACTOR			CITY			COUNTY			APPROPRIATION LIMIT	FISCAL YEAR	
	ORIGINAL	REVISED	LAST REV.	ORIGINAL	REVISED	LAST REV.	1980	1981	1982	1983	1984	1985	1986	1987	1988			1989
1-1-78		27,087														\$4,337,133	1978-79	
1-1-79	28,137	28,367	29,815				1.1007			10.17%		1.1017				5,259,386	1979-80	
1-1-80	29,815	30,245	30,245				1.0144				12.11%	1.1211				5,981,204	1980-81	
1-1-81	30,245	32,956	33,123				1.0852				9.12%	1.0912				7,148,031	1981-82	
1-1-82	33,123	33,733					1.0184			6.79%		1.0679				7,773,837	1982-83	
1-1-83	33,257	33,582					0.9955				2.35%	1.0235				7,920,718	1983-84	
1-1-84	33,589	34,248					1.0198			4.74%		1.0474				8,460,424	1984-85	
1-1-85	34,213	34,362					1.0033			3.74%		1.0374				8,805,807	1985-86	
1-1-86	34,362	35,060		8,228,477			1.0203			2.30%		1.0230				9,191,210	1986-87	
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0267	*	1.0209	3.04%	3.47%	1.0304	1.0347	*		9,723,488	1987-88	
1-1-88	35,996	36,932	36,741	8,536,807	8,555,937		1.0207	*	1.0185	3.93%	4.66%	1.0393	1.0466	*	10,314,808	10,430,606	1988-89	
1-1-89	36,530	36,530	36,516	8,632,069	8,650,337		0.9939		1.0110	*	4.98%	5.19%	1.0498	1.0519	*	10,762,431	11,092,646	1989-90
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	1.0022		1.0187	*		4.21%		1.0421	*		11,775,812	1990-91
1-1-91	32,503	31,965	32,166	8,964,736	8,988,754		0.8882		1.0200	*		4.14%		1.0414	*		12,508,597	1991-92
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017		1.0110	*		-0.64%		0.9936	*		12,565,256	1992-93
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049		1.0078	*		2.72%		1.0272	*		13,007,706	1993-94
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0140	*	1.0055			0.71%		1.0071	*		13,283,461	1994-95
1-1-95	33,832	33,900		9,229,730	9,312,421		1.0137	*	1.0033			4.72%		1.0472	*		14,101,014	1995-96
1-1-96	34,028	34,042		9,369,848	9,361,333		1.0118	*	1.0062			4.67%		1.0467	*		14,933,693	1996-97
1-1-97	34,405	34,345		9,488,227	9,459,681		1.0111		1.0136	*		4.67%		1.0467	*		15,843,680	1997-98
1-1-98	34,722	34,668		9,603,291	9,574,918		1.0110		1.0181	*		4.15%		1.0415	*		16,799,864	1998-99
1-1-99	35,413	35,269		9,757,542	9,702,280		1.0215	*	1.0166			4.53%		1.0453	*		17,938,457	1999-00
1-1-00	35,968	34,215		9,884,255	9,630,808		1.0198	*	1.0173			4.91%		1.0491	*		19,191,856	2000-01
1-1-01	35,255	34,942		9,802,780	9,841,223		1.0304		1.0181	*		7.82%		1.0782	*		21,067,197	2001-02
1-1-02	35,551	35,524		9,824,807	9,805,750		1.0174		1.0183	*		-1.27%		0.9873	*		21,180,277	2002-03
1-1-03	36,098			9,968,146	9,979,618		1.0162		1.0169	*		2.31%		1.0231	*		22,035,756	2003-04

* = OPTION CHOSEN

TAX RECEIPT CALCULATION						
Secured Prop Tax (net)	1,869,012	2,039,394	2,240,592	2,259,933	2,463,494	2,586,669
Sales Tax	2,537,445	2,993,379	3,216,173	3,571,929	3,416,000	3,808,480
Sales Tax - pub. protn	217,006	230,605	245,322	234,070	215,000	240,000
TOT	450,514	363,967	479,846	418,337	295,000	295,000
Business License	406,951	458,997	502,230	529,809	515,000	530,450
Property Transfer	83,340	121,892	130,345	119,709	103,000	105,000
UUT	3,083,860	3,034,321	3,382,867	3,502,229	3,446,977	3,589,286
LLD	1,448,572	1,513,608	1,569,278	1,689,112	1,672,547	1,735,527
Gas Tax Fund	634,420	642,326	650,276	587,770	653,700	686,834
Prop A	385,779	424,583	461,314	449,433	452,501	461,551
Fund 130 - clean air	36,294	38,786	39,923	39,715	39,000	39,000
Prop C	322,564	353,155	395,576	375,048	384,626	392,319
Total	\$ 11,475,757	\$12,214,814	\$13,313,741	\$ 13,757,093	\$ 13,656,845	\$ 14,430,116
Allowable under GANN calculation						\$ 22,035,756
Amount Current Taxes are Less than GANN Limit						\$ 7,605,640

ATTACHMENT B

APPROPRIATIONS LIMIT HISTORY & PROVISIONS

Background

When the California voters approved Proposition 4 on the November 1979 special election, the appropriations limit was established in Article XIII-B of the State Constitution. The appropriations limit has been modified only two times since its inception, once by Proposition 98 in 1988 and again by Proposition 111 in 1990, but its basic framework remains unchanged.

Basic Appropriation Limit Provisions

- Places annual limits on the appropriations of tax proceeds that can be made by the state and local governments in California. The limits are based on the amount of appropriations in the 1978-79 “base” year, as adjusted each year for population growth and cost of living factors.
- Precludes the State or any local government from retaining any excess revenues above the jurisdiction’s appropriation limit.
- Requires the state to reimburse local governments for the cost of certain state mandates.

Changes to the Limit

Proposition 98: Prior to the passage of Proposition 98, Article XIII-B had required that 100 percent of excess revenues be rebated to taxpayers. Proposition 98 instead specified that the first portion of excess revenues be allocated to schools, up to 4 percent of the minimum funding guarantee. Revenues in excess of the 4 percent will continue to be rebated to taxpayers.

Proposition 111: In addition to imposing additional taxes on gasoline and modifying Proposition 98’s minimum funding formulas, Proposition 111 made several significant changes to the appropriations limit. Most importantly were its changes to the appropriation limit’s annual inflation and population adjustment factors.

- Annual Adjustment Factors: Proposition 111 modified the cost-of-living factor, basing it strictly on the percentage of change in California per-capita personal income, instead of the lesser of the percent changes in California per-capita personal income or the U.S. Consumer Price Index.
- Excess Revenues: Article XIII-B originally required that excess revenues received by the state and local governments be rebated to taxpayers the following year. Proposition 111 instead provides that excess revenues be established over a two-year period, and that they are divided equally between rebates to taxpayers and Proposition 98 educational spending.

1. Adopted as CC Reso #2003-29.

RESOLUTION NO. 2004-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING AN APPROPRIATION LIMIT FOR FISCAL YEAR 2004-05

WHEREAS, Pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit; and

WHEREAS, Attachment 1 detailing the base year appropriation limit, the various adjustment factors from 1978-1979 through 2004-05 and the appropriation limit for all these years are incorporated into this resolution as though fully set forth; and

WHEREAS, pursuant to Government code Section 7910, the documentation used for the determination of the appropriation limit has been available to the public for fifteen days prior to this meeting.

NOW THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

Section 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriation limit pursuant to California Constitution, Article XIII-B, Section 8, Subdivision (c):

- a. Population Adjustment Factor
 - (1) The population adjustment factor selected for fiscal year 2004-05 is the change in population within the City of Claremont.
- b. Cost of Living Adjustment Factor
 - (1) The cost of living adjustment factor selected for fiscal year 2004-05 is the change in California per capita personal income.

Section 2. The City Council establishes the appropriation limit for the City of Claremont for fiscal year 2004-05 in accordance with the figures contained in Attachment 1. The appropriation limit established for fiscal year 2004-05 is calculated pursuant to Proposition 111.

Section 3. That the Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

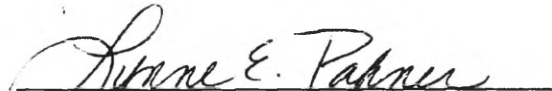
Resolution No. 2004-28
June 22, 2004

PASSED, APPROVED, AND ADOPTED this 22nd day of June, 2004.



Mayor, City of Claremont

ATTEST:



City Clerk, City of Claremont

APPROVED AS TO FORM:



City Attorney, City of Claremont

Resolution No. 2004-28
June 22, 2004

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss.
CITY OF CLAREMONT)

I, Lynne Pahner, City Clerk of the City of Claremont, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 2004-28 was regularly adopted by the City Council of said City of Claremont at a regular meeting of said council held on the 22nd day of June, 2004, by the following vote:

AYES:	Councilmembers:	Miller, Held, McHenry, Yao, Mayor Baldonado
NOES:	Councilmembers:	None
ABSTENTIONS:	Councilmembers:	None
ABSENT:	Councilmembers:	None



City Clerk of the City of Claremont

CITY OF CLAREMONT - - - APPROPRIATION LIMIT CALCULATION

----- CLAREMONT POPULATION -----			-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --		COST OF LIVING FACTOR		---- APPROPRIATION LIMIT ----					
DATE	ORIGINAL	REVISED	LAST REV.	ORIGINAL	REVISED	LAST REV.	PROP. 4 CITY	PROP. 111 COUNTY	U.S. C.P.I.	CALIF. PER CAPITA	PROP. 4	PROP. 111	PROP 4	PROP. 111	FY
1-1-78		27,087											\$4,337,133		1978-79
1-1-79	28,137	28,367	29,815				1.1007		10.17%		1.1017		5,259,386		1979-80
1-1-80	29,815	30,245	30,245				1.0144			12.11%	1.1211		5,981,204		1980-81
1-1-81	30,245	32,956	33,123				1.0952			9.12%	1.0912		7,148,031		1981-82
1-1-82	33,123	33,733					1.0184		6.79%		1.0679		7,773,837		1982-83
1-1-83	33,257	33,582					0.9955			2.35%	1.0235		7,920,718		1983-84
1-1-84	33,589	34,248					1.0198		4.74%		1.0474		8,460,424		1984-85
1-1-85	34,213	34,362					1.0033		3.74%		1.0374		8,805,807		1985-86
1-1-86	34,362	35,060		8,228,477			1.0203		2.30%		1.0230		9,191,210		1986-87
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0267 *	1.0209	3.04%	3.47%	1.0304	1.0347 *	9,723,488	9,764,066	1987-88
1-1-88	35,996	36,932	36,741	8,536,807	8,555,937		1.0207 *	1.0185	3.93%	4.66%	1.0393	1.0466 *	10,314,808	10,430,606	1988-89
1-1-89	36,530	36,530	36,516	8,632,069	8,650,337		0.9939	1.0110 *	4.98%	5.19%	1.0498	1.0519 *	10,762,431	11,092,646	1989-90
1-1-90	36,530	36,800	36,595	8,749,815	8,769,994	8,812,192	1.0022	1.0187 *		4.21%		1.0421 *		11,775,812	1990-91
1-1-91	32,503	31,965	32,166	8,964,736	8,988,754		0.8882	1.0200 *		4.14%		1.0414 *		12,508,597	1991-92
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017	1.0110 *		-0.84%		0.9936 *		12,565,256	1992-93
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049	1.0078 *		2.72%		1.0272 *		13,007,706	1993-94
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0140 *	1.0055		0.71%		1.0071 *		13,283,461	1994-95
1-1-95	33,632	33,900		9,229,730	9,312,421		1.0137 *	1.0033		4.72%		1.0472 *		14,101,014	1995-96
1-1-96	34,028	34,042		9,369,848	9,361,333		1.0118 *	1.0082		4.67%		1.0467 *		14,933,693	1996-97
1-1-97	34,405	34,345		9,488,227	9,459,681		1.0111	1.0136 *		4.67%		1.0467 *		15,804,602	1997-98
1-1-98	34,722	34,668		9,603,291	9,574,918		1.0110	1.0181 *		4.15%		1.0415 *		16,641,556	1998-99
1-1-99	35,413	35,269		9,757,542	9,702,280		1.0215 *	1.0166		4.53%		1.0453 *		17,769,423	1999-00
1-1-00	35,968	34,215		9,884,255	9,630,608		1.0198 *	1.0173		4.91%		1.0491 *		19,011,011	2000-01
1-1-01	35,255	34,942		9,802,780	9,641,223		1.0304	1.0181 *		7.82%		1.0782 *		21,120,801	2001-02
1-1-02	35,551	35,524		9,824,807	9,805,750		1.0174	1.0183 *		-1.27%		0.9873 *		21,215,402	2002-03
1-1-03	36,098	36,060		9,968,146	9,979,618		1.0162	1.0169 *		2.31%		1.0231 *		22,057,106	2003-04
1-1-04	36,337			10,092,305			1.0077	1.0152 *		3.28%		1.0328 *		22,955,990	2004-05

*Option Chosen

**Claremont City Council
Agenda Report**

TO: JESSE DUFF, INTERIM CITY MANAGER
FROM: MATTHEW E. HAWKESWORTH, FINANCE MANAGER/TREASURER
DATE: SEPTEMBER 26, 2005
SUBJECT: FISCAL YEAR 2005-2006 APPROPRIATION LIMIT

SUMMARY

Pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit.

Attachment B describes the history and provisions of the appropriations limit.

Using the County Population Adjustment factor, Claremont's appropriations limit for FY 2005-2006 is \$24.68 million. The FY 2005-2006 budgeted proceeds from taxes subject to the appropriation limit are approximately \$17.66 million.

Staff Recommendation

Staff recommends that the City Council adopt the resolution determining and establishing the appropriation limit for FY 2005-2006.

ANALYSIS

The two-year budget that was adopted by the City Council on June 22, 2004, included revenue and expenditure budgets for FY 2005-2006 but did not include the appropriation limit calculation for FY 2005-2006. The calculation could not be made until the State Department of Finance released annual cost of living factors and new population figures.

The City's FY 2005-2006 appropriation limit and budgeted tax receipts are shown as part of the attached resolution. Using the County Population Adjustment factor, the appropriation limit is calculated at \$24.68 million, and the budgeted tax receipts are \$17.66 million. The difference of \$7.02 million is the City's margin for allowable taxable growth.

FINANCIAL REVIEW

Since the City's budgeted tax receipts are \$7.02 million less than the appropriation limit, this appropriation calculation does not have a financial impact on the City.

COUNCIL COMMITTEE/COMMISSION RECOMMENDATION

Not Required

FOR CITY COUNCIL AGENDA JD.

ITEM # 9.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies are available at the City Hall public counter, the Youth Activity Center, the Alexander Hughes Community Center, and the Claremont Public Library. Documentation supporting the appropriation calculation has been on file in the City Clerk's office, in accordance with the state's filing requirement.

ALTERNATIVES TO STAFF RECOMMENDATION

In addition to the staff recommendation, there are the following alternatives:

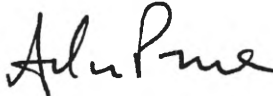
1. Request additional information
2. Reschedule consideration of adopting the appropriation limit.

Submitted by:



Matthew E. Hawkesworth
Finance Manager/Treasurer

Prepared by:



Adam Pirrie
Accounting Supervisor/Deputy Treasurer

R:\Year End Close\Appropriations Limit\Appropriation Limit 05-06 Staff Report.doc

Attachments: A - Appropriation Limit Resolution with Attachment
B - Appropriations Limit History & Provisions

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING AN APPROPRIATION LIMIT FOR FISCAL YEAR 2005-2006.

WHEREAS, Pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit; and

WHEREAS, Attachment 1, attached hereto, detailing the base year appropriation limit, the various adjustment factors from 1978-1979 through 2005-2006 and the appropriation limit for all these years is incorporated into this resolution as though fully set forth; and

WHEREAS, pursuant to Government code Section 7910, the documentation used for the determination of the appropriation limit has been available to the public prior to this meeting.

NOW THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

Section 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriation limit pursuant to California Constitution, Article XIII-B, Section 8, Subdivision (c):

- a. Population Adjustment Factor
 - (1) The population adjustment factor selected for fiscal year 2005-2006 is the change in population with the County of Los Angeles.
- b. Cost of Living Adjustment Factor
 - (1) The cost of living adjustment factor selected for fiscal year 2005-2006 is the change in California per capita personal income.

Section 2. The City Council establishes the appropriation limit for the City of Claremont for fiscal year 2005-2006 in accordance with the figures contained on Attachment A.

1. The appropriation limit established for fiscal year 2005-2006 is calculated pursuant to Proposition 111.

3.

Section 3. That the Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 26th day of September, 2005.

Mayor, City of Claremont

ATTEST:

City Clerk, City of Claremont

APPROVED AS TO FORM:

Sonnie R. Carvalho

City Attorney, City of Claremont

4.

CITY OF CLAREMONT - - - APPROPRIATION LIMIT CALCULATION

----- CLAREMONT POPULATION -----			-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --		COST OF LIVING FACTOR			---- APPROPRIATION LIMIT ----				
DATE	ORIGINAL	REVISED	LAST REV.	ORIGINAL	REVISED	LAST REV.	PROP. 4 CITY	PROP. 111 COUNTY	U.S. C.P.I.	CALIF. PER CAPITA	PROP. 4	PROP. 111	PROP. 4	PROP. 111	FY
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1-1-82	33,123	33,733					1.0184		6.79%		1.0679		7,773,837		1982-83
1-1-83	33,257	33,582					0.9955			2.35%	1.0235		7,920,718		1983-84
1-1-84	33,589	34,248					1.0198		4.74%		1.0474		8,460,424		1984-85
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1-1-86	34,362	35,060		8,228,477			1.0203		2.30%		1.0230		9,191,210		1986-87
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0267 *	1.0209	3.04%	3.47%	1.0304	1.0347 *	9,723,488	9,764,066	1987-88
1-1-88	35,996	36,932	36,741	8,536,807	8,555,937		1.0207 *	1.0185	3.93%	4.66%	1.0393	1.0466 *	10,314,808	10,430,606	1988-89
1-1-89	36,530	36,530	36,516	8,632,069	8,650,337		0.9939	1.0110 *	4.98%	5.19%	1.0498	1.0519 *	10,762,431	11,092,646	1989-90
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	1.0022	1.0187 *		4.21%		1.0421 *		11,775,812	1990-91
1-1-91	32,503	31,965	32,166	8,964,736	8,988,754		0.8882	1.0200 *		4.14%		1.0414 *		12,508,597	1991-92
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017	1.0110 *		-0.64%		0.9936 *		12,565,256	1992-93
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049	1.0078 *		2.72%		1.0272 *		13,007,706	1993-94
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0140 *	1.0055		0.71%		1.0071 *		13,283,461	1994-95
1-1-95	33,632	33,900		9,229,730	9,312,421		1.0137 *	1.0033		4.72%		1.0472 *		14,101,014	1995-96
1-1-96	34,028	34,042		9,369,848	9,361,333		1.0118 *	1.0062		4.67%		1.0467 *		14,933,693	1996-97
1-1-97	34,405			9,488,227	9,459,681		1.0111	1.0136 *		4.67%		1.0467 *		15,843,680	1997-98
1-1-98	34,722	34,668		9,603,291	9,574,918		1.0110	1.0181 *		4.15%		1.0415 *		16,799,864	1998-99
1-1-99	35,413	35,269		9,757,542	9,702,280		1.0215 *	1.0166		4.53%		1.0453 *		17,938,457	1999-00
1-1-00	35,968	34,215		9,884,255	9,630,608		1.0198 *	1.0173		4.91%		1.0491 *		19,191,856	2000-01
1-1-01	35,255	34,942		9,802,780	9,641,223		1.0304	1.0181 *		7.82%		1.0782 *		21,067,197	2001-02
1-1-02	35,551	35,524		9,824,807	9,805,750		1.0174	1.0183 *		-1.27%		0.9873 *		21,180,277	2002-03
1-1-03	36,098	36,060		9,968,146	9,979,618		1.0162	1.0169 *		2.31%		1.0231 *		22,035,756	2003-04
1-1-04	36,337	36,349		10,092,305	10,096,795		1.0077	1.0152 *		3.28%		1.0328 *		23,104,459	2004-05
1-1-05	36,636			10,216,040			1.0079	1.0150 *		5.26%		1.0526 *		24,684,550	2005-06

*Option Chosen

5.

TAX RECEIPT CALCULATION

Type of Tax	Actual FY 99-00	Actual FY 00-01	Actual FY 01-02	Actual FY 02-03	Actual FY 03-04	Budgeted FY 04-05	Budgeted FY 05-06
Secured Prop Tax (net)	2,039,394	2,240,592	2,259,933	2,610,448	2,527,391	2,745,565	4,308,466
Sales Tax	2,993,379	3,216,173	3,571,929	4,151,416	4,824,183	3,654,404	4,917,000
Sales Tax - pub. protn	230,605	245,322	234,070	239,057	258,836	240,000	240,000
TOT	363,967	479,846	418,337	419,189	391,924	295,000	295,000
Business License	458,997	502,230	529,809	555,601	605,713	565,000	575,000
Property Transfer	121,692	130,345	119,709	128,162	165,035	125,000	125,000
UUT	3,034,321	3,382,867	3,502,229	3,590,816	3,583,408	3,674,822	3,748,318
LLD	1,513,608	1,569,278	1,669,112	1,664,147	1,744,718	1,776,147	1,820,551
Gas Tax Fund	642,326	650,276	587,770	721,055	664,666	620,728	633,142
Prop A	424,583	461,314	449,433	428,024	493,109	511,149	521,372
Fund 130 - clean air	38,786	39,923	39,715	41,523	42,747	43,201	44,065
Prop C	353,155	395,576	375,048	341,580	410,557	423,966	432,445
Total	\$ 12,214,814	\$ 13,313,741	\$ 13,757,093	\$ 14,891,019	\$ 15,712,287	\$ 14,674,982	\$ 17,660,359
Allowable under GANN calculation			<u>\$ 21,067,197</u>	<u>\$ 21,180,277</u>	<u>\$ 22,035,756</u>	<u>\$ 23,104,459</u>	<u>\$ 24,684,550</u>
Amount Current Taxes are Less than GANN Limit			<u>\$ 7,310,104</u>	<u>\$ 6,289,258</u>	<u>\$ 6,323,469</u>	<u>\$ 8,429,477</u>	<u>\$ 7,024,190</u>

1. Adopted as CC Reso 2005-44.

RESOLUTION NO. 2006-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING APPROPRIATION LIMIT FOR FISCAL YEAR 2006-07.

WHEREAS, pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit; and,

WHEREAS, Attachment 1 detailing the base year appropriation limit, the various adjustment factors from FY 1978-79 through FY 2006-07 and the appropriation limit for all of these years attached to and are incorporated into this resolution as though fully set forth; and,

WHEREAS, pursuant to Government Code Section 7910, the documentation used for the determination of the appropriation limit has been available to the public for 15 days prior to this meeting.

NOW, THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

SECTION 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriation limit pursuant to California Constitution Article XIII-B, Section 8, Subdivision (c):

a. Population Adjustment Factor

(1) The population adjustment factor selected for fiscal year 2006-07 is the change in population within the City of Claremont.

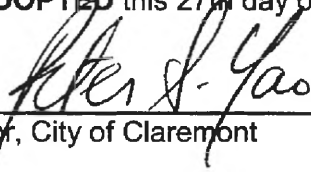
b. Cost of Living Adjustment Factor

(1) The cost of living adjustment factor selected for fiscal year 2006-07 is the change in California per capita personal income.

SECTION 2. The City Council establishes the appropriation limit for the City of Claremont for fiscal year 2006-07 in accordance with the figures contained in Attachment 1. The appropriation limit established for fiscal year 2006-07 is calculated pursuant to Proposition 111.

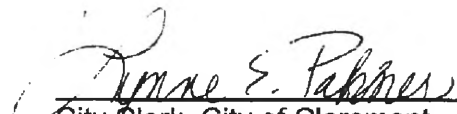
SECTION 3. The mayor shall sign this resolution and the city clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 27th day of June, 2006.



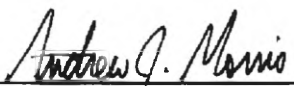
Mayor, City of Claremont

ATTEST:



City Clerk, City of Claremont

APPROVED AS TO FORM:



City Attorney, City of Claremont

CITY OF CLAREMONT --- APPROPRIATION LIMIT CALCULATION

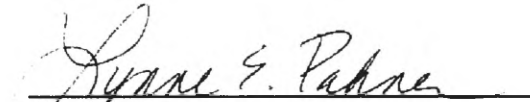
----- CLAREMONT POPULATION -----			-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --			COST OF LIVING FACTOR		---- APPROPRIATION LIMIT ----				
DATE	ORIGINAL	REVISED	LAST REV.	ORIGINAL	REVISED	LAST REV.	PROP. 4 CITY	PROP. 111 COUNTY	U.S. C.P.I.	CALIF. PER CAPITA	PROP. 4	PROP. 111	PROP. 4	PROP. 111	FY
1-1-78		27,087													
1-1-79	28,137	28,367	29,815				1.1007		10.17%		1.1017		\$4,337,133		1978-79
1-1-80	28,815	30,245	30,245				1.0144			12.11%	1.1211		5,259,386		1979-80
1-1-81	30,245	32,956	33,123				1.0952			8.12%	1.0912		5,981,204		1980-81
1-1-82	33,123	33,733					1.0184		6.79%		1.0679		7,148,031		1981-82
1-1-83	33,257	33,582					0.9955			2.35%	1.0235		7,773,837		1982-83
1-1-84	33,589	34,248					1.0198		4.74%		1.0474		7,920,718		1983-84
1-1-85	34,213	34,362					1.0198		4.74%		1.0474		8,480,424		1984-85
1-1-86	34,362	35,060		8,228,477			1.0033		3.74%		1.0374		8,805,807		1985-86
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0203		2.30%		1.0230		8,191,210		1986-87
1-1-88	35,996	36,932	36,741	8,538,807	8,555,937		1.0267 *	1.0209	3.04%	3.47%	1.0304	1.0347 *	9,723,488	9,784,066	1987-88
1-1-89	36,530	36,530	36,516	8,632,068	8,650,337		1.0207 *	1.0185	3.93%	4.66%	1.0393	1.0466 *	10,314,808	10,430,806	1988-89
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	0.9939	1.0110 *	4.98%	5.19%	1.0498	1.0519 *	10,762,431	11,082,646	1989-90
1-1-91	32,503	31,985	32,166	8,964,738	8,988,754		1.0022	1.0187 *		4.21%		1.0421 *		11,775,812	1990-91
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	0.8882	1.0200 *		4.14%		1.0414 *		12,508,597	1991-92
1-1-93	32,719	32,724		9,139,357	9,158,425	8,139,766	1.0017	1.0110 *		-0.84%		0.9936 *		12,565,256	1992-93
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0049	1.0078 *		2.72%		1.0272 *		13,007,706	1993-94
1-1-95	33,632	33,900		9,228,730	9,312,421		1.0140 *	1.0055		0.71%		1.0071 *		13,283,481	1994-95
1-1-96	34,028	34,042		9,356,784	9,381,333		1.0137 *	1.0033		4.72%		1.0472 *		14,101,014	1995-96
1-1-97	34,405			9,476,976	9,459,681		1.0110 *	1.0048		4.67%		1.0467 *		14,933,683	1996-97
1-1-98	34,722	34,668		9,590,909	9,574,918		1.0111	1.0124 *		4.67%		1.0467 *		15,624,823	1997-98
1-1-99	35,413	35,269		9,744,931	9,702,280		1.0110	1.0139 *		4.15%		1.0415 *		16,710,752	1998-99
1-1-00	35,986	34,215		9,871,788	9,630,606		1.0215 *	1.0178		4.53%		1.0483 *		17,843,305	1999-00
1-1-01	35,255	34,842		9,790,152	9,641,223		1.0198 *	1.0175		4.91%		1.0491 *		19,090,056	2000-01
1-1-02	35,551	35,524		9,811,918	9,805,750		1.0304 *	1.0166		7.82%		1.0782 *		21,208,619	2001-02
1-1-03	36,098	36,060		9,968,146	9,979,618		1.0174	1.0177 *		-1.27%		0.9873 *		21,309,894	2002-03
1-1-04	38,337	38,349		10,092,305	10,098,795		1.0162	1.0166 *		2.31%		1.0231 *		22,164,069	2003-04
1-1-05	38,635	38,448		10,216,040	10,155,951		1.0077	1.0113 *		3.28%		1.0328 *		23,149,719	2004-05
1-1-06	38,612			10,235,632			1.0079	1.0118 *		5.26%		1.0528 *		24,654,929	2005-06
							1.0045	1.0078 *		3.96%		1.0396 *		25,831,188	2006-07

*Option Chosen

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss.
CITY OF CLAREMONT)

I, Lynne Pahner, City Clerk of the City of Claremont, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 2006-25 was regularly adopted by the City Council of said City of Claremont at a regular meeting of said council held on the 27th day of June, 2006, by the following vote:

AYES:	Council Members:	Calaycay, Taylor, McHenry, Baldonado, Mayor Yao
NOES:	Council Members:	None
ABSTENSIONS:	Council Members:	None
ABSENT:	Council Members:	None


City Clerk of the City of Claremont

TAX RECEIPT CALCULATION							
Type of Tax	Actual FY 00-01	Actual FY 01-02	Actual FY 02-03	Actual FY 03-04	Actual FY 04-05	Budgeted FY 05-06	Proposed FY 06-07
Secured Prop Tax (net)	2,240,592	2,259,933	2,610,448	2,527,391	5,810,005	4,308,466	6,861,049
Sales Tax	3,216,173	3,571,929	4,151,416	4,824,183	3,685,759	4,917,000	4,000,000
Sales Tax - pub. protn	245,322	234,070	239,057	258,836	264,726	240,000	270,000
TOT	479,846	418,337	419,189	391,924	481,648	295,000	485,000
Business License	502,230	529,809	555,601	605,713	624,721	575,000	625,000
Property Transfer	130,345	119,709	128,162	165,035	241,055	125,000	180,000
UUT	3,382,867	3,502,229	3,590,816	3,583,408	3,697,543	3,748,318	4,057,000
LLD	1,569,278	1,669,112	1,664,147	1,744,718	1,800,087	1,820,551	1,881,626
Gas Tax Fund	650,276	587,770	721,055	664,666	670,179	633,142	671,000
Prop A	461,314	449,433	428,024	493,109	526,049	521,372	566,834
Fund 130 - clean air	39,923	39,715	41,523	42,747	32,038	44,065	33,000
Prop C	395,576	375,048	341,580	410,557	436,654	432,445	470,880
Total	\$ 13,313,741	\$ 13,757,093	\$ 14,891,019	\$ 15,712,287	\$ 18,270,464	\$ 17,660,359	\$ 20,101,389
Allowable under GANN calculation			<u>\$ 21,309,894</u>	<u>\$ 22,164,069</u>	<u>\$ 23,149,719</u>	<u>\$ 24,654,929</u>	<u>\$ 25,831,188</u>
Amount Current Taxes are Less than GANN Limit			<u>\$ 6,418,876</u>	<u>\$ 6,451,781</u>	<u>\$ 4,879,255</u>	<u>\$ 6,994,570</u>	<u>\$ 5,729,799</u>

**Claremont City Council
Agenda Report**

TO: JEFFREY PARKER, CITY MANAGER
FROM: MATTHEW E. HAWKESWORTH, FINANCE DIRECTOR/TREASURER
DATE: JUNE 26, 2007
SUBJECT: FISCAL YEAR 2007-08 APPROPRIATIONS LIMIT

SUMMARY

Pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriations limit.

Using the County Population Adjustment factor, Claremont's appropriations limit for FY 2007-08 is \$27.17 million. The FY 2007-08 budgeted proceeds from taxes subject to the appropriations limit are approximately \$20.86 million.

Staff Recommendation

Staff recommends that the City Council adopt the resolution determining and establishing the appropriations limit for FY 2007-08.

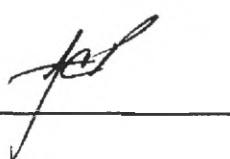
ANALYSIS

The biennial Operating and Capital Improvement Budget, adopted by the City Council on June 27, 2006, included revenue and expenditure budgets for FY 2007-08 but did not include the appropriations limit calculation for FY 2007-08. The calculation could not be made until the State Department of Finance released annual cost of living factors and new population figures.

The appropriations limit for FY 2007-08, which is attached to the proposed resolution (attachment A), is calculated at \$27.17 million using the County Population Adjustment factor. The City's budgeted tax receipts (attachment B) for FY 2007-08 are \$20.86 million. The difference of \$6.31 million between the two is the City's margin for allowable taxable growth.

FINANCIAL REVIEW

Since the City's budgeted tax receipts are \$6.31 million less than the appropriations limit, the appropriations calculation does not have a financial impact on the City.



PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies are available at the City Hall public counter, the Youth Activity Center, the Alexander Hughes Community Center, the Claremont Public Library and the City's website. Documentation supporting the appropriations calculation has been on file in the City Clerk's Office, in accordance with the state's filing requirement.

ALTERNATIVES TO STAFF RECOMMENDATION

In addition to the staff recommendation, there are the following alternatives:

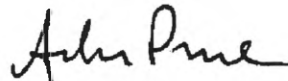
1. Request additional information
2. Reschedule consideration of adopting the appropriations limit.

Submitted by:



Matthew E. Hawkesworth
Finance Director/Treasurer

Prepared by:



Adam Pirrie
Accounting Supervisor/Deputy Treasurer

R:\Year End Close\Appropriations Limit\Appropriation Limit 07-08 Staff Report.doc

Attachments: A – Resolution
 B – Tax Receipt Calculation

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2007-08.

WHEREAS, Pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriations limit; and

WHEREAS, Exhibit 1, attached hereto, detailing the base year appropriations limit, the various adjustment factors from fiscal years 1978-79 through 2007-08 and the appropriations limit for all these years is incorporated into this resolution as though fully set forth; and

WHEREAS, pursuant to Government code Section 7910, the documentation used for the determination of the appropriations limit has been available to the public prior to this meeting.

NOW THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

Section 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriations limit pursuant to California Constitution, Article XIII-B, Section 8, Subdivision (c):

- a. Population Adjustment Factor
 - (1) The population adjustment factor selected for fiscal year 2007-08 is the change in population with the County of Los Angeles.
- b. Cost of Living Adjustment Factor
 - (1) The cost of living adjustment factor selected for fiscal year 2007-08 is the change in California per capita personal income.

Section 2. The City Council establishes the appropriations limit for the City of Claremont for fiscal year 2007-08 in accordance with the figures contained in Exhibit 1 that were calculated pursuant to Proposition 111.

Section 3. That the Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 26th day of June 2007.

Mayor, City of Claremont

ATTEST:

City Clerk, City of Claremont

APPROVED AS TO FORM:

Amia R. Conall

City Attorney, City of Claremont

CITY OF CLAREMONT - - - APPROPRIATION LIMIT CALCULATION

----- CLAREMONT POPULATION -----			-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --			COST OF LIVING FACTOR		---- APPROPRIATION LIMIT ----				
DATE	ORIGINAL	REVISED	LAST REV.	ORIGINAL	REVISED	LAST REV.	PROP. 4 CITY	PROP. 111 COUNTY	U.S. C.P.I.	CALIF. PER CAPITA	PROP. 4	PROP. 111	PROP 4	PROP. 111	FY
1-1-78		27,087											\$4,337,133		1978-79
1-1-79	28,137	28,367	29,815				1.1007		10.17%		1.1017		5,259,386		1979-80
1-1-80	29,815	30,245	30,245				1.0144			12.11%	1.1211		5,981,204		1980-81
1-1-81	30,245	32,956	33,123				1.0952			9.12%	1.0912		7,148,031		1981-82
1-1-82	33,123	33,733					1.0184		6.79%		1.0679		7,773,837		1982-83
1-1-83	33,257	33,582					0.9955			2.35%	1.0235		7,920,718		1983-84
1-1-84	33,589	34,248					1.0198		4.74%		1.0474		8,460,424		1984-85
1-1-85	34,213	34,362					1.0033		3.74%		1.0374		8,805,807		1985-86
1-1-86	34,362	35,060		8,228,477			1.0203		2.30%		1.0230		9,191,210		1986-87
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0267 *	1.0209	3.04%	3.47%	1.0304	1.0347 *	9,723,488	9,764,066	1987-88
1-1-88	35,996	36,932	36,741	8,538,807	8,555,937		1.0207 *	1.0185	3.93%	4.66%	1.0393	1.0486 *	10,314,808	10,430,806	1988-89
1-1-89	36,530	36,530	36,516	8,632,069	8,850,337		0.9939	1.0110 *	4.98%	5.19%	1.0498	1.0519 *	10,782,431	11,092,646	1988-90
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	1.0022	1.0187 *		4.21%		1.0421 *		11,775,812	1990-91
1-1-91	32,503	31,965	32,166	8,964,736	8,988,754		0.8882	1.0200 *		4.14%		1.0414 *		12,508,597	1991-92
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017	1.0110 *		-0.64%		0.9938 *		12,565,256	1992-93
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049	1.0078 *		2.72%		1.0272 *		13,007,706	1993-94
1-1-94	33,170	33,140		9,208,731	9,199,383		1.0140 *	1.0055		0.71%		1.0071 *		13,283,461	1994-95
1-1-95	33,632	33,900		9,229,730	9,312,421		1.0137 *	1.0033		4.72%		1.0472 *		14,101,014	1995-96
1-1-96	34,028	34,042		9,356,784	9,361,333		1.0118 *	1.0048		4.67%		1.0467 *		14,933,693	1996-97
1-1-97	34,405	34,345		9,476,978	9,459,681		1.0111	1.0124 *		4.67%		1.0467 *		15,824,923	1997-98
1-1-98	34,722	34,668		9,590,909	9,574,918		1.0110	1.0139 *		4.15%		1.0415 *		16,710,752	1998-99
1-1-99	35,413	35,269		9,744,931	9,702,280		1.0215 *	1.0178		4.53%		1.0453 *		17,843,305	1999-00
1-1-00	35,968	34,215		9,871,788	9,630,608		1.0198 *	1.0175		4.91%		1.0491 *		19,090,056	2000-01
1-1-01	35,255	34,942		9,790,152	9,641,223		1.0304 *	1.0166		7.82%		1.0782 *		21,208,619	2001-02
1-1-02	35,551	35,524		9,811,918	9,805,750		1.0174	1.0177 *		-1.27%		0.9873 *		21,309,894	2002-03
1-1-03	36,098	36,060		9,968,146	9,979,618		1.0162	1.0166 *		2.31%		1.0231 *		22,164,069	2003-04
1-1-04	36,337	36,349		10,092,305	10,096,795		1.0077	1.0113 *		3.28%		1.0328 *		23,149,719	2004-05
1-1-05	36,636	36,448		10,216,040	10,155,951		1.0079	1.0118 *		5.28%		1.0526 *		24,654,929	2005-06
1-1-06	36,612	36,732		10,235,632	10,246,513		1.0045	1.0078 *		3.96%		1.0396 *		25,831,188	2006-07
1-1-07	37,141			10,320,321			1.0111	1.0072 *		4.42%		1.0442 *		27,167,132	2007-08
*Option Chosen															

TAX RECEIPT CALCULATION

Secured Prop Tax (net)	2,240,592	2,259,933	2,610,448	2,527,391	5,810,005	6,281,692	6,861,049	7,221,868
Sales Tax	3,216,173	3,571,929	4,151,416	4,824,183	3,685,759	3,759,643	4,000,000	4,200,000
Sales Tax - pub. protn	245,322	234,070	239,057	258,836	264,726	299,737	270,000	275,000
TOT	479,846	418,337	419,189	391,924	481,648	445,970	485,000	492,275
Business License	502,230	529,809	555,601	605,713	624,721	682,449	625,000	637,500
Property Transfer	130,345	119,709	128,162	165,035	241,055	227,880	180,000	185,400
UUT	3,382,867	3,502,229	3,590,816	3,583,408	3,697,543	3,986,487	4,057,700	4,178,871
LLD	1,569,278	1,669,112	1,664,147	1,744,718	1,800,087	1,826,665	1,881,626	1,928,667
Gas Tax Fund	650,276	587,770	721,055	664,666	670,179	662,242	671,000	671,000
Prop A	461,314	449,433	428,024	493,109	526,049	586,193	566,834	566,834
Fund 130 - clean air	39,923	39,715	41,523	42,747	32,038	55,478	33,000	33,000
Prop C	395,576	375,048	341,580	410,557	436,654	503,319	470,880	470,880
Total	\$ 13,313,741	\$ 13,757,093	\$ 14,891,019	\$ 15,712,287	\$ 18,270,464	\$ 19,317,754	\$ 20,102,089	\$ 20,861,295
Allowable under GANN calculation			<u>\$ 21,309,894</u>	<u>\$ 22,164,069</u>	<u>\$ 23,149,719</u>	<u>\$ 24,654,929</u>	<u>\$ 25,831,188</u>	<u>\$ 27,167,132</u>
Amount Current Taxes are Less than GANN Limit			<u>\$ 6,418,876</u>	<u>\$ 6,451,781</u>	<u>\$ 4,879,255</u>	<u>\$ 5,337,176</u>	<u>\$ 5,729,099</u>	<u>\$ 6,305,837</u>

1. Adopted as CC Reso #2007-38.

RESOLUTION NO. 2008-42

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING APPROPRIATION LIMIT FOR FISCAL YEAR 2008-09.

WHEREAS, pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit; and,

WHEREAS, Attachment 1 detailing the base year appropriation limit, the various adjustment factors from FY 1978-79 through FY 2008-09 and the appropriation limit for all of these years attached to and are incorporated into this resolution as though fully set forth; and,

WHEREAS, pursuant to Government Code Section 7910, the documentation used for the determination of the appropriation limit has been available to the public for 15 days prior to this meeting.

NOW, THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

SECTION 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriation limit pursuant to California Constitution Article XIII-B, Section 8, Subdivision (c):

a. Population Adjustment Factor

(1) The population adjustment factor selected for fiscal year 2008-09 is the change in population within the County of Los Angeles.

b. Cost of Living Adjustment Factor

(1) The cost of living adjustment factor selected for fiscal year 2008-09 is the change in California per capita personal income.

SECTION 2. The City Council establishes the appropriation limit for the City of Claremont for fiscal year 2008-09 in accordance with the figures contained in Attachment 1. The appropriation limit established for fiscal year 2008-09 is calculated pursuant to Proposition 111.

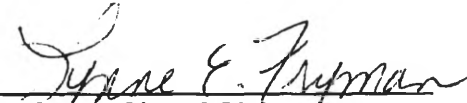
SECTION 3. The mayor shall sign this resolution and the city clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 24th day of June 2008.




Mayor, City of Claremont

ATTEST:



City Clerk, City of Claremont

APPROVED AS TO FORM:

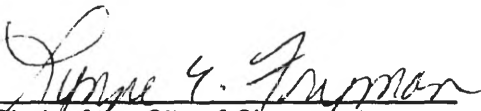


City Attorney, City of Claremont

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss.
CITY OF CLAREMONT)

I, Lynne E. Fryman, City Clerk of the City of Claremont, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 2008-42 was regularly adopted by the City Council of said City of Claremont at a regular meeting of said council held on the 24th day of June, 2008, by the following vote:

AYES:	Councilmembers:	Pedroza, Yao, Elderkin, Calaycay, Mayor Taylor
NOES:	Councilmembers:	None
ABSTENSIONS:	Councilmembers:	None
ABSENT:	Councilmembers:	None



City Clerk of the City of Claremont

CITY OF CLAREMONT - - - APPROPRIATION LIMIT CALCULATION

----- CLAREMONT POPULATION -----			-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --			COST OF LIVING FACTOR			---- APPROPRIATION LIMIT ----			
DATE	ORIGINAL	REVISED	LAST REV.	ORIGINAL	REVISED	LAST REV.	PROP. 4 CITY	PROP. 111 COUNTY	U.S. C.P.I.	CALIF. PER CAPITA	PROP. 4	PROP. 111	PROP 4	PROP. 111	FY
1-1-78		27,087											\$4,337,133		1978-79
1-1-79	28,137	28,367	29,815				1.1007		10.17%		1.1017		5,259,386		1979-80
1-1-80	29,815	30,245	30,245				1.0144			#####	1.1211		5,981,204		1980-81
1-1-81	30,245	32,956	33,123				1.0952			9.12%	1.0912		7,148,031		1981-82
1-1-82	33,123	33,733					1.0184		6.79%		1.0679		7,773,837		1982-83
1-1-83	33,257	33,582					0.9955			2.35%	1.0235		7,920,718		1983-84
1-1-84	33,589	34,248					1.0198		4.74%		1.0474		8,460,424		1984-85
1-1-85	34,213	34,362					1.0033		3.74%		1.0374		8,805,807		1985-86
1-1-86	34,362	35,060		8,228,477			1.0203		2.30%		1.0230		9,191,210		1986-87
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0267 *	1.0209	3.04%	3.47%	1.0304	1.0347 *	9,723,488	9,764,066	1987-88
1-1-88	35,996	36,932	36,741	8,536,807	8,555,937		1.0207 *	1.0185	3.93%	4.66%	1.0393	1.0466 *	10,314,808	10,430,606	1988-89
1-1-89	36,530	36,530	36,516	8,632,069	8,650,337		0.9939	1.0110 *	4.98%	5.19%	1.0498	1.0519 *	10,762,431	11,092,646	1989-90
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	1.0022	1.0187 *		4.21%		1.0421 *		11,775,812	1990-91
1-1-91	32,503	31,965	32,166	8,964,736	8,988,754		0.8882	1.0200 *		4.14%		1.0414 *		12,508,597	1991-92
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017	1.0110 *		-0.64%		0.9936 *		12,565,256	1992-93
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049	1.0078 *		2.72%		1.0272 *		13,007,706	1993-94
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0140 *	1.0055		0.71%		1.0071 *		13,283,461	1994-95
1-1-95	33,632	33,900		9,229,730	9,312,421		1.0137 *	1.0033		4.72%		1.0472 *		14,101,014	1995-96
1-1-96	34,028	34,042		9,356,784	9,361,333		1.0118 *	1.0048		4.67%		1.0467 *		14,933,693	1996-97
1-1-97	34,405	34,345		9,476,976	9,459,681		1.0111	1.0124 *		4.67%		1.0467 *		15,824,923	1997-98
1-1-98	34,722	34,668		9,590,909	9,574,918		1.0110	1.0139 *		4.15%		1.0415 *		16,710,752	1998-99
1-1-99	35,413	35,269		9,744,931	9,702,280		1.0215 *	1.0178		4.53%		1.0453 *		17,843,305	1999-00
1-1-00	35,968	34,215		9,871,788	9,630,608		1.0198 *	1.0175		4.91%		1.0491 *		19,090,056	2000-01
1-1-01	35,255	34,942		9,790,152	9,641,223		1.0304 *	1.0166		7.82%		1.0782 *		21,208,619	2001-02
1-1-02	35,551	35,524		9,811,918	9,805,750		1.0174	1.0177 *		-1.27%		0.9873 *		21,309,894	2002-03
1-1-03	36,098	36,080		9,968,146	9,979,618		1.0162	1.0166 *		2.31%		1.0231 *		22,164,069	2003-04
1-1-04	36,337	36,349		10,092,305	10,096,795		1.0077	1.0113 *		3.28%		1.0328 *		23,149,719	2004-05
1-1-05	36,636	36,448		10,216,040	10,155,951		1.0079	1.0118 *		5.26%		1.0526 *		24,654,929	2005-06
1-1-06	36,612	36,732		10,235,632	10,246,513		1.0045	1.0078 *		3.96%		1.0396 *		25,831,188	2006-07
1-1-07	37,141	36,963		10,320,321	10,263,866		1.0111	1.0072 *		4.42%		1.0442 *		27,167,132	2007-08
1-1-08	37,242			10,352,128			1.0075	1.0086 *		4.29%		1.0429 *		28,576,262	2008-09

*Option Chosen

TAX RECEIPT CALCULATION

Type of Tax	Actual FY 01-02	Actual FY 02-03	Actual FY 03-04	Actual FY 04-05	Actual FY 05-06	Actual FY 06-07	Budgeted FY 07-08	Budgeted FY 08-09
Secured Prop Tax (net)	2,259,933	2,610,448	2,527,391	5,810,005	6,281,692	7,143,893	7,221,868	6,705,000
Sales Tax	3,571,929	4,151,416	4,824,183	3,685,759	3,759,643	3,650,791	4,200,000	4,328,000
Sales Tax - pub. protn	234,070	239,057	258,836	264,726	299,737	301,658	275,000	0
TOT	418,337	419,189	391,924	481,648	445,970	829,381	492,275	1,000,000
Business License	529,809	555,601	605,713	624,721	682,449	679,898	637,500	725,000
Property Transfer	119,709	128,162	165,035	241,055	227,880	226,513	185,400	140,000
UUT	3,502,229	3,590,816	3,583,408	3,697,543	3,986,487	4,233,045	4,178,871	4,180,000
LLD	1,669,112	1,664,147	1,744,718	1,800,087	1,826,665	1,916,265	1,928,667	1,994,220
Gas Tax Fund	587,770	721,055	664,666	670,179	662,242	660,795	671,000	666,000
Prop A	449,433	428,024	493,109	526,049	586,193	586,437	566,834	598,010
Fund 130 - clean air	39,715	41,523	42,747	32,038	55,478	43,976	33,000	45,000
Prop C	375,048	341,580	410,557	436,654	503,319	487,756	470,880	496,136
Total	\$ 13,757,093	\$ 14,891,019	\$ 15,712,287	\$ 18,270,464	\$ 19,317,754	\$ 20,760,410	\$ 20,861,295	\$ 20,877,366
Allowable under GANN calculation		<u>\$ 21,309,894</u>	<u>\$ 22,164,069</u>	<u>\$ 23,149,719</u>	<u>\$ 24,654,929</u>	<u>\$ 25,831,188</u>	<u>\$ 27,167,132</u>	<u>\$ 28,576,262</u>
Amount Current Taxes are Less than GANN		<u>\$ 6,418,876</u>	<u>\$ 6,451,781</u>	<u>\$ 4,879,255</u>	<u>\$ 5,337,176</u>	<u>\$ 5,070,778</u>	<u>\$ 6,305,837</u>	<u>\$ 7,698,896</u>

**Claremont City Council
Agenda Report**

TO: JEFFREY C. PARKER, CITY MANAGER

FROM: ADAM PIRRIE, FINANCE MANAGER

DATE: MAY 26, 2009

SUBJECT: FISCAL YEAR 2009-10 APPROPRIATIONS LIMIT

SUMMARY

Pursuant to Article CIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriations limit.

Using the City Population Adjustment factor, Claremont's appropriations limit for FY 2009-10 is \$29,314,127. The FY 2009-10 budgeted proceeds from taxes subject to the appropriations limit total \$22,296,298.

Staff Recommendation

Staff recommends that the City Council adopt the resolution determining and establishing the appropriations limit for FY 2009-10.

ANALYSIS

The biennial Operating and Capital Improvement Budget, adopted by the City Council on June 24, 2008, included revenue and expenditure budgets for FY 2009-10 but did not include the appropriations limit calculation for FY 2009-10. The calculation could not be made until the State Department of Finance released annual cost of living factors and new population estimates.

The appropriations limit for FY 2009-10, which is attached to the proposed resolution (Attachment A), is calculated at \$29.3 million using the City Population Adjustment factor. The City's budgeted tax receipts (Attachment B) for FY 2009-10 are \$22.3 million. The difference of \$7.0 million between the two figures represents the City's margin for allowable tax revenue growth.

FINANCIAL REVIEW

Since the City's budgeted tax receipts are \$7.0 million less than the appropriations limit, the appropriations limit calculation will have no financial impact on the City.



CEQA REVIEW

The Community Development Director has determined that this matter is covered by the general rule that the California Environmental Quality Act applies only to projects that have the potential for causing a significant effect on the environment in accordance with Section 15061 (b) (3) of the Guidelines. The determination and establishment of the appropriations limit for FY 2009-10 will not have a significant effect on the environment because the action will not result in or lead to a physical change in Claremont. Therefore no additional environmental review is needed at this time.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies are available at the City Hall public counter, the Youth Activity Center, the Alexander Hughes Community Center, the City website, and the Claremont Public Library. Documentation supporting the appropriations limit calculation is on file in the City Clerk's Office, in accordance with the State's filing requirements.

ALTERNATIVES TO STAFF RECOMMENDATION

In addition to the staff recommendation, there are the following alternatives:

1. Request further information from staff.
2. Reschedule consideration of adopting the appropriations limit.

Submitted by:



Adam Pirrie
Finance Manager

Attachments: A – Resolution
 B – Tax Receipt Calculation

RESOLUTION NO. _____

1

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2009-10.

WHEREAS, Pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriations limit; and

WHEREAS, Exhibit 1, attached hereto, detailing the base year appropriations limit, the various adjustment factors from fiscal years 1978-79 through 2009-10 and the appropriations limit for all these years is incorporated into this resolution as though fully set forth; and

WHEREAS, pursuant to Government code Section 7910, the documentation used for the determination of the appropriations limit has been available to the public prior to this meeting.

NOW THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

Section 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriations limit pursuant to California Constitution, Article XIII-B, Section 8, Subdivision (c):

a. Population Adjustment Factor

(1) The population adjustment factor selected for fiscal year 2009-10 is the change in population with the City of Claremont.

b. Cost of Living Adjustment Factor

(1) The cost of living adjustment factor selected for fiscal year 2009-10 is the change in California per capita personal income.

Section 2. The City Council establishes the appropriations limit for the City of Claremont for fiscal year 2009-10 in accordance with the figures contained in Exhibit 1 that were calculated pursuant to Proposition 111.

Section 3. That the Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 26th day of May 2009.

Mayor, City of Claremont

ATTEST:

City Clerk, City of Claremont

APPROVED AS TO FORM:

- Sonia R. Conrath

City Attorney, City of Claremont

**CITY OF CLAREMONT
APPROPRIATIONS LIMIT CALCULATION**

----- CLAREMONT POPULATION -----			-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --		COST OF LIVING FACTOR				---- APPROPRIATION LIMIT ----			
DATE	ORIGINAL	REVISED	LAST REV.	ORIGINAL	REVISED	LAST REV.	PROP. 4 CITY	PROP. 111 COUNTY	U.S. C.P.I.	CALIF PER CAPITA	PROP. 4	PROP. 111	PROP. 4	PROP. 111	FY
1-1-78		27,087											\$4,337,133		1978-79
1-1-79	28,137	28,367	29,815				1.1007		10.17%		1.1017		5,259,386		1979-80
1-1-80	29,815	30,245	30,245				1.0144			12.11%	1.1211		5,981,204		1980-81
1-1-81	30,245	32,956	33,123				1.0952			9.12%	1.0912		7,148,031		1981-82
1-1-82	33,123	33,733					1.0184		6.79%		1.0679		7,773,837		1982-83
1-1-83	33,257	33,582					0.9955			2.35%	1.0235		7,920,718		1983-84
1-1-84	33,589	34,248					1.0198		4.74%		1.0474		8,460,424		1984-85
1-1-85	34,213	34,362					1.0033		3.74%		1.0374		8,805,807		1985-86
1-1-86	34,362	35,060		8,228,477			1.0203		2.30%		1.0230		9,191,210		1986-87
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0267 *	1.0209	3.04%	3.47%	1.0304	1.0347 *	9,723,488	9,784,066	1987-88
1-1-88	35,996	36,932	36,741	8,536,807	8,555,937		1.0207 *	1.0185	3.93%	4.66%	1.0393	1.0466 *	10,314,808	10,430,606	1988-89
1-1-89	36,530	36,530	36,516	8,632,069	8,650,337		0.9939	1.0110 *	4.98%	5.19%	1.0498	1.0519 *	10,762,431	11,092,646	1989-90
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	1.0022	1.0187 *		4.21%		1.0421 *		11,775,812	1990-91
1-1-91	32,503	31,965	32,166	8,964,736	8,988,754		0.8882	1.0200 *		4.14%		1.0414 *		12,508,597	1991-92
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017	1.0110 *		-0.64%		0.9936 *		12,565,256	1992-93
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049	1.0078 *		2.72%		1.0272 *		13,007,706	1993-94
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0140 *	1.0055		0.71%		1.0071 *		13,283,461	1994-95
1-1-95	33,632	33,900		9,229,730	9,312,421		1.0137 *	1.0033		4.72%		1.0472 *		14,101,014	1995-96
1-1-96	34,028	34,042		9,356,784	9,361,333		1.0118 *	1.0048		4.67%		1.0467 *		14,933,693	1996-97
1-1-97	34,405	34,345		9,476,976	9,459,681		1.0111	1.0124 *		4.67%		1.0467 *		15,824,923	1997-98
1-1-98	34,722	34,668		9,590,909	9,574,918		1.0110	1.0139 *		4.15%		1.0415 *		16,710,752	1998-99
1-1-99	35,413	35,269		9,744,931	9,702,280		1.0215 *	1.0178		4.53%		1.0453 *		17,843,305	1999-00
1-1-00	35,968	34,215		9,871,788	9,630,608		1.0198 *	1.0175		4.91%		1.0491 *		19,090,056	2000-01
1-1-01	35,255	34,942		9,790,152	9,641,223		1.0304 *	1.0166		7.82%		1.0782 *		21,208,619	2001-02
1-1-02	35,551	35,524		9,811,918	9,805,750		1.0174	1.0177 *		-1.27%		0.9873 *		21,309,894	2002-03
1-1-03	36,098	36,060		9,968,146	9,979,618		1.0162	1.0166 *		2.31%		1.0231 *		22,164,069	2003-04
1-1-04	36,337	36,349		10,092,305	10,096,795		1.0077	1.0113 *		3.28%		1.0328 *		23,149,719	2004-05
1-1-05	36,636	36,448		10,216,040	10,155,951		1.0079	1.0118 *		5.26%		1.0526 *		24,654,929	2005-06
1-1-06	36,612	36,732		10,235,632	10,246,513		1.0045	1.0078 *		3.96%		1.0396 *		25,831,188	2006-07
1-1-07	37,141	36,963		10,320,321	10,263,866		1.0111	1.0072 *		4.42%		1.0442 *		27,167,132	2007-08
1-1-08	37,242	37,057		10,352,128	10,289,936		1.0075	1.0086 *		4.29%		1.0429 *		28,576,262	2008-09
1-1-09	37,780			10,382,451			1.0195 *	1.0090		0.62%		1.0062 *		29,314,127	2009-10

*Option Chosen

TAX RECEIPT CALCULATION

Secured Prop Tax (net)	2,610,448	2,527,391	5,810,005	6,281,692	7,143,893	6,573,653	6,705,000	6,835,000
Sales Tax	4,151,416	4,824,183	3,685,759	3,759,643	3,650,791	4,156,583	4,328,000	4,551,000
Sales Tax - Public Safety	239,057	258,836	264,726	299,737	301,658	297,566	-	290,000
TOT	419,189	391,924	481,648	445,970	829,381	1,018,899	1,000,000	1,000,000
Business License	555,601	605,713	624,721	682,449	679,898	709,087	725,000	750,000
Property Transfer	128,162	165,035	241,055	227,880	226,513	123,177	140,000	140,000
UUT	3,590,816	3,583,408	3,697,543	3,986,487	4,233,045	4,221,338	4,180,000	4,278,000
LLD	1,664,147	1,744,718	1,800,087	1,826,665	1,916,265	1,978,557	1,994,220	2,054,047
Gas Tax Fund	721,055	664,666	670,179	662,242	660,795	650,648	666,000	666,000
Prop A	428,024	493,109	526,049	586,193	586,437	584,806	598,010	598,010
Fund 130 - clean air	41,523	42,747	32,038	55,478	43,976	32,768	45,000	45,000
Prop C	341,580	410,557	436,654	503,319	487,756	486,682	496,136	496,136
GO Bond Assessment	-	-	-	-	-	605,901	594,668	593,105
Total	\$ 14,891,019	\$ 15,712,287	\$ 18,270,464	\$ 19,317,754	\$ 20,760,410	\$ 21,439,665	\$ 21,472,034	\$ 22,296,298
Allowable under GANN calculation		<u>\$ 22,164,069</u>	<u>\$ 23,149,719</u>	<u>\$ 24,654,929</u>	<u>\$ 25,831,188</u>	<u>\$ 27,167,132</u>	<u>\$ 28,576,262</u>	<u>\$ 29,314,127</u>
Amount Current Taxes are Less than GANN Limit		<u>\$ 6,451,781</u>	<u>\$ 4,879,255</u>	<u>\$ 5,337,176</u>	<u>\$ 5,070,778</u>	<u>\$ 5,727,467</u>	<u>\$ 7,104,228</u>	<u>\$ 7,017,829</u>

R:\GANN Appropriations Limit 09-10

1. Adopted as CC Reso #2009-36.

RESOLUTION NO. 2010-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING APPROPRIATION LIMIT FOR FISCAL YEAR 2010-11.

WHEREAS, pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriation limit; and,

WHEREAS, Attachment 1 detailing the base year appropriation limit, the various adjustment factors from FY 1978-79 through FY 2010-11 and the appropriation limit for all of these years attached to and are incorporated into this resolution as though fully set forth; and,

WHEREAS, pursuant to Government Code Section 7910, the documentation used for the determination of the appropriation limit has been available to the public for 15 days prior to this meeting.

NOW, THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

SECTION 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriation limit pursuant to California Constitution Article XIII-B, Section 8, Subdivision (c):

a. Population Adjustment Factor

(1) The population adjustment factor selected for fiscal year 2010-11 is the change in population within the County of Los Angeles.

b. Cost of Living Adjustment Factor

(1) The cost of living adjustment factor selected for fiscal year 2010-11 is the change in California per capita personal income.

SECTION 2. The City Council establishes the appropriation limit for the City of Claremont for fiscal year 2010-11 in accordance with the figures contained in Attachment 1. The appropriation limit established for fiscal year 2010-11 is calculated pursuant to Proposition 111.

SECTION 3. The mayor shall sign this resolution and the city clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 22nd day of June 2010.



Mayor, City of Claremont

ATTEST:



City Clerk, City of Claremont

APPROVED AS TO FORM:



City Attorney, City of Claremont

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)ss.
CITY OF CLAREMONT)

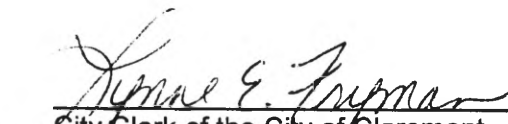
I, Lynne E. Fryman, City Clerk of the City of Claremont, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 2010-35 was regularly adopted by the City Council of said City of Claremont at a regular meeting of said council held on the 22nd day of June, 2010, by the following vote:

AYES: Councilmembers: PEDROZA, YAO, SCHROEDER, CALAYCAY, ELDERKIN

NOES: Councilmembers: None

ABSTENSIONS: Councilmembers: None

ABSENT: Councilmembers: None



City Clerk of the City of Claremont

**CITY OF CLAREMONT
APPROPRIATIONS LIMIT CALCULATION**

----- CLAREMONT POPULATION -----				-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --		COST OF LIVING FACTOR				---- APPROPRIATION LIMIT ----		
DATE	ORIGINAL	REVISED	LAST REV.	ORIGINAL	REVISED	LAST REV.	PROP. 4 CITY	PROP. 111 COUNTY	U.S. C.P.I.	CALIF PER CAPITA	PROP. 4	PROP. 111	PROP. 4	PROP. 111	FY
1-1-78		27,087											\$4,337,133		1978-79
1-1-79	28,137	28,367	29,815				1.1007		10.17%		1.1017		5,259,386		1979-80
1-1-80	29,815	30,245	30,245				1.0144			12.11%	1.1211		5,981,204		1980-81
1-1-81	30,245	32,956	33,123				1.0952				1.0912		7,148,031		1981-82
1-1-82	33,123	33,733					1.0184		6.79%		1.0679		7,773,837		1982-83
1-1-83	33,257	33,582					0.9955				2.35%	1.0235	7,920,718		1983-84
1-1-84	33,589	34,248					1.0198		4.74%		1.0474		8,460,424		1984-85
1-1-85	34,213	34,362					1.0033		3.74%		1.0374		8,805,807		1985-86
1-1-86	34,362	35,060		8,228,477			1.0203		2.30%		1.0230		9,191,210		1986-87
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0267 *	1.0209	3.04%	3.47%	1.0304	1.0347 *	9,723,488	9,764,066	1987-88
1-1-88	35,996	36,932	36,741	8,536,807	8,555,937		1.0207 *	1.0185	3.93%	4.66%	1.0393	1.0466 *	10,314,808	10,430,606	1988-89
1-1-89	36,530	36,530	36,516	8,632,069	8,650,337		0.9939	1.0110 *	4.98%	5.19%	1.0498	1.0519 *	10,762,431	11,092,646	1989-90
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	1.0022	1.0187 *		4.21%		1.0421 *		11,775,812	1990-91
1-1-91	32,503	31,965	32,166	8,964,736	8,988,754		0.8882	1.0200 *		4.14%		1.0414 *		12,508,597	1991-92
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017	1.0110 *		-0.64%		0.9936 *		12,565,256	1992-93
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049	1.0078 *		2.72%		1.0272 *		13,007,706	1993-94
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0140 *	1.0055		0.71%		1.0071 *		13,283,461	1994-95
1-1-95	33,632	33,900		9,229,730	9,312,421		1.0137 *	1.0033		4.72%		1.0472 *		14,101,014	1995-96
1-1-96	34,028	34,042		9,356,784	9,361,333		1.0118 *	1.0048		4.67%		1.0467 *		14,933,693	1996-97
1-1-97	34,405	34,345		9,476,976	9,459,681		1.0111	1.0124 *		4.67%		1.0467 *		15,824,923	1997-98
1-1-98	34,722	34,668		9,590,909	9,574,918		1.0110	1.0139 *		4.15%		1.0415 *		16,710,752	1998-99
1-1-99	35,413	35,269		9,744,931	9,702,280		1.0215 *	1.0178		4.53%		1.0453 *		17,843,305	1999-00
1-1-00	35,968	34,215		9,871,788	9,630,608		1.0198 *	1.0175		4.91%		1.0491 *		19,090,056	2000-01
1-1-01	35,255	34,942		9,790,152	9,641,223		1.0304 *	1.0166		7.82%		1.0782 *		21,208,619	2001-02
1-1-02	35,551	35,524		9,811,918	9,805,750		1.0174	1.0177 *		-1.27%		0.9873 *		21,309,894	2002-03
1-1-03	36,098	36,060		9,968,146	9,979,618		1.0162	1.0166 *		2.31%		1.0231 *		22,164,069	2003-04
1-1-04	36,337	36,349		10,092,305	10,096,795		1.0077	1.0113 *		3.28%		1.0328 *		23,149,719	2004-05
1-1-05	36,636	36,448		10,216,040	10,155,951		1.0079	1.0118 *		5.26%		1.0526 *		24,654,929	2005-06
1-1-06	36,612	36,732		10,235,632	10,246,513		1.0045	1.0078 *		3.96%		1.0396 *		25,831,188	2006-07
1-1-07	37,141	36,963		10,320,321	10,263,866		1.0111	1.0072 *		4.42%		1.0442 *		27,167,132	2007-08
1-1-08	37,242	37,057		10,352,128	10,289,936		1.0075	1.0086 *		4.29%		1.0429 *		28,576,262	2008-09
1-1-09	37,780	37,660		10,382,451	10,344,319		1.0195 *	1.0090		0.62%		1.0062 *		29,314,127	2009-10
1-1-10	37,608			10,430,366			0.9986	1.0083 *		-2.54%		0.9746 *		28,806,676	2010-11

*Option Chosen

TAX RECEIPT CALCULATION

Type of Tax	Actual FY 03-04	Actual FY 04-05	Actual FY 05-06	Actual FY 06-07	Actual FY 07-08	Actual FY 08-09	Budgeted FY 09-10	Budgeted FY 10-11
Secured Prop Tax (net)	2,527,391	5,810,005	6,281,692	7,143,893	6,573,653	6,734,963	6,835,500	6,621,000
Sales Tax	4,824,183	3,685,759	3,759,643	3,650,791	4,156,583	2,899,644	3,051,000	2,500,000
Sales Tax - Public Safety	258,836	264,726	299,737	301,658	297,566	266,026	290,000	270,000
TOT	391,924	481,648	445,970	829,381	1,018,899	871,864	1,030,000	875,000
Business License	605,713	624,721	682,449	679,898	709,087	731,463	750,000	750,000
Property Transfer	165,035	241,055	227,880	226,513	123,177	91,726	140,000	125,000
UUT	3,583,408	3,697,543	3,986,487	4,233,045	4,221,338	4,258,198	4,308,000	4,350,000
LLD	1,744,718	1,800,087	1,826,665	1,916,265	1,978,557	2,078,418	2,054,047	2,117,908
Gas Tax Fund	664,666	670,179	662,242	660,795	650,648	593,131	666,000	591,000
Prop A	493,109	526,049	586,193	586,437	584,806	603,515	526,341	536,868
Fund 130 - clean air	42,747	32,038	55,478	43,976	32,768	53,866	45,000	45,000
Prop C	410,557	436,654	503,319	487,756	486,682	472,620	436,700	445,434
GO Bond Assessment	-	-	-	-	605,901	629,270	593,105	590,370
Total	\$ 15,712,287	\$ 18,270,464	\$ 19,317,754	\$ 20,760,410	\$ 21,439,665	\$ 20,284,704	\$ 20,725,693	\$ 19,817,580
Allowable under GANN calculation	<u>\$ 22,164,069</u>	<u>\$ 23,149,719</u>	<u>\$ 24,654,929</u>	<u>\$ 25,831,188</u>	<u>\$ 27,167,132</u>	<u>\$ 28,576,262</u>	<u>\$ 29,314,127</u>	<u>\$ 28,806,676</u>
Amount Current Taxes are Less than (<u>\$ 6,451,781</u>	<u>\$ 4,879,255</u>	<u>\$ 5,337,176</u>	<u>\$ 5,070,778</u>	<u>\$ 5,727,467</u>	<u>\$ 8,291,558</u>	<u>\$ 8,588,434</u>	<u>\$ 8,989,096</u>

**Claremont City Council
Agenda Report**

TO: JEFFREY C. PARKER, CITY MANAGER

FROM: ADAM PIRRIE, FINANCE DIRECTOR

DATE: JUNE 14, 2011

SUBJECT: FISCAL YEAR 2011-12 APPROPRIATIONS LIMIT

SUMMARY

Pursuant to Article CIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriations limit.

Using the City Population Adjustment factor, Claremont's appropriations limit for FY 2011-12 is \$29,641,936. The FY 2011-12 budgeted proceeds from taxes subject to the appropriations limit total \$20,019,584.

Staff Recommendation

Staff recommends that the City Council adopt the resolution determining and establishing the appropriations limit for FY 2011-12.

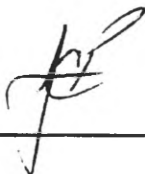
ANALYSIS

The biennial Operating and Capital Improvement Budget, adopted by the City Council on June 22, 2010, included revenue and expenditure budgets for FY 2011-12 but did not include the appropriations limit calculation for FY 2011-12. The calculation could not be made until the State Department of Finance released annual cost of living factors and new population estimates.

The appropriations limit for FY 2011-12, which is attached to the proposed resolution (Attachment A), is calculated at \$29.6 million using the City Population Adjustment factor. The City's budgeted tax receipts (Attachment B) for FY 2011-12 are \$20.0 million. The difference of \$9.6 million between the two figures represents the City's margin for allowable tax revenue growth.

FINANCIAL REVIEW

Since the City's budgeted tax receipts are \$9.6 million less than the appropriations limit, the appropriations limit calculation will have no financial impact on the City.



CEQA REVIEW

The Community Development Director has determined that this matter is covered by the general rule that the California Environmental Quality Act applies only to projects that have the potential for causing a significant effect on the environment in accordance with Section 15061 (b) (3) of the Guidelines. The determination and establishment of the appropriations limit for FY 2011-12 will not have a significant effect on the environment because the action will not result in or lead to a physical change in Claremont. Therefore no additional environmental review is needed at this time.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies are available at the City Hall public counter, the Youth Activity Center, the Alexander Hughes Community Center, the City website, and the Claremont Public Library. Documentation supporting the appropriations limit calculation is on file in the City Clerk's Office, in accordance with the State's filing requirements.

ALTERNATIVES TO STAFF RECOMMENDATION

In addition to the staff recommendation, there are the following alternatives:

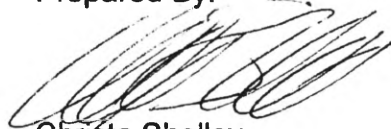
1. Request further information from staff.
2. Reschedule consideration of adopting the appropriations limit.

Submitted by:



Adam Pirrie
Finance Director

Prepared By:



Christa Shelley
Accounting Supervisor

Attachments:

- A – Resolution
- B – Tax Receipt Calculation

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DETERMINING AND ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2011-12.

WHEREAS, Pursuant to Article XIII-B of the State Constitution and Section 7910 of the State Government Code, all government entities must adopt an annual appropriations limit; and

WHEREAS, Exhibit 1, attached hereto, detailing the base year appropriations limit, the various adjustment factors from fiscal years 1978-79 through 2011-12 and the appropriations limit for all these years is incorporated into this resolution as though fully set forth; and

WHEREAS, pursuant to Government code Section 7910, the documentation used for the determination of the appropriations limit has been available to the public prior to this meeting.

NOW THEREFORE, THE CLAREMONT CITY COUNCIL DOES HEREBY RESOLVE:

Section 1. That the City Council specifically selects the following annual adjustment factors for determining the appropriations limit pursuant to California Constitution, Article XIII-B, Section 8, Subdivision (c):

a. Population Adjustment Factor

(1) The population adjustment factor selected for fiscal year 2011-12 is the change in population with the City of Claremont.

b. Cost of Living Adjustment Factor

(1) The cost of living adjustment factor selected for fiscal year 2011-12 is the change in California per capita personal income.

Section 2. The City Council establishes the appropriations limit for the City of Claremont for fiscal year 2011-12 in accordance with the figures contained in Exhibit 1 that were calculated pursuant to Proposition 111.

Section 3. That the Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED, AND ADOPTED this 14th day of June 2011.

Mayor, City of Claremont

ATTEST:

City Clerk, City of Claremont

APPROVED AS TO FORM:

Adina R. Carvalho

City Attorney, City of Claremont

**CITY OF CLAREMONT
APPROPRIATIONS LIMIT CALCULATION**

----- CLAREMONT POPULATION -----				-- LOS ANGELES COUNTY POPULATION --			-- POPULATION FACTOR --		COST OF LIVING FACTOR				---- APPROPRIATION LIMIT ----		
DATE	ORIGINAL	REVISED	LAST REV	ORIGINAL	REVISED	LAST REV	PROP 4 CITY	PROP 111 COUNTY	U.S. C.P.I.	CALIF PER CAPITA	PROP 4	PROP 111	PROP 4	PROP 111	FY
1-1-78		27,087											\$4,337,133		1978-79
1-1-79	28,137	28,367	29,815				1.1007		10.17%		1.1017		5,259,386		1979-80
1-1-80	29,815	30,245	30,245				1.0144			12.11%	1.1211		5,981,204		1980-81
1-1-81	30,245	32,956	33,123				1.0952			9.12%	1.0912		7,148,031		1981-82
1-1-82	33,123	33,733					1.0184		6.79%		1.0679		7,773,837		1982-83
1-1-83	33,257	33,582					0.9955				2.35%	1.0235	7,920,718		1983-84
1-1-84	33,589	34,248					1.0198		4.74%		1.0474		8,460,424		1984-85
1-1-85	34,213	34,362					1.0033		3.74%		1.0374		8,805,807		1985-86
1-1-86	34,362	35,060		8,228,477			1.0203		2.30%		1.0230		9,191,210		1986-87
1-1-87	35,060	35,996		8,385,319	8,400,370		1.0267 *	1.0209	3.04%	3.47%	1.0304	1.0347 *	9,723,488	9,764,066	1987-88
1-1-88	35,996	36,932	36,741	8,536,807	8,555,937		1.0207 *	1.0185	3.93%	4.66%	1.0393	1.0466 *	10,314,808	10,430,606	1988-89
1-1-89	36,530	36,530	36,516	8,632,069	8,650,337		0.9939	1.0110 *	4.98%	5.19%	1.0498	1.0519 *	10,762,431	11,092,646	1989-90
1-1-90	36,530	36,800	36,595	8,749,615	8,769,994	8,812,192	1.0022	1.0187 *							1990-91
1-1-91	32,503	31,965	32,168	8,964,736	8,988,754		0.8882	1.0200 *		4.14%		1.0414 *		12,508,597	1991-92
1-1-92	32,559	32,556		9,065,427	9,087,399	9,052,040	1.0017	1.0110 *		-0.64%		0.9936 *		12,565,256	1992-93
1-1-93	32,719	32,724		9,139,357	9,158,425	9,139,766	1.0049	1.0078 *		2.72%		1.0272 *		13,007,706	1993-94
1-1-94	33,178	33,140		9,208,731	9,199,383		1.0140 *	1.0055		0.71%		1.0071 *		13,283,461	1994-95
1-1-95	33,632	33,900		9,229,730	9,312,421		1.0137 *	1.0033		4.72%		1.0472 *		14,101,014	1995-96
1-1-96	34,028	34,042		9,356,784	9,361,333		1.0118 *	1.0048		4.67%		1.0467 *		14,933,693	1996-97
1-1-97	34,405	34,345		9,476,976	9,459,681		1.0111	1.0124 *		4.67%		1.0467 *		15,824,923	1997-98
1-1-98	34,722	34,668		9,590,909	9,574,918		1.0110	1.0139 *		4.15%		1.0415 *		16,710,752	1998-99
1-1-99	35,413	35,269		9,744,931	9,702,280		1.0215 *	1.0178		4.53%		1.0453 *		17,843,305	1999-00
1-1-00	35,968	34,215		9,871,788	9,630,608		1.0198 *	1.0175		4.91%		1.0491 *		19,090,056	2000-01
1-1-01	35,255	34,942		9,790,152	9,641,223		1.0304 *	1.0166		7.82%		1.0782 *		21,208,619	2001-02
1-1-02	35,551	35,524		9,811,918	9,805,750		1.0174	1.0177 *		-1.27%		0.9873 *		21,309,894	2002-03
1-1-03	36,098	36,060		9,968,146	9,979,618		1.0162	1.0166 *		2.31%		1.0231 *		22,164,069	2003-04
1-1-04	36,337	36,349		10,092,305	10,096,795		1.0077	1.0113 *		3.28%		1.0328 *		23,149,719	2004-05
1-1-05	36,636	36,448		10,216,040	10,155,951		1.0079	1.0118 *		5.26%		1.0526 *		24,654,929	2005-06
1-1-06	36,612	36,732		10,235,632	10,246,513		1.0045	1.0078 *		3.96%		1.0396 *		25,831,188	2006-07
1-1-07	37,141	36,963		10,320,321	10,263,866		1.0111	1.0072 *		4.42%		1.0442 *		27,167,132	2007-08
1-1-08	37,242	37,057		10,352,128	10,289,936		1.0075	1.0086 *		4.29%		1.0429 *		28,576,262	2008-09
1-1-09	37,780	37,660		10,382,451	10,344,319		1.0195 *	1.0090		0.62%		1.0062 *		29,314,127	2009-10
1-1-10	37,608	34,946		10,430,366	9,811,390		0.9986	1.0083 *		-2.54%		0.9746 *		28,806,676	2010-11
1-1-11	35,053			9,848,442			1.0031	1.0038 *		2.51%		1.0251 *		29,641,936	2011-12
*Option Chosen															

TAX RECEIPT CALCULATION

Type of Tax	Actual FY 04-05	Actual FY 05-06	Actual FY 06-07	Actual FY 07-08	Actual FY 08-09	Actual FY 09-10	Budgeted FY 10-11	Budgeted FY 11-12
Secured Prop Tax (net)	5,810,005	6,281,692	7,143,893	6,573,653	6,734,963	6,419,029	6,621,000	6,752,000
Sales Tax	3,685,759	3,759,643	3,650,791	4,156,583	2,899,644	2,622,528	2,500,000	2,500,000
Sales Tax - Public Safety	264,726	299,737	301,658	297,566	266,026	252,799	270,000	270,000
TOT	481,648	445,970	829,381	1,018,899	871,864	784,380	875,000	875,000
Business License	624,721	682,449	679,898	709,087	731,463	707,776	750,000	750,000
Property Transfer	241,055	227,880	226,513	123,177	91,726	106,847	125,000	125,000
UUT	3,697,543	3,986,487	4,233,045	4,221,338	4,258,198	4,326,769	4,350,000	4,350,000
LLD	1,800,087	1,826,665	1,916,265	1,978,557	2,078,418	2,124,174	2,117,908	2,160,266
Gas Tax Fund	670,179	662,242	660,795	650,648	593,131	581,430	591,000	591,000
Prop A	526,049	586,193	586,437	584,806	603,515	473,819	536,868	547,605
Fund 130 - clean air	32,038	55,478	43,976	32,768	53,866	42,777	45,000	45,000
Prop C	436,654	503,319	487,756	486,682	472,620	393,053	445,434	454,343
GO Bond Assessment	-	-	-	605,901	629,270	601,370	596,370	599,370
Total	\$ 18,270,464	\$ 19,317,754	\$ 20,760,410	\$ 21,439,665	\$ 20,284,704	\$ 19,436,751	\$ 19,823,580	\$ 20,019,584
Allowable under GANN calculation	<u>\$ 23,149,719</u>	<u>\$ 24,654,929</u>	<u>\$ 25,831,188</u>	<u>\$ 27,167,132</u>	<u>\$ 28,576,262</u>	<u>\$ 29,314,127</u>	<u>\$ 28,806,676</u>	<u>\$ 29,641,936</u>
Amount Current Taxes are Less than GANN Limit	<u>\$ 4,879,255</u>	<u>\$ 5,337,176</u>	<u>\$ 5,070,778</u>	<u>\$ 5,727,467</u>	<u>\$ 8,291,558</u>	<u>\$ 9,877,376</u>	<u>\$ 8,983,096</u>	<u>\$ 9,622,352</u>

ATTACHMENT B

1. Adopted as Reso #2011-28.

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On April 9, 2021, I served the:

- **Claimants' Comments on the Draft Proposed Decision filed April 8, 2021**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, and 20-0304-I-13

Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006

City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Pomona, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009

City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

City of Signal Hill, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on April 9, 2021 at Sacramento, California.



Jill L. Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 3/12/21

Claim Number: 20-0304-I-08 Con. 19-0304-I-04, 20-0304-I-06, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, 20-0304-I-13

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Claremont
City of Downey
City of Glendora
City of Pomona
City of Santa Clarita
City of Signal Hill
County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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BETTY T. YEE
California State Controller

April 8, 2021

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Commission on State Mandates
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Re: **Draft Proposed Decision**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, and 20-0304-I-13
Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4F5c3
Fiscal Years (FY) 2002-03 through FY 2011-12, City of Claremont, Claimant
FY 2002-03 through FY 2005-06, City of Downey, Claimant
FY 2008-09 through FY 2011-12, City of Glendora, Claimant
FY 2002-03 through FY 2011-12, City of Pomona, Claimant
FY 2002-03 through FY 2008-09, City of Santa Clarita, Claimant
FY 2002-03 through FY 2012-13, City of Signal Hill, Claimant
FY 2002-03 through FY 2012-13, County of Los Angeles, Claimant

Dear Ms. Halsey:

The State Controller’s Office has reviewed the Commission on State Mandates’ draft proposed decision dated March 19, 2021, for the above incorrect reduction claims filed by the Cities of Claremont, Downey, Glendora, Pomona, Santa Clarita, Signal Hill, and the County of Los Angeles. We agree with the Commission on State Mandates’ conclusion that the Proposition A and C local return funds are offsetting revenues that should have been identified and deducted from claimed costs. In addition, we agree with the Commission’s decision to support our reduction of costs claimed for the applicable engagement period.

I declare under penalty of perjury that the information provided is true and correct to the best of my personal knowledge, information, or belief.

Heather Halsey, Executive Director
April 8, 2021
Page 2

If you have any questions, please contact me by telephone at (916) 327-3138.

Sincerely,

A handwritten signature in blue ink that reads "L. Kurokawa". The signature is fluid and cursive.

LISA KUROKAWA, Bureau Chief
Division of Audits

LK/ac

20692

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On April 8, 2021, I served the:

- **Controller’s Comments on the Draft Proposed Decision filed April 8, 2021**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, and 20-0304-I-13

Los Angeles Regional Quality Control Board Order No. 01-182,
Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006

City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Pomona, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009

City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

City of Signal Hill, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

By making it available on the Commission’s website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on April 8, 2021 at Sacramento, California.

A handwritten signature in blue ink that reads "Jill Magee". The signature is written in a cursive style and is positioned above a horizontal line.

Jill L. Magee
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COMMISSION ON STATE MANDATES

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Last Updated: 3/12/21

Claim Number: 20-0304-I-08 Con. 19-0304-I-04, 20-0304-I-06, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, 20-0304-I-13

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Claremont
City of Downey
City of Glendora
City of Pomona
City of Santa Clarita
City of Signal Hill
County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE CONSOLIDATED INCORRECT
REDUCTION CLAIM
Los Angeles Regional Quality Control Board
Order No. 01-182, Permit CAS004001,
Part 4F5c3
Municipal Stormwater and Urban Runoff
Discharges

Case Nos.: 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, and 20-0304-I-11, and 20-0304-I-13

**COUNTY OF LOS ANGELES’
COMMENTS ON DRAFT PROPOSED
DECISION; DECLARATION OF DAVID
W. BURHENN**

**COMMENTS OF THE COUNTY OF LOS ANGELES
ON DRAFT PROPOSED DECISION**

I. INTRODUCTION

This is a Consolidated Incorrect Reduction Claim (IRC) filed by Claimant County of Los Angeles challenging the State Controller’s (Controller’s) disallowance of costs incurred in installing and maintaining trash receptacles in Los Angeles County, a state mandate in the 2001 municipal stormwater permit issued to Claimants. Claimants Cities of Claremont, Downey, Glendora, Pomona, Santa Clarita and Signal Hill have joined in this Consolidated Claim. Commission staff’s Draft Proposed Decision proposes to uphold the Controller’s decision that Proposition A and Proposition C funds used by Claimants to install or maintain the trash receptacles are revenues that should be offset against the claims. The Proposed Decision bases this conclusion on the contention that reimbursement for state mandates is restricted solely to proceeds of taxes that are subject to Claimants’ appropriations limitations.

Respectfully, the Proposed Decision is in error. California Constitution article XIII B, section 6 (“section 6”) requires reimbursement for all state mandates funded through local taxes. The Constitution does not require the taxes to have been levied “by or for” the Claimant within the meaning of article XIII B, as long as those taxes are designated for Claimant’s use. Article XIII B, section 6 also does not require those taxes to be subject to the Claimants’ appropriations limit. Whereas article XIII B, section 1 addresses the limitation of government appropriations from proceeds of taxes, section 6 addresses reimbursement for the expenditure of taxes.

The Proposed Decision’s construction of section 6 is erroneous for the following reasons:

- (1) It is contrary to the plain meaning of section 6 itself and has never been adopted by any court;
- (2) It imposes a restriction on section 6 that is not present in section 6’s language and was not intended by the voters; and
- (3) Is an unlawful retroactive application of the Parameters and Guidelines (“Ps & Gs”).

For these reasons, as set forth more fully below, the Proposed Decision should be modified and Claimants’ Consolidated Incorrect Reduction Claim be granted.

II. THE PROPOSED DECISION IS CONTRARY TO THE PLAIN MEANING OF SECTION 6

A. Article XIII B, Section 6

Article XIII B, section 6(a) of the California Constitution provides in pertinent part:

Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the state

shall provide a subvention of funds to reimburse such local government for the cost of such program or increased level of service

Section 6 was added to the Constitution through the adoption of Proposition 4, a voter initiative measure. As the California Supreme Court held in *County of Fresno v. State of California* (1991) 53 Cal.3d 482, article XIII B, section 6 is meant to protect taxes received by local governments. “Specifically, it was designed to protect the tax revenue of local governments from state mandates that would require expenditure of such revenues.” *Id.* at 487. As a constitutional provision, section 6 must “receive a liberal, practical common-sense construction which will meet changed conditions and the growing needs of the people.” *Amador Valley Joint Union High School Dist. v. State Board of Equalization* (1978) 22 Cal.3d 208, 245.¹

B. Section 6 Contains No Reference to Article XIII B, Section 1, Appropriations Limits, or Proceeds of Taxes and It Would Be Error for the Commission to Imply One

It is undisputed that Claimants used local sales and use tax revenues to pay for the installation and maintenance of trash receptacles, a state mandate within the meaning of article XIII B, section 6. The use of these funds fell within the literal meaning of this section: a state agency mandated a new program or higher level of services for which Claimants used local tax revenue to pay. It would be error for the Commission to imply additional conditions that are not present.

“In interpreting a voter initiative . . . [the court and the Commission] apply the same principles that govern statutory construction. . . . Thus, ‘we turn first to the language of the [initiative], giving the words their ordinary meaning. The [initiative’s] language must also be construed in the context of the statute as a whole and the [initiative’s] overall . . . scheme.’ Absent ambiguity, we presume that the voters intend the meaning apparent on the face of the initiative measure . . . and the court may not add to the statute or rewrite it to conform to an assumed intent that is not apparent in its language.” *Professional Engineers in California Government v. Kempton* (2007) 40 Cal 4th 1016, 1037 (citations omitted).

¹ The Proposed Decision’s Executive Summary’s statement that section 6 is to be strictly construed is erroneous (Executive Summary at 6). The Executive Summary cites to *County of Sonoma v. Commission on State Mandates* and *City of San Jose v. State of California*, but in those cases the court said that constitutional provisions that would limit the Legislature’s authority to reallocate funds should be construed strictly because, in California, the Legislature has power to act unless the Constitution restricts it. See *City of San Jose*, 45 Cal.App.4th at 1810. A court should not therefore imply a restriction not covered by the language used. *Id.* That is not the case here. The Commission is not being called upon to determine if Section 6 restricts the Legislature’s power. Instead the Commission is being called upon to implement the will of the people to “protect the state from shifting financial responsibility for carrying out governmental functions onto local entities that were ill equipped to handle the task.” *County of Fresno*, 55 Cal.3d at 487.

In construing section 6, the Commission’s “paramount task is to ascertain the intent of those who enacted it. To determine that intent, we ‘look first to the language of the constitutional text, giving the words their ordinary meaning.’” *Professional Engineers*, 40 Cal 4th at 1037, quoting *Thompson v. Dept. of Corrections* (2001) 25 Cal.4th 117, 122.

Here, section 6’s words are clear: whenever the Legislature or any state agency mandates a new program or higher level of service, the state shall provide a subvention of funds. There is no language tying this obligation to any other section of article XIII B, including section 1 (addressing appropriation limits) or section 8(c) (defining “proceeds of taxes”). As section 6’s words are clear, they must be given their ordinary meaning and the Commission should not add to or rewrite it.

The independent scope of section 6 is evidenced by the structure of Proposition 4 itself. Proposition 4 contained eleven sections:

Section 1 set forth the requirement that the total annual “appropriations subject to limitation” of the state and each local government shall not exceed the appropriations limit of such entity of government for the prior year adjusted for changes in the cost of living and population except as otherwise provided in article XIII B.

Section 2 provided that revenues received by an entity of government in excess of that amount which is appropriated by such entity shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Section 3 provided for adjustments to the appropriations limit for any fiscal year.

Section 4 provided that the appropriations limit may be established or changed by the electors of such entity, subject to constitutional and statutory voting requirements.

Section 5 provided that each entity of government may establish certain contingency, emergency, unemployment, reserve, retirement, sinking fund, trust or other similar funds as it deems reasonable and proper.

Section 6 contained the obligation to provide the subvention of funds at issue here.

Section 7 provided that nothing in article XIII B shall be construed to impair the ability of the state or any local government to meet its obligations with respect to existing or future bonded indebtedness.

Section 8 contained definitions. As pertinent here, section 8(b) defined a local government’s “appropriations subject to limitation” to mean “any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity (*other than subventions made pursuant to Section 6 of this Article*) exclusive of refunds of taxes.” (Emphasis added.) Section 8(c) defined “proceeds of taxes,” to “include, but not be restricted to, all tax revenues and proceeds of an entity of government from (i) regulatory licenses, user charges, and user fees to the extent that such proceeds exceed the cost reasonably

borne by such entity in providing the regulation, product or service, and (ii) the investment of tax revenues. With respect to any local government, “proceeds of taxes” include “subventions received from the state, *other than pursuant to Section 6 of this article*, and, with respect to the state, proceeds of taxes shall exclude such subventions.” (Emphasis added.)

Section 9 set forth certain exclusions from the definition of “appropriations subject to limitation” such as debt service, appropriations required for purposes of complying with mandates of the courts or federal government, and certain appropriations of special districts.

Section 10 set forth article XIII B’s effective date.

Section 11 stated that, if any appropriations category shall be added to or removed from the appropriation subject to limitations pursuant to any final judgment of any court, the appropriations limit shall be adjusted accordingly and, if any section is held to be invalid or unconstitutional, the remaining portions of the article shall not be affected but shall remain in full force and effect.

As can be seen by this review, Proposition 4’s definitions of “appropriations subject to limitations” and “proceeds of taxes” specifically exclude subventions made pursuant to section 6. The Proposed Decision, however, turns this exclusion on its head. It concludes that, unless the funds expended were to be “appropriations subject to limitation,” or “proceeds of taxes,” a local government cannot obtain a subvention of funds under section 6. Thus, the Proposed Decision makes the subvention subject to the appropriations limit by proposing that no reimbursement can be obtained unless the funds are first subject to the appropriations limitation or proceeds of taxes. In other words, under the Proposed Decision the subvention must be counted against the appropriations limitation and included in “proceeds of taxes” because a Claimant cannot obtain a subvention of funds under section 6 unless those funds had first been counted against the appropriations limitation. This is directly contrary to the specific language of article XIII B, sections 8(b) and (c).

Any further doubt about section 6’s independence from Sections 1 and 8 of article XIII B is dispelled by the Voter Pamphlet that accompanied the initiative. “Where there is ambiguity in the language of the measure, “[b]allot summaries and arguments may be considered when determining the voters’ intent and understand of a ballot measure.” *Professional Engineers*, 40 Cal 4th at 1037, quoting *Legislature v. Deukmejian* (1983) 34 Cal.3d 658, 673 n. 14. Here, while Claimant submits that there was no ambiguity in the language of Proposition 4, neither the ballot summary nor the arguments in favor of the proposition linked Section 6’s obligations to the appropriations limit sections.

Proposition 4 was accompanied in a Voter Pamphlet with a ballot summary prepared by the Legislative Analyst and arguments in favor and against the Proposition. The Legislative Analyst first undertook a lengthy discussion of the appropriation limit sections, including the types of appropriations that would and would not be included in the limit (Proposition 4 Voter Pamphlet, (“Voter Pamphlet”) pages 16 and 20, Exhibit A to Declaration of David W. Burhenn (“Burhenn Decl.”), filed herewith.

The Legislative Analyst then discussed section 6 separately, without reference to the other sections. The Legislative Analyst concluded that, “[f]inally, the initiative would establish a requirement that the state provide funds to reimburse local agencies for the cost of complying with state mandates.” Voter Pamphlet, pages 20-21, Burhenn Decl. Exh. A. The Legislative Analyst made no reference to Section 1 or any other section of Proposition 4, and made no reference to conditioning the obligation in section 6 on the funds being subject to the appropriations limit or being “proceeds of taxes” within the meaning of the other sections.

The arguments in support of Proposition 4 also treated the obligations in section 6 separately. After discussing the limits on state and local government spending, the arguments in favor of Proposition 4 stated, “ADDITIONALLY, this measure “(1) WILL NOT allow the state government to force programs on local governments without the state paying for them.” (Voter Pamphlet, p. 18, Burhenn Decl. Exh. A.) (Emphasis in original.) Proposition 4’s proponents did not condition this payment obligation on Proposition 4’s other sections.

Thus, the plain and ordinary meaning of section 6, as well as the Voter Pamphlet for the proposition which incorporated it into the Constitution, do not condition the subvention obligation on the funds having first been subject to the Claimants’ appropriations limit or the funds falling within the definitions of “appropriations subject to limitation” and “proceeds of taxes.” It would be error for the Commission to add these requirements when they are not present in the language itself or referenced in the Voter Pamphlet that accompanied the initiative.

C. No Court Has Ever Conditioned A Subvention of Funds Pursuant to Section 6 on Expenditures Having First Been Subject to a Claimant’s Appropriations Limit or Having Been “Proceeds of Taxes” Within the Meaning of Article XIII B, Sections 1, 8(b) or 8(c)

No court in any case has ever denied a subvention of funds under section 6 on the grounds that the taxes used were not included within the Claimant’s appropriations limitation within the meaning of article XIII B, sections 1 and 8(b) or did not fall within the meaning of “proceeds of taxes” under article XIII B, section 8(c).

When the courts construe article XIII B, they cite the different purposes underlying the article’s different sections. When the courts have addressed the appropriations limit in section 1, they cite the article’s intent to limit government appropriations. Thus in *Bell Community Redevelopment Agency v. Woosley* (1985) 169 Cal.App.3d 24, where the court was called upon to determine if the tax allocation of a bond issue for a redevelopment agency’s use was to be included in the appropriations limitation, 169 Cal.App.3d at 30-31, the court cited the intent of article XIII B to place limitations on state and local government appropriations, *Id.* at 29.

Likewise, in *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, where the issue was whether special assessments and federal grants were to be included within the appropriations limit, *id.* at 445, the court noted that article XIII B was intended to place limitations on the growth of appropriations at both the state and local government level. *Id.* at 446.

Where courts have been called upon to construe the meaning of section 6, however, the courts have emphasized the limitations article XIII A has placed on local government's ability to assess taxes, not the appropriations limit of article XIII B. Thus in *County of Fresno, supra*, the Court was called upon to determine the facial constitutionality of Government Code § 17556(d), which provided that the Commission shall not find costs mandated by the state if a local government has the authority to levy service charges, fees or assessments sufficient to pay for the mandated program or increased level of service. The court found that Government Code § 17556(d) was facially constitutional, noting that section 6 was meant to protect taxes received by local governments. "Specifically, it was designed to protect the tax revenues of local governments from state mandates that would require expenditure of such revenues." 53 Cal. 3d at 487.

In *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, the court had before it the issue of whether a state statute authorizing counties to charge cities and other local entities for the cost of booking persons in the county jail was a mandate for which the cities were entitled to a subvention of funds. Finding that the statute was not, the court noted that "section 6 was included in Article XIII B in order to protect shrinking tax revenues of local government from state mandates which would require expenditure of such revenues." *Id.* at 1807, citing *County of Fresno*, 53 Cal. 3d at 487.

In *City of El Monte v. Commission on State Mandates* (2000) 83 Cal.App.4th 266, the court addressed whether a state statute requiring redevelopment agencies to contribute a portion of their tax proceeds to a local Educational Revenue Augmentation Fund ("ERAF") constituted a reimbursable state mandate under section 6. *Id.* at 269. Though the court noted that article XIII B's sections evidenced a general intent to limit government expenditures, *id.* at 271, its decision turned on the fact that the court was addressing the shifting of costs, not a new program or higher level of service, finding that section 6 does not prohibit shifting of costs between local governmental entities. *Id.* at 279-280. Citing *County of Fresno*, the court held that subvention is required only when the costs in question can be recovered from tax revenues, and here there were other funds from which the contributions could be made. *Id.* at 280-281 ("It follows that the ERAF legislation did not impose costs on redevelopment agencies that can be recovered solely from tax revenues within the meaning of the California Constitution, Article XIII B and thus under the reasoning of *County of Fresno v. State of California* . . . the ERAF legislation did not impose a reimbursable state mandate.")

In *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, another case involving an ERAF, Sonoma County sought reimbursement for its share of property taxes that was placed into an ERAF for distribution to school districts. The court found that the county was not entitled to reimbursement for this change in the allocation of property tax revenues as it did not result in a reimbursable "cost" within the meaning of section 6. *Id.* at 1269. In finding that no "cost" was incurred by the county, the court noted that "the county's tax revenues were not expended." *Id.* at 1283. The court said "contrary to the conclusion of the trial court, it is the expenditure of tax revenues of local governments that is the appropriate focus of section 6." *Id.* at 1283, citing *County of Fresno*.

In *Redevelopment Agency v. Commission on State Mandates* (1997) 55 Cal.App.4th 976, the issue was whether the reallocation of tax increment revenue used to fund the redevelopment

agency was a “cost” within the meaning of section 6. First, the court discussed the general purposes behind article XIII B, *id.* at 985. Then, finding that section 6 requires subvention only when the costs can be recovered solely from tax revenues, the court, citing *County of Fresno*, held that the reallocation was not a “cost” under Section 6 because the redevelopment agency’s tax increment revenues were not taxes but one step removed. *Id.* at 987. In other words, the court followed *County of Fresno* and based its conclusion on whether the costs came from tax revenues. *Id.*²

Thus, contrary to the Proposed Decision (Proposed Decision at 47), no case has held that reimbursement under section 6 is required only when the expenditures of limited tax proceeds are counted against the local government’s appropriations limit. When the issue involves section 1 of article XIII B, the courts note the article’s intent to limit government appropriations. When the issue involves section 6, however, the courts rest their decisions on the limitations on local governments taxing authority, not whether the funds that were expended were subject to the appropriations limits or fall within section 8(c)’s definition of “proceeds of taxes.”³

III. THE OBLIGATION TO PROVIDE A SUBVENTION OF FUNDS FOR STATE MANDATES EXISTED PRIOR TO SECTION 6; THE PROPOSED DECISION’S CONSTRUCTION OF SECTION 6 ERRONEOUSLY CONCLUDES THAT THE VOTERS INTENDED TO LIMIT, AS OPPOSED TO REAFFIRM, THAT OBLIGATION

A. The State’s Obligation to Provide a Subvention of Funds for State Mandates Existed Prior to Proposition 4

The state’s obligation to provide a subvention of funds for state mandates, commonly known as the “SB 90” program, existed prior to the adoption of Proposition 4. The concept first originated with the Property Tax Relief Act of 1972 (Senate Bill 90, Stats. 1972, Chapter 1406). That bill enacted Rev. and Tax. Code section 2164.3, which provided that the state shall pay each county, city, and special district an amount to reimburse the county, city or special district for the costs mandated by any new state-mandated new program or increased level of service. Stats. 1972, c, 1406, § 14.7

² In *Dept. of Finance v. Commission on State Mandates* (2016) 1 Cal.5th 749, the Court referenced the taxing and spending limitations that articles XIII A and XIII B impose, 1 Cal. 5th at 763, but did not tie reimbursement under section 6 to the spending limitations. In *Dept. of Finance*, the Court addressed whether the trash receptacle obligation, as well as certain inspection obligations, were state, as opposed to federal, mandates. 1 Cal. 5th at 770-772.

³ Contrary to the assertion in the Proposed Decision (Proposed Decision at 47), the courts in *County of Sonoma v. Commission on State Mandates* and *County of Los Angeles v. Commission on State Mandates*, did not hold that reimbursement under section 6 is only required to the extent that a local government incurs increased expenditures of tax proceeds that are counted against the local government’s appropriations limit. Those courts simply gave such expenses as an example of a “cost” that would entitle the local government to reimbursement pursuant to section 6. *County of Sonoma*, 84 Cal.App.4th at 1284; *County of Los Angeles*, 110 Cal.App. 4th at 1185. They did not hold that it was a requirement.

In 1975, the Legislature repealed section 2164.3 and added section 2231 to the Revenue and Taxation Code. Section 2231 provided that the state shall reimburse each local agency for all “costs mandated by the state,” as defined in newly added Section 2207 of the Revenue and Taxation Code. Section 2207 provided that “costs mandated by the state” meant any increased cost which a local agency or school district was required to incur as a result of any law enacted after January 1, 1973, which mandated a new program or increased level of service of an existing program; any executive order issued after January 1, 1973, which mandated a new program; or any executive order issued January 1, 1973, which implemented or interpreted a state statute or by such implementation or interpretation increased program levels. Stats 1975, c. 486, § 1.8 (Rev. and Tax. Code Section 2207) and § 7 (Rev. and Tax. Code Section 2231). Significantly, this obligation was not limited by any definition of “proceeds of taxes,” or “appropriations subject to limitation,” because no such limitations had been adopted.

In 1977, Sections 2207 and 2231 were amended to create specific provisions for school districts. Stats 1977, c. 1135, §§ 4 through 7. The state’s obligation to provide a subvention of funds to local agencies remained the same and, again, was not conditioned upon any “proceeds of taxes,” or “appropriations subject to limitations.”⁴

B. The Proposed Decision’s Construction of Section 6 Erroneously Concludes that the Voters Intended to Limit, as Opposed to Reaffirm, the Obligation to Provide a Subvention of Funds for State Mandates

In 1979, the voters adopted Proposition 4. One purpose of the proposition was to limit government spending. To accomplish that purpose, section 1 was enacted which provided a limit on total annual appropriations. Section 8 provided definitions for the “appropriations subject to limitation.”

Proposition 4 also contained section 6. By this inclusion, the proponents of the initiative sought to assure that the state’s obligation to provide a subvention of funds for state mandated activities would be enshrined in the Constitution and not subject to change by legislative amendment.

Nothing in Proposition 4, however, indicated that the proponents of the initiative intended to limit the scope of the state’s previous obligation to provide a subvention of funds. Nothing in the Voter Pamphlet that accompanied Proposition 4 tied section 6 to the requirements of section 1 or to the definitions of “appropriations subject to limitation” or “proceeds of taxes” in sections 8(b) and (c). Instead, after discussing limits on state and local government spending, the arguments in favor of Proposition 4 stated, “ADDITIONALLY, this measure “(1) WILL NOT allow the state government to force programs on local governments without the state paying for them.” (Voter Pamphlet, p. 18, Burhenn Decl. Exhibit A.)(Emphasis in original.)

Contrary to this voter pamphlet’s statement, the Proposed Decision’s construction of section 6 places a limitation on the scope of section 6 that was not present before Proposition 4’s

⁴ In 1980, the Legislature amended Sections 2207 and 2231 again. Stats. 1980, c. 1256, §§ 4 and 8.

adoption. Under the Revenue and Taxation Code in existence at the time Proposition 4 was adopted, there was no limitation of the state’s obligation to provide a subvention of funds based on “proceeds of taxes,” or “appropriations subject to limitation.”

It is well established that “the voters, in adopting an initiative, did so being ‘aware of existing laws at the time the initiative was enacted.’” *People v. Valencia* (2017) 3 Cal. 5th 347, 369, quoting *Professional Engineers, supra*, 40 Cal. 4th at 1048. Nothing in the Voter Pamphlet or the language of the proposition itself indicates that the voters intended to make the subvention obligation under section 6 narrower than the subvention obligation that existed under the then-existing Revenue and Taxation Code. Indeed, the opposite was true. The voters intended to give constitutional protection to that obligation so that it could not be changed by legislation. The Proposed Decision erroneously concludes, without basis, that the voters intended to restrict the state’s obligation to provide a subvention of funds for the cost of state mandates.

IV. SOME CLAIMANTS DID INCLUDE PROCEEDS FROM PROPOSITION A AND C UNDER THEIR APPROPRIATIONS SUBJECT TO LIMITATION

The Proposed Decision assumes that all Claimants did not include their Proposition A or Proposition C funds under their appropriations limitation. This is not correct. As set forth in the comments of the City of Claremont on the Proposed Decision (filed separately herein), Claremont did include its Proposition A and Proposition C funds under its appropriations limitation for each of the fiscal years at issue. *See* Declaration of Adam Pirre, submitted with the comments of the City of Claremont.

As set forth above, whether a Claimant’s Proposition A or Proposition C funds were included in the Claimant’s appropriations subject to limitation is not relevant. The issue is whether the Claimant was required to expend tax revenue to pay for a state-mandated activity. However, to the extent that the Commission finds the issue of whether Proposition A or C funds were included in a Claimant’s appropriations limit to be relevant, the City of Claremont did include those funds under its appropriations limitation.

V. THE PROPOSED DECISION IMPROPERLY APPLIES THE PARAMETERS AND GUIDELINES RETROACTIVELY

The Proposed Decision asserts that its interpretation of “non-local source” is not a unlawful retroactive application of the Ps & Gs. This assertion is erroneous.

Section VIII of the Ps & Gs, “Offsetting Revenues and Reimbursements,”⁵ provides:

Any offsetting revenue the Claimant experiences in the same program as a result of the same statute or executive order found to contain the mandate shall be deducted from the cost claim. In addition, reimbursement for this mandate received from any *federal, state or non-local source* shall be identified and deducted from this claim.

⁵ Included in the County’s IRC at Ex. E.

Ps & Gs at 7 (emphasis added).

The Controller's office sought to offset Proposition A and C funds on the grounds that they were a non-local source because their use was restricted to transportation. There is no dispute, however, that the source of Proposition A and Proposition C funds is a local sales and use tax. Section 6 does not distinguish between restricted and non-restricted local taxes.

The Proposed Decision does not address the Controller's position. Instead, it asserts that Claimants should have known that Claimants could not obtain reimbursement for local tax revenues if those revenues had not been included in Claimants' appropriations limitations or had not been proceeds of taxes within the meaning of section 8(c). According to the Proposed Decision, because Claimants should have known that they could obtain reimbursement only with respect to expenditures of their own proceeds of taxes subject to appropriations limits, denial of reimbursement is not an unlawful retroactive application of Ps & Gs (Proposed Decision at 49).

This assertion is erroneous for two reasons. First, it is premised on the contention that Proposition A and Proposition C funds are not "proceeds of taxes" within the meaning of article XIII B, section 8(c) because the Proposition A and C funds were not levied "by or for" Claimants. The definition of "proceeds of taxes" under Article XIII B, section 8(c), however, does not include the qualifier that taxes be "levied by or for that entity." That qualifier exists with respect to the definitions of "appropriations subject to limitation" in section 8(b). Instead, section 8(c) defines "proceeds of taxes" to include "all tax revenues." "All tax revenues" would include Proposition A and C funds.

Second, Claimants had no reason to believe that the term "non-local source" would not include local sales tax that were available for use by Claimant if those taxes were assessed by another entity and then made available, by law, to Claimants. The Ps & Gs for the *Municipal Storm Water and Urban Discharges* test claim were adopted by the Commission on March 24, 2011. As noted above, Section VIII of the Ps & Gs provided, in relevant part, that "reimbursement for this mandate received from any *federal, state or non-local source* shall be identified and deducted from this claim." (Emphasis supplied.) In this IRC, there is no question that the Los Angeles County Proposition A and Proposition C funds at issue do not constitute "federal" or "state" funds. Thus the only issue is whether such funds constitute "non-local" sources of funds, and on the legal requirement, if any, that an advance of such funds must be deducted from a claim for subvention.

The meaning of "non-local sources" was not defined during the drafting of the Ps & Gs. Commission staff added this phrase to draft Ps & Gs released on February 8, 2011 as a further category of offsetting revenue in addition to federal and state revenues. *See Draft Parameters and Guidelines*, 03-TC-04, 03-TC-20, 03-TC-21, Exhibit B to Burhenn Decl., Section VII, page 7. The Draft Staff Analysis, containing staff's analysis of issues raised in the crafting of the Ps & Gs, contained no discussion of this offsetting revenues section beyond noting that the "parameters and guidelines also include instructions on claim preparation, including instructions for . . . any offsetting revenue or savings that may apply." *Draft Staff Analysis*, 03-TC-04, 03-TC-20, 03-TC-21, Exhibit C to Burhenn Decl., at 2. The Draft Staff Analysis contained no discussion of how

“non-local revenue” was to be defined or whether the term encompassed local taxes not subject to a claimant’s appropriations limit or to any tax levied by a local agency other than a claimant.

The final Ps & Gs were approved by the Commission on March 24, 2011. The Final Staff Analysis attached to that decision again provided no delineation as to what constituted “non-local revenue,” or whether the term referred to taxes not subject to the appropriations limit or to a tax levied by a local agency other than a claimant. *See Parameters and Guidelines and Decision Final Staff Analysis*, 03-TC-04, 03-TC-20, 03-TC-21, Exhibit D to Burhenn Decl.

The final Ps & Gs stated that the Commission’s Statement of Decision for the test claim was “legally binding on all parties and provides the legal and factual basis for the parameters and guidelines.” Ps & Gs Section X, “Legal and Factual Basis for the Parameters and Guidelines,” at 8. The Statement of Decision, however, provided no explication or legal basis for offsetting “non-local” revenue from the subvention obligation. In fact, the Statement of Decision, while it contained an extensive discussion of ostensible fee revenues to fund the trash receptacle state mandate (*see generally Statement and Decision*, 03-TC-04, 03-TC-20, 03-TC-21), contained no discussion of offsetting non-fee revenues from any sources, whether non-local, federal or state.

Thus, in the administrative process to develop and approve the Ps & Gs, Claimants never were informed that a revenue stream such as the one at issue in this Consolidated IRC, an advance of local return funds from imposition of a local County tax, would be considered a “non-local” source if it was not included in the Claimants appropriations limit.

Claimant County first used Proposition A funds in FY2002-03, the period from July 1, 2002 to June 30, 2003, and then used Proposition A funds in each subsequent fiscal year through FY2012-13. Other Claimants used Proposition A or Proposition C funds similarly. The Ps & Gs were not adopted till March 24, 2011 and the Controller’s office did not issue its final audit of the County until November 6, 2017 (other audits were completed in or around that time or shortly before).

A regulation will not be given retroactive effect unless it merely clarifies existing law. *People ex rel. Deukmejian v. CHE, Inc.* (1983) 150 Cal.App.3d 123, 135. Retroactivity is not favored in the law. *Aktar v. Anderson* (1997) 58 Cal.App.4th 1166, 1179. Regulations that “substantially change the legal effect of past events” cannot be applied retroactively. *Santa Clarita Organizing for Planning and the Environment v. Abercrombie* (2015) 240 Cal.App.4th 300, 315 n.5.

“Non-local” means non-local. If Claimants were not going to be entitled to reimbursement where they used local tax funds, available by law for their use, solely because those were assessed through another local agency or where not included in Claimants’ appropriations limit, then this should have been articulated in the Ps & Gs. If this was going to be a condition, it should have been clearly articulated at the time the Ps and Gs were adopted so that Claimants could address it and have notice. Non-local does not mean local, with a caveat attached to it.

Claimants were given no notice that the term “non-local” supposedly meant local, but assessed by another local entity for them and, as discussed in Sections II through IV above, had no reason to conclude this. To construe the Ps & Gs to include this condition now, eighteen years

after the first expenditure of Proposition A funds and eight years after the expenditure of such funds ceased, is unlawful. Claimants had no notice nor reason to know the Commission would now adopt that construction.

The Proposed Decision's construction of "non-local source" is an unlawful retroactive construction of Ps andGs. The Commission should not adopt that construction.


VI. CONCLUSION

For the foregoing reasons, the Proposed Decision should be modified, and Claimants' Consolidated Incorrect Reduction Claim be granted.

I declare under penalty of perjury that the information provided is true and correct to the best of my personal knowledge, information, or belief.

Dated: April 9, 2021

BURHENN & GEST LLP
HOWARD GEST
DAVID W. BURHENN

By: 
Howard Gest
Attorneys for Claimant County of Los Angeles

DECLARATION OF DAVID W. BURHENN

I, David W. Burhenn, hereby declare and state as follows:

1. I am an attorney with Burhenn & Gest LLP, counsel for Claimant County of Los Angeles in this Consolidated Incorrect Reduction Claim proceeding. I have personal and first-hand knowledge of the matters set forth herein and could, if called upon, testify competently thereto.

2. Exhibit A to this Declaration is a true and correct copy of excerpts of a Voter Information Guide for the 1979 special election. I downloaded this exhibit on April 8, 2021 from the website of the University of California Hastings Scholarship Repository at the address: https://repository.uchastings.edu/ca_ballot_props/865/.

4. Exhibit B to this Declaration is a true and correct copy of Draft Parameters and Guidelines, *Municipal Storm Water and Urban Runoff Discharges*, No. 03-TC-04, 03-TC-20, 03-TC-21. I downloaded this exhibit on April 8, 2021 from the website of the Commission on State Mandates (“Commission”) at the address: <https://www.csm.ca.gov/matters/03-TC-04.php>.

5. Exhibit C to this Declaration is a true and correct copy of the Draft Staff Analysis Proposed Parameters and Guidelines, *Municipal Storm Water and Urban Runoff Discharges*, No. 03-TC-04, 03-TC-20, 03-TC-21. I downloaded this exhibit on April 8, 2021 from the website of the Commission at the address: <https://www.csm.ca.gov/matters/03-TC-04.php>.

6. Exhibit D to this Declaration is a true and correct copy of the Final Staff Analysis Draft Parameters and Guidelines and Statement of Decision, *Municipal Storm Water and Urban Runoff Discharges*, No. 03-TC-04, 03-TC-20, 03-TC-21, minus the service list and proof of service. I downloaded this exhibit on April 8, 2021 from the website of the Commission at the address: <https://www.csm.ca.gov/matters/03-TC-04.php>.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 9th day of April, 2021 at Los Angeles, California.



David W. Burhenn

EXHIBIT A

1979

Voter Information Guide for 1979, Special Election

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CALIFORNIA BALLOT PAMPHLET



SPECIAL STATEWIDE ELECTION NOVEMBER 6, 1979

COMPILED BY MARCH FONG EU • SECRETARY OF STATE
ANALYSES BY WILLIAM G. HAMM • LEGISLATIVE ANALYST

AVISO

Una traducción al español de este folleto de la balota puede obtenerse si completa y nos envía la tarjeta con porte pagado que encontrará entre las páginas 12 y 13. Escriba su nombre y dirección en la tarjeta en LETRA DE MOLDE y regrésela a lo menos el día 30 de octubre de 1979.

NOTICE

A Spanish translation of this ballot pamphlet may be obtained by completing and returning the postage-paid card which you will find between pages 12 and 13. Please PRINT your name and mailing address on the card and return it no later than October 30, 1979.

Limitation of Government Appropriations — Initiative Constitutional Amendment

Official Title and Summary Prepared by the Attorney General

LIMITATION OF GOVERNMENT APPROPRIATIONS. INITIATIVE CONSTITUTIONAL AMENDMENT. Establishes and defines annual appropriation limits on state and local governmental entities based on annual appropriations for prior fiscal year. Requires adjustments for changes in cost of living, population and other specified factors. Appropriation limits may be established or temporarily changed by electorate. Requires revenues received in excess of appropriations permitted by this measure to be returned by revision of tax rates or fee schedules within two fiscal years next following year excess created. With exceptions, provides for reimbursement of local governments for new programs or higher level of services mandated by state. Financial impact: Indeterminable. Financial impact of this measure will depend upon future actions of state and local governments with regard to appropriations that are not subject to the limitations of this measure.

Analysis by Legislative Analyst

Background:

The Constitution places no limitation on the amount which may be appropriated for expenditure by the state or local governments (including school districts), provided sufficient revenues are available to finance these expenditures. Nor does the Constitution limit the amount by which appropriations in one year may exceed appropriations in the prior year.

Proposal:

This ballot measure would amend the Constitution to:

- Limit the growth in appropriations made by the state and individual local governments. Generally, the measure would limit the rate of growth in appropriations to the percentage increase in the cost of living and the percentage increase in the state or local government's population.
- Establish the general requirement that state and local governments return to the taxpayers moneys collected or on hand that exceed the amount appropriated for a given fiscal year.
- Require the state to reimburse local governments for the cost of complying with "state mandates." "State mandates" are requirements imposed on local governments by legislation or executive orders.

The appropriation limits would become effective in the 1980-81 fiscal year, which begins on July 1, 1980, and ends on June 30, 1981. These limits would only apply to appropriations financed from the "proceeds of taxes," which the initiative defines as:

- All tax revenues (we are advised by Legislative Counsel that this would include those tax revenues carried over from prior years);
- Any proceeds from the investment of tax revenues; and
- Any revenues from a regulatory license fee, user charge or user fee that *exceed* the amount needed to cover the reasonable cost of providing the regulation, product or service.

The initiative would not restrict the growth in appropriations financed from other sources of revenue, including federal funds, bond funds, traffic fines, user fees based on reasonable costs, and income from gifts.

The *appropriation limit for the state government* in fiscal year 1980-81 would be equal to the sum of all appropriations initially available for expenditure during the period July 1, 1978-June 30, 1979, that were financed from the "proceeds of taxes," less amounts specifically excluded by the measure (discussed below), with the remainder adjusted for changes in the cost of living and population. The appropriations limit for each succeeding year would be equal to the limit for the prior year, adjusted for changes in the cost of living and population. Thus, even if the state appropriations in a given year were held below the level permitted by this ballot measure, the appropriation limit for the following year would not be any lower as a result. The limit would still be based on the limit for the prior year, and not on the actual level of appropriations for that year.

The following types of appropriations would *not* be subject to the state limit:

- (1) State financial assistance to local governments—that is, any state funds which are distributed to local governments other than funds provided to reimburse these governments for state mandates;
- (2) Payments to beneficiaries from retirement, disability insurance and unemployment insurance funds;
- (3) Payments for interest and redemption charges on state debt existing on January 1, 1979, or payments on voter-approved *bonded* debt incurred after that date;
- (4) Appropriations needed to pay the state's cost of complying with mandates imposed by federal laws and regulations or court orders.

We estimate that the state appropriated approxi-

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Text of Proposed Law

This initiative measure proposes to add a new Article XIII B to the Constitution; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED ADDITION OF ARTICLE XIII B

PROPOSED ARTICLE XIII B. CONSTITUTION GOVERNMENT SPENDING LIMITATION

SEC. 1. The total annual appropriations subject to limitation of the state and of each local government shall not exceed the appropriations limit of such entity of government for the prior year adjusted for changes in the cost of living and population except as otherwise provided in this Article.

SEC. 2. Revenues received by any entity of government in excess of that amount which is appropriated by such entity in compliance with this Article during the fiscal year shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

SEC. 3. The appropriations limit for any fiscal year pursuant to Sec. 1 shall be adjusted as follows:

(a) In the event that the financial responsibility of providing services is transferred, in whole or in part, whether by annexation, incorporation or otherwise, from one entity of government to another, then for the year in which such transfer becomes effective the appropriations limit of the transferee entity shall be increased by such reasonable amount as the said entities shall mutually agree and the appropriations limit of the transferor entity shall be decreased by the same amount.

(b) In the event that the financial responsibility of providing services is transferred, in whole or in part, from an entity of government to a private entity, or the financial source for the provision of services is transferred, in whole or in part, from other revenues of an entity of government, to regulatory licenses, user charges or user fees, then for the year of such transfer the appropriations limit of such entity of government shall be decreased accordingly.

(c) In the event of an emergency, the appropriation limit may be exceeded provided that the appropriation limits in the following three years are reduced accordingly to prevent an aggregate increase in appropriations resulting from the emergency.

SEC. 4. The appropriations limit imposed on any new or existing entity of government by this Article may be established or changed by the electors of such entity, subject to and in conformity with constitutional and statutory voting requirements. The duration of any such change shall be as determined by said electors, but shall in no event exceed four years from the most recent vote of said electors creating or continuing such change.

SEC. 5. Each entity of government may establish such contingency, emergency, unemployment, reserve, retirement, sinking fund, trust, or similar funds as it shall deem reasonable and proper. Contributions to any such fund, to the extent that such contributions are derived from the proceeds of taxes, shall for purposes of this Article constitute appropriations subject to limitation in the year of contribution. Neither withdrawals from any such fund, nor expenditures of (or authorizations to expend) such withdrawals, nor transfers between or among such funds, shall for purposes of this Article constitute appropriations subject to limitation.

SEC. 6. Whenever the Legislature or any state agency mandates a new program or higher level of service on any local government, the state shall provide a subvention of funds to reimburse such local government for the costs of such program or increased level of service, except that the Legislature may, but need not, provide such subvention of funds for the following mandates:

(a) Legislative mandates requested by the local agency affected;

(b) Legislation defining a new crime or changing an existing definition of a crime; or

(c) Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975.

SEC. 7. Nothing in this Article shall be construed to impair the ability of the state or of any local government to meet its obligations with respect to existing or future bonded indebtedness.

SEC. 8. As used in this Article and except as otherwise expressly provided herein:

(a) "Appropriations subject to limitation" of the state shall mean any authorization to expend during a fiscal year the proceeds of taxes levied by or for the state, exclusive of state subventions for the use and operation of local government (other than subventions made pursuant to Section 6 of this Article) and further exclusive of refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds;

(b) "Appropriations subject to limitation" of an entity of local government shall mean any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity (other than subventions made pursuant to Section 6 of this Article) exclusive of refunds of taxes;

(c) "Proceeds of taxes" shall include, but not be restricted to, all tax revenues and the proceeds to an entity of government, from (i) regulatory licenses, user charges, and user fees to the extent that such proceeds exceed the costs reasonably borne by such entity in providing the regulation, product, or service, and (ii) the investment of tax revenues. With respect to any local government, "proceeds of taxes" shall include subventions received from the state, other than pursuant to Section 6 of this Article, and, with respect to the state, proceeds of taxes shall exclude such subventions;

(d) "Local government" shall mean any city, county, city and county, school district, special district, authority, or other political subdivision of or within the state;

(e) "Cost of living" shall mean the Consumer Price Index for the United States as reported by the United States Department of Labor, or successor agency of the United States Government; provided, however, that for purposes of Section 1, the change in cost of living from the preceding year shall in no event exceed the change in California per capita personal income from said preceding year;

(f) "Population" of any entity of government, other than a school district, shall be determined by a method prescribed by the Legislature, provided that such determination shall be revised, as necessary, to reflect the periodic census conducted by the United States Department of Commerce, or successor agency of the United States Government. The population of any school district shall be such school district's average daily

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Limitation of Government Appropriations — Initiative Constitutional Amendment

Arguments in Favor of Proposition 4

The 'Spirit of 13' citizen-sponsored initiative provides permanent constitutional protection for taxpayers from excessive taxation. A 'yes' vote for Proposition 4 will *preserve* the gains made by Proposition 13.

VERY SIMPLY, this measure:

- 1) WILL limit state and local government spending.
- 2) WILL refund or credit excess taxes received by the state to the taxpayer.
- 3) WILL curb excessive user fees imposed by local government.
- 4) WILL eliminate government waste by forcing politicians to re-think priorities while spending our tax money.
- 5) WILL close loopholes government bureaucrats have devised to evade the intent of Proposition 13.

ADDITIONALLY, this measure:

- 1) WILL NOT allow the state government to force programs on local governments without the state paying for them.
- 2) WILL NOT prevent the state and local governments from responding to emergencies whether natural or economic.
- 3) WILL NOT prevent state and local governments from providing essential services.
- 4) WILL NOT allow politicians to make changes (in this law) without voter approval.
- 5) WILL NOT favor one group of taxpayers over another.

Proposition 4 is a well researched, carefully written citizen-sponsored initiative that is sponsored by the signatures of nearly one million Californians who know that the 'Spirit of 13' is the next logical step to Proposition 13.

Your 'yes' vote will guarantee that excessive state tax surpluses will be returned to the taxpayer, not left in the State Treasury to fund useless and wasteful programs.

This amendment is a reasonable and flexible way to provide discipline in tax spending at the state and local levels and will not override the desires of individual communities—a majority of voters may adjust the spending limits for local entities such as cities, counties, etc.—

it will force return of any additional taxation to voter control! To protect our government's credit rating on behalf of the taxpayers, the limit does not apply to user charges required to meet obligations to the holders of existing or future bonds regardless of voter approval.

For California's sake, we sincerely urge a Yes vote on Proposition 4 to continue the Spirit of Proposition 13.

PAUL GANN

Coauthor, Proposition 13

CAROL HALLETT

*Member of the Assembly, 29th District
Assembly Minority Leader*

No government should have an unrestricted right to spend the taxpayer's money. Government should be subject to fiscal discipline no less than the citizens it represents.

Proposition 4 is a thoughtfully drafted spending limit. It will require state and local governments to limit their budgets yet provide for reasonable growth and meet emergencies.

It will not require wholesale cuts in necessary services. Californians want quality education, health services, police and fire protection.

Our citizens want to provide adequately for the elderly, the disabled, the abandoned children. Such programs will not be impaired.

Government must continue to be sensitive to human needs. A rational spending limit is not only consistent with that view, it is essential if government services are to be rendered effectively.

Nothing hinders the prompt attention to real needs as surely as an inefficient bureaucracy.

We need lean, flexible, responsive government. We need sensible spending controls that will help eliminate waste without sacrificing truly useful programs.

Proposition 4 offers that possibility.

LEO T. MCCARTHY

*Member of the Assembly, 18th District
Speaker of the Assembly*

Rebuttal to Arguments in Favor of Proposition 4

Don't be misled by promises!

The proponents make Proposition 4 sound like a cure-all for every government ill. They make Proposition 4 seem like a magic wand that will transform government into an efficient machine perfectly responsive to the public will. What nonsense!

Proposition 4

- will NOT eliminate government waste;
- will NOT eliminate user fees;
- will NOT allow governments to respond to emergencies without severe penalty.

What about waste? Proposition 4 puts the power to decide how spending limits will be met right back into the hands of the very same officials who have yet to prove they know how to cut waste. They find it much easier to cut services than to cut fat!

What about fees? The measure itself states that user fees, service charges and admission taxes can still be levied. (Check Sections 3(b) and 8(c)).

What about emergencies? Every time an emergency occurs, future expenditures in other important areas will have to be cut back. It is irresponsible to pit everyday services (like police and fire protection)

against the extraordinary needs of an emergency.

Proposition 4

- will NOT guarantee YOU a tax refund;
- will NOT preserve needed services;
- will NOT allow California to cope with the ravages of inflation and unemployment.

Recession and inflation are ganging up on government *and* on taxpayers. Proposition 4 is too inflexible to assure adequate government services for an uncertain future.

VOTE NO ON PROPOSITION 4!

JONATHAN C. LEWIS

*Executive Director
California Tax Reform Association*

SUSAN F. RICE

*President
League of Women Voters of California*

JOHN F. HENNING

*Executive Secretary-Treasurer
California Labor Federation AFL-CIO*

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Limitation of Government Appropriations — Initiative Constitutional Amendment

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Argument Against Proposition 4

Proposition 4 DOES NOT guarantee that the “fat” will be cut from government. Proposition 4 IS NOT tax reform. Proposition 4 is, instead, a rash measure that places a straitjacket on government at the very moment when Californians are faced with an uncertain economic future.

Some of the state’s largest businesses, financial institutions, utilities, agribusiness and real estate interests spent \$537,000 putting Proposition 4 on the ballot. Doesn’t it strike you as strange that these interests are backing a so-called “grassroots” initiative?

All Californians are understandably concerned about rising taxes. We all want efficient government *and* a fair tax system. But who will really benefit from Proposition 4? Will it be *you* or the special interests backing this measure?

Proposition 4 does not guarantee tax relief for the individual. There is no guarantee that any excess government revenues will necessarily be used to lower *your* taxes. Genuine tax reform means changing the tax system so everyone pays his or her fair share.

During the past 20 years the burden of taxation has shifted from business and commercial interests to the individual taxpayer. The percentage of state and local taxes paid by business has dropped from 57% to only 37%. This partially accounts for the increase in your tax bills.

It is a myth to believe that Proposition 4 will streamline government. Nowhere in the proposal is there a requirement to cut

unnecessary or wasteful government spending. The “fat” in government could go untouched while cuts are made in vital and important services.

Passage of this measure could cripple economic growth in California. There will be no advantage for cities and counties to approve new commercial developments. Because of the spending limitation, revenues generated by new commercial development cannot be spent by local entities already at their spending limit. However, services must still be provided to new commercial and housing developments, which will result in a reduction in the level of services already provided to existing residents and businesses. Communities will be forced to choose between creating new jobs and cutting services.

Proposition 4 is smokescreen politics. That is why we ask you to join us in voting NO.

JONATHAN C. LEWIS
Executive Director
California Tax Reform Association

SUSAN F. RICE
President
League of Women Voters of California

JOHN F. HENNING
Executive Secretary-Treasurer
California Labor Federation, AFL-CIO

Rebuttal to Argument Against Proposition 4

The arguments submitted by the groups opposing Proposition 4 should come as no surprise—particularly to those of us who supported Proposition 13 last year. Scare tactics, distortion and a healthy smattering of “buzzwords” are the same devices used time and again against the people whenever they decide it’s time to offer a logical and reasonable solution. In this case, the people simply want to place *a limit on government spending*.

If you are among the people who think government should *not* have the unrestricted right to spend taxpayers’ money, you can recite these facts to your friends and neighbors.

FACT: In the past 20 years, government spending increased 5 times beyond the allowable limits of Proposition 4.

FACT: Proposition 4 *requires* that surplus funds be returned to the taxpayers.

FACT: Proposition 4 will force politicians to prioritize and

economize just as households and small businesses do to make ends meet.

FACT: Proposition 4 is supported by nearly one million voter signatures, the Democratic and Republican leaders of the State Assembly, state cochairperson Secretary of State March Fong Eu, the California Taxpayers’ Association, the California Chamber of Commerce, the 83,000 family-farm member California Farm Bureau, the 55,000 small business member Federation of Independent Business, local taxpayer associations, and scores of civic and community leaders concerned about the ever-increasing growth of government spending.

Please join us in voting “Yes” on Proposition 4 to maintain the Spirit of 13.

PAUL GANN
Coauthor, Proposition 13

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mately \$7.9 billion from the "proceeds of taxes" in fiscal year 1978-79, after taking into account the exclusions listed above. This amount, referred to as "appropriations subject to limitation," represents approximately 40 percent of *total* General Fund and special fund appropriations made for that fiscal year. The main reason why the state's appropriation limit covers less than half of the state's total expenditures is that a large proportion of total state expenditures represents funds passed on to local governments for a variety of public purposes. Under this ballot measure, these funds would be subject to the limits on local, rather than state, appropriations.

The *appropriation limit for a local government* in fiscal year 1980-81 would be equal to the sum of all appropriations initially available for expenditure during the period of July 1, 1978-June 30, 1979, that were financed from the "proceeds of taxes," *plus* state financial assistance received in that year, *less* amounts specifically excluded by the measure (discussed below), with the remainder adjusted for changes in the cost of living and population. The appropriations limit in each subsequent year would be equal to the limit for the prior year, adjusted for changes in the cost of living and population. For each school district, "population" is defined in this measure as the district's average daily attendance.

The following types of appropriations would not be subject to the local limit:

- (1) Refunds of taxes;
- (2) Appropriations required for payment of local costs incurred as a result of state mandates. (The initiative requires the state to reimburse local governments for such costs, and the appropriation of such funds would be subject to limitation at the state level.);
- (3) Payments for interest and redemption charges on debt existing on or before January 1, 1979, or payments on voter-approved *bonded* debt incurred after that date;
- (4) Appropriations required to pay the local government's cost of complying with mandates imposed by federal laws and regulations or court orders.

Furthermore, any special district which was in existence on July 1, 1978, and which had a 1977-78 fiscal year property tax rate of 12½ cents per \$100 of assessed value or less, would never be subject to a limit on appropriations. Special districts which do not receive any funding from the "proceeds of taxes" would also be exempt from the limits.

Under the initiative, the limit on state or local government appropriations could be changed in one of four ways:

- (1) An appropriation limit *may* be changed temporarily if a majority of voters in the jurisdiction approve the change. Such a change could be made for one, two, three, or four years, but it could *not* be effective for more than four years

unless a majority of the voters again voted to change the limit.

- (2) In the event of an emergency, an appropriation limit *may* be exceeded for a single year by the governing body of a local government without voter approval. However, if the governing body provides for an emergency increase, the appropriation limits in the following three years would have to be reduced by an amount sufficient to recoup the excess appropriations. The initiative does not place any restrictions upon the types of circumstances which may be declared to constitute an emergency.
- (3) If the financial responsibility for providing a program or service is transferred from one entity of government to another *government* entity, the appropriation limits of both entities *must* be adjusted by a reasonable amount that is mutually agreed upon. Any increase in one entity's limit would have to be offset by an equal decrease in the other entity's limit.
- (4) If an entity of government transfers the financial responsibility for providing a program or service from itself to a *private* entity, or the source of funds used to support an existing program or service is shifted from the "proceeds of taxes" to regulatory license fees, user charges or use fees, the entity's appropriation limit *must* be decreased accordingly.

If, in any fiscal year, an entity of government were to receive or have on hand revenues in excess of the amount that it appropriates for that year, it would be required to return the excess to taxpayers within the next two fiscal years. The initiative specifies that these funds are to be returned by lowering tax rates or fee schedules. In addition, Legislative Counsel has advised us that direct refunds of taxes paid would also be permitted under the measure.

Because certain types of appropriations would not be directly subject to the limitations established by this ballot measure, it would be possible for the state or a local government with excess funds to spend these funds in the exempt categories rather than return the funds to the taxpayers. For example, the state could appropriate any excess revenues for additional financial assistance to local governments, because such assistance is excluded from the limit on state appropriations. (This, in turn, might result in the return of excess revenues to local taxpayers if a local government were unable to spend these funds within its limit.) Similarly, a local government with an unfunded liability in its retirement system could appropriate its excess revenues to reduce the liability, as such an appropriation would be considered a payment toward a legal "indebtedness" under this ballot measure.

Finally, the initiative would establish a requirement that the state provide funds to reimburse local agencies

r the cost of complying with state mandates. The initiative specifies that the Legislature need not provide such reimbursements for mandates enacted or adopted *prior* to January 1, 1975, but does not require explicitly that reimbursement be provided for mandates enacted or adopted after that date. Legislative Counsel advises us that under this measure the state would only be *required* to provide reimbursements for costs incurred as a result of mandates enacted or adopted *after* July 1, 1980.

Fiscal Impact:

This proposition is primarily intended to limit the rate of growth in state and local spending by imposing a limit on certain categories of state and local appropriations. As noted above, approximately 60 percent of current state expenditures would be excluded from the limit on state appropriations, although nearly all of these expenditures would be subject to limitation at the local level. Also, some unknown percentage of local government expenditures would not be subject to the limits on either state or local appropriations. Thus, the fiscal impact of this ballot measure would depend on two factors:

- (1) What the rate of growth in state and local "appropriations subject to limitation" would be, in the absence of this limitation; and
- (2) The extent to which any reductions in "appropriations subject to limitation" required by the measure are offset by increases in those appropriations *not* subject to limitation.

Impact on State Government. During six of the past ten years, total state spending has increased more rapidly than the cost of living and population. Thus, it is likely that, had this measure been in effect during those years, it would have caused "appropriations subject to limitation" to be less than they actually were.

It is *not* possible to predict with any accuracy the future rate of growth in state "appropriations subject to limitation." Thus it is not possible to estimate with any reliability what effect the measure, if approved, would have on such appropriations in the future. However, based on the best information now available (July 1979), we estimate that passage of the initiative would cause state "appropriations subject to limitation" in fiscal year 1980-81 to be modestly lower than they probably would be if the initiative were not approved. This assumes that state reimbursement would only be required for state mandates enacted or adopted after July 1, 1980. If the courts ruled that reimbursement was re-

quired for mandates enacted or adopted after January 1, 1975, the impact of the measure on "appropriations subject to limitation" would be substantial. This is because the state would be required to provide significant reimbursements to local governments within this limitation. We have no basis for predicting the impact in subsequent years.

Whether this would result in a reduction in *total* state spending would depend on whether the state decided to use the funds that could not be spent under the limitation for (1) additional financial assistance to local governments (or for some other category of appropriations excluded from the limit), or (2) state tax relief. Thus, the effect of this ballot measure on state spending in 1980-81 could range from no change to a modest reduction.

Impact on Local Governments. Existing data do not permit us to make reliable estimates of either the appropriation limits that local governments would face in fiscal year 1980-81 if this ballot measure were approved, or what these governments would spend in that fiscal year if the initiative were not approved. Nonetheless, we estimate that those school districts experiencing significant declines in enrollment would have to reduce "appropriations subject to limitation" significantly below what these appropriations would be otherwise. We also estimate that most cities and counties, at least initially, would not be required to reduce the growth in these categories of appropriations by any significant amounts. However, some local governments, especially those with stable or declining populations, could be subject to more significant restrictions on their "appropriations subject to limitation."

Whether any reductions in "appropriations subject to limitation" caused by this measure would result in corresponding reductions in *total* local government expenditures and a return of excess revenues to the taxpayers would depend on whether increased spending resulted in those categories *not* subject to limitation. We have no basis for estimating the actions of local governments in this regard.

Conclusion. Thus, while a reduction in the rate of growth in state or local government expenditures may result from this ballot measure in fiscal year 1980-81, there may be instances in which no reduction in the rate of growth in an individual government's spending occurs. The impact of this measure in subsequent years cannot be estimated, although the measure could cause government spending to be significantly lower than it would be otherwise.

TEXT OF PROPOSITION 3

This amendment proposed by Senate Constitutional Amendment No. 60 (Statutes of 1978, Resolution Chapter 85) expressly adds a section to the Constitution; therefore, provisions proposed to be added are printed in *italic type* to indicate that they are new.

**PROPOSED AMENDMENT TO
ARTICLE XIII**

SEC. 3.5. In any year in which the assessment ratio is changed, the Legislature shall adjust the valuation of assessable property described in subdivisions (o), (p) and (q) of Section 3 of this article to maintain the same proportionate values of such property.

TEXT OF PROPOSITION 4—Continued from page 17

attendance as determined by a method prescribed by the Legislature;

(g) "Debt service" shall mean appropriations required to pay the cost of interest and redemption charges, including the funding of any reserve or sinking fund required in connection therewith, on indebtedness existing or legally authorized as of January 1, 1979 or on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose.

(h) The "appropriations limit" of each entity of government for each fiscal year shall be that amount which total annual appropriations subject to limitation may not exceed under Section 1 and Section 3; provided, however, that the "appropriations limit" of each entity of government for fiscal year 1978-79 shall be the total of the appropriations subject to limitation of such entity for that fiscal year. For fiscal year 1978-79, state subventions to local governments, exclusive of federal grants, shall be deemed to have been derived from the proceeds of state taxes.

(i) Except as otherwise provided in Section 5, "appropriations subject to limitation" shall not include local agency loan funds or indebtedness funds, investment (or authorizations to invest) funds of the state, or of an entity of local government in accounts at banks or savings and loan associations or in liquid securities.

SEC. 9. "Appropriations subject to limitation" for each entity of government shall not include:

(a) Debt service.

(b) Appropriations required for purposes of complying with mandates of the courts or the federal government which, without discretion, require an expenditure for additional services or which unavoidably make the providing of existing services more costly.

(c) Appropriations of any special district which existed on January 1, 1978, and which did not as of the 1977-78 fiscal year levy an ad valorem tax on property in excess of 12½ cents per \$100 of assessed value; or the appropriations of any special district then existing or thereafter created by a vote of the people, which is totally funded by other than the proceeds of taxes.

SEC. 10. This Article shall be effective commencing with the first day of the fiscal year following its adoption.

SEC. 11. If any appropriation category shall be added to or removed from appropriations subject to limitation, pursuant to final judgment of any court of competent jurisdiction and any appeal therefrom, the appropriations limit shall be adjusted accordingly. If any section, part, clause or phrase in this Article is for any reason held invalid or unconstitutional, the remaining portions of this Article shall not be affected but shall remain in full force and effect.

EXHIBIT B

DRAFT PARAMETERS AND GUIDELINES

Los Angeles Regional Quality Control Board Order No. 01-182
Permit CAS004001
Part 4F5c3

Municipal Storm Water and Urban Runoff Discharges

03-TC-04, 03-TC-20, 03-TC-21

County of Los Angeles, Claimant (03-TC-04);
Cities of Artesia, Beverly Hills, Carson, Norwalk, Rancho Palos Verdes, Westlake Village,
Azusa, Commerce, Vernon, Claimants (03-TC-20);
Bellflower, Covina, Downey, Monterey Park, Signal Hill, Claimants (03-TC-21)

I. SUMMARY OF THE MANDATE

This consolidated test claim was filed by the County of Los Angeles and several cities in the Los Angeles region, alleging that various sections of the 2001 storm water permit (Permit CAS004001) adopted by the Los Angeles Regional Water Quality Control Board constitute a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution. On July 31, 2009, the Commission adopted a Statement of Decision, finding that part 4F5c3 of the permit imposes a reimbursable state-mandated program on specified local agencies. (California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.) Part 4F5c3 states the following:

Permittees not subject to a trash TMDL [total maximum daily load¹] shall [¶]...[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its

¹ “Under section 303(d) of the Clean Water Act, states, territories, and authorized tribes are required to develop lists of impaired waters. These are waters that are too polluted or otherwise degraded to meet the water quality standards set by states, territories, or authorized tribes. The law requires that these jurisdictions establish priority rankings for waters on the lists and develop TMDLs for these waters. A Total Maximum Daily Load, or TMDL, is a calculation of the maximum amount of a pollutant that a waterbody can receive and still safely meet water quality standards.” See <<http://water.epa.gov/lawsregs/lawsguidance/cwa/tmdl/index.cfm>> as of February 2, 2011.

jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.²

The Commission found that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL), is entitled to reimbursement to: “Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.” All other activities pled in the test claim were denied by the Commission. The Statement of Decision was issued in September 2009.

II. ELIGIBLE CLAIMANTS

The following local agencies that incur increased costs as a result of this mandate are eligible to claim reimbursement:

- Local agency permittees identified in the Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, that are *not* subject to a trash TMDL are eligible to claim reimbursement for the mandated activities.
- The following local agency permittees that are subject to the Ballona Creek trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the trash TMDL requirements:

Beverly Hills, Culver City, Inglewood, Los Angeles (City), Los Angeles County Santa Monica, West Hollywood

These local agency permittees are not eligible to claim reimbursement for the mandated activities for transit stops located in areas covered by the trash TMDL requirements.

- From August 28, 2002, until September 22, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, Vernon.

- Beginning September 23, 2008, the following local agency permittees that are subject to the Los Angeles trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the trash TMDL requirements:

² California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, Vernon.

Beginning September 23, 2008, these local agency permittees are not eligible to claim reimbursement for the mandated activities for transit stops located in areas covered by the trash TMDL requirements.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557 states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that fiscal year.

The County of Los Angeles filed a test claim on *Transit Trash Receptacles* (03-TC-04) on September 2, 2003. The Cities of Artesia, Beverly Hills, Carson, La Mirada, Monrovia, Norwalk, Rancho Palos Verdes, San Marino, and Westlake Village filed a test claim on *Waste Discharge Requirements* (03-TC-20) on September 30, 2003. The Cities of Baldwin Park, Bellflower, Cerritos, Covina, Downey, Monterey Park, Pico Rivera, Signal Hill, South Pasadena, and West Covina filed a test claim on *Storm Water Pollution Requirements* (03-TC-21) on September 30, 2003. Each test claim alleged that Part 4F5C3 of the Los Angeles Regional Water Quality Control Board Order No. 01-182, Permit CAS004001 was a reimbursable state-mandated program.

The filing dates of these test claims establish eligibility for reimbursement beginning July 1, 2002, pursuant to Government Code section 17557, subdivision (e), and continues until a new NPDES permit issued by the Regional Water Resources Control Board for Los Angeles County is adopted.

Reimbursement for state-mandated costs may be claimed as follows:

1. Actual costs for one fiscal year shall be included in each claim.
2. Pursuant to Government Code section 17561, subdivision (d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.
3. Pursuant to Government Code section 17560, a local agency may, by February 15 following the fiscal year in which costs were incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
4. If revised claiming instructions are issued by the Controller pursuant to Government Code section 17558, subdivision (c), between November 15 and February 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.
5. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564.

6. There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual costs were incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible local agency, the following activities are reimbursable:

- A. Installation of Trash Receptacles (one-time per transit stop):
 1. Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.
 2. Selection of receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings.
 3. Contract preparation, specification review process, bid advertising, and review and award of bid.
 4. Purchase or construct receptacles and pads and install receptacles and pads.
 5. Movement (including replacement if required) of receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location.
- B. Maintenance of Trash Receptacles and Pads (on-going as needed):
 1. Collect trash on routine basis, including trash collection and disposal at disposal/recycling facility. This activity is limited to no more than three times per week.

2. Inspection of receptacles and pads for wear, cleaning, emptying and other maintenance needs.
3. Maintenance of receptacles and pads, including painting, cleaning and repair of receptacles and replacement of liners, and cost of paints, cleaning supplies and liners. Graffiti removal is not reimbursable.
4. Replacement of individual damaged or missing receptacles, including costs of purchase and installation of replacement receptacles and disposal/recycling of replaced receptacles or pads.

V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for the reimbursable activities identified in section IV of this document. Each reimbursable cost must be supported by source documentation as described in section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services were also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and invoices with the claim and a description of the contract scope of services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include (1) the overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the 2 CFR Part 225 (Office of Management and Budget (OMB) Circular A-87). Claimants have the option of using 10% of labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B)) and the indirect shall exclude capital expenditures and unallowable costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B).) However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distributions base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B)) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The

rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or

2. The allocation of allowable indirect costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B)) shall be accomplished by (1) separate a department into groups, such as divisions or sections, and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

VI. RECORDS RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter³ is subject to the initiation of an audit by the State Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

Any offsets the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1)(A), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

³ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

IX. REMEDIES BEFORE THE COMMISSION

Upon the request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

EXHIBIT C

ITEM __
DRAFT STAFF ANALYSIS
PROPOSED PARAMETERS AND GUIDELINES

Los Angeles Regional Quality Control Board Order No. 01-182
Permit CAS004001
Part 4F5c3

Municipal Storm Water and Urban Runoff Discharges

03-TC-04, 03-TC-20, 03-TC-21

County of Los Angeles, Claimant (03-TC-04);
Cities of Artesia, Beverly Hills, Carson, Norwalk, Rancho Palos Verdes, Westlake Village, Azusa,
Commerce, Vernon, Claimants (03-TC-20);
Bellflower, Covina, Downey, Monterey Park, Signal Hill, Claimants (03-TC-21)

EXECUTIVE SUMMARY

I. Overview

The consolidated test claim was filed by the County of Los Angeles and several cities in the County of Los Angeles, alleging that various sections of the 2001 storm water permit (Permit CAS004001) adopted by the Los Angeles Regional Water Quality Control Board (“LA Regional Water Board”) constitute a reimbursable state-mandated program. Of the activities in the test claim, the Commission approved only Part 4F5c3 of the permit, which states:

Permittees not subject to a trash TMDL [total maximum daily load¹] shall [¶]...[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

The Department of Finance, the State Water Resources Control Board, the LA Regional Water Board, and the State Controller’s Office contend that many of the activities identified by the claimants in their proposed parameters and guidelines go beyond the scope of the mandate and should not be reimbursable. In addition, the state agencies oppose the adoption of a reasonable reimbursement methodology (RRM) and, instead, request that the parameters and guidelines require eligible claimants

¹ “Under section 303(d) of the Clean Water Act, states, territories, and authorized tribes are required to develop lists of impaired waters. These are waters that are too polluted or otherwise degraded to meet the water quality standards set by states, territories, or authorized tribes. The law requires that these jurisdictions establish priority rankings for waters on the lists and develop TMDLs for these waters. A Total Maximum Daily Load, or TMDL, is a calculation of the maximum amount of a pollutant that a waterbody can receive and still safely meet water quality standards.” See <<http://water.epa.gov/lawsregs/lawsguidance/cwa/tmdl/index.cfm>> as of February 2, 2011.

to claim actual costs incurred, supported by documentation of the costs. The state agencies also seek to clarify the eligible claimants under this mandate and the eligible period of reimbursement.

II. Procedural History

The test claims were filed in September 2003 (fiscal year 2003-2004) and, thus, the period of reimbursement for this claim begins July 1, 2002 (six months after the operative and effective date of the permit). The Commission adopted the Statement of Decision on July 31, 2009, and issued it on September 3, 2009. The county and cities submitted proposed parameters and guidelines in August 2009. Comments by the LA Regional Water Board and the Department of Finance were submitted in October 2009, and the claimants submitted rebuttal comments in November 2009. In January 2010, the Commission requested and received clarification from the LA Regional Water Board regarding local agencies that may be subject to a trash TMDL, and city claimants also responded in February 2010. An informal conference was held on March 25, 2010, regarding the parameters and guidelines and a proposed RRM. The county and city claimants submitted proposed revised parameters and guidelines and an RRM in June 2010. In July, the State Controller's Office and Finance submitted comments on the revised proposed parameters and guidelines and RRM, to which the county and city claimants submitted rebuttal comments in August 2010.

III. Commission Responsibilities

The Commission is required by Government Code section 17557 to adopt parameters and guidelines for the reimbursement of any test claim it approves. The successful test claimant is required to submit proposed parameters and guidelines to the Commission for review. The parameters and guidelines include a summary of the mandate, a description of the eligible claimants, a description of the period of reimbursement, a description of the specific costs and types of costs that are reimbursable, including activities that are not specified in the test claim statute or executive order, but are determined to be reasonably necessary for the performance of the state-mandated program. The parameters and guidelines also include instructions on claim preparation, including instructions for the direct or indirect reporting of the actual costs of the program or the application of a reasonable reimbursement methodology, and any offsetting revenue or savings that may apply.

The Commission may adopt an RRM for inclusion in the parameters and guidelines. An RRM is defined as "a formula for reimbursing local agencies and school districts for costs mandated by the state" and is based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed documentation of actual local costs. If local agencies are projected to incur costs to implement a mandate over a period of more than one fiscal year, the determination of a RRM may consider local costs and state reimbursements over a period of greater than one fiscal year, but not exceeding 10 years. RRMs shall be based on cost information from a representative sample of eligible claimants, information provided by associations of local agencies, or other projections of local costs. In addition, the RRM considers the variation in costs among local agencies to implement the mandate in a cost-efficient manner.

The Commission holds a hearing on the adoption of proposed parameters and guidelines pursuant to Article 7 of the Commission's regulations, under which the Commission's decision is based on evidence in the record, and oral or written testimony is offered under oath or affirmation. Each party has the right to present witnesses, introduce exhibits, and submit declarations. However, the hearing is not conducted according to the technical rules of evidence.

After adopting the parameters and guidelines, the Commission submits them to the State Controller's Office to issue claiming instructions to local government, and to pay and audit reimbursement claims. Issuance of the claiming instructions constitutes the notice of the right of local government to file reimbursement claims with the State Controller's Office based on the parameters and guidelines.

IV. Claims

Subject	Issues	Staff Recommendation
Eligible Claimants	<p>Finance requests that the eligible claimants not subject to a trash TMDL be listed.</p> <p>City claimants assert that listing the claimants is not necessary.</p>	<p>List the following categories of claimants: 1) those not subject to a trash TMDL; (2) those subject to the Ballona Creek trash TMDL are eligible only to the extent they have transit stops located in areas not covered by the trash TMDL requirements; (3) those subject to the LA River trash TMDL from August 28, 2002 to September 22, 2008; and (4) beginning September 23, 2008, those subject to the LA River trash TMDL are eligible only to the extent they have transit stops located in areas not covered by the trash TMDL.</p>
Period of Reimbursement	<p>Finance requests that the reimbursement period for the costs of placing trash receptacles at transit stops with shelters be until August 1, 2002, and at remaining transit stops until February 3, 2003.</p> <p>City claimants do not want specified deadlines because costs may have been incurred after the dates in the permit, e.g., due to new transit stops.</p>	<p>The test claims were filed in September 2003 so reimbursement begins July 1, 2002 (six months after the effective date of the permit).</p> <p>Allow reimbursement for receptacles installed at transit stops after the dates in the permit, but limit reimbursement for installation activities to one-time per transit stop.</p> <p>Allow reimbursement under the permit to continue until the effective date of a new NPDES storm water permit that supersedes the permit in the test claim</p>
Reimbursable Activities	<p>Claimants propose activities related to installation and maintenance of trash receptacles at transit stops.</p> <p>Finance and the LA Regional Water Board request that identifying transit stops and installation be omitted.</p>	<p>Allow reimbursement for all installation and maintenance as proposed by claimants except: (1) graffiti removal is not reimbursable; (2) installation of receptacle and pad is limited to one-time per transit stop; and (3) limit pick up of trash to not more than three times per week per receptacle.</p>

Reasonable	Claimants submitted survey data from	Do not support the proposed RRM
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Reimbursement Methodology	<p>eight cities and LA County indicating a weighted average of \$6.75 per pick up per receptacle.</p> <p>Finance believes that the RRM does not accurately reflect the costs to implement the mandate.</p> <p>The State Controller’s Office requests that actual costs be reimbursed.</p>	<p>because the costs surveyed for “cleaning” may include graffiti removal, which is not reimbursable, and because Bellflower’s survey included unidentified costs for “other” making it impossible to tell whether the surveyed costs go beyond the scope of the mandate.</p>
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V. Staff Analysis

Eligible Claimants

The mandated activity (placing and maintaining trash receptacles at all transit stops within a local agency’s jurisdiction) applies only to local agency permittees that are *not subject to a Trash TMDL*. Therefore, staff finds that local agency permittees identified in the Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, that are *not* subject to a trash TMDL are eligible to claim reimbursement for the mandated activities.

Identifying eligible claimants for local agencies that are subject to a trash TMDL is difficult due to events leading up to and following the adoption of the permit, which result in separate TMDL requirements for the Los Angeles River and Ballona Creek watersheds that have impaired water bodies within the jurisdictions of some of the eligible claimants. In addition, the TMDL requirements for the Los Angeles River watershed area was not operative and effective during the period from July 1, 2002 (when the period of reimbursement for the mandated activities begins) until late September 2008 due to legal challenges. Staff finds, however, that all local agency permittees are eligible to claim reimbursement for placing and maintaining trash receptacles to the extent they have transit stops located in areas within their jurisdictions that are *not* covered by an operative and effective trash TMDL.

Ballona Creek trash TMDL: The state’s trash TMDL for the Ballona Creek area has been in effect since March 2002. Thus, the permittees identified as responsible jurisdictions in the Ballona Creek trash TMDL were “subject to a trash TMDL” in March 2002 for the water bodies in the area, before the beginning of the reimbursement period for the mandate in question (July 1, 2002). The local agencies identified in the Ballona Creek trash TMDL are:

Beverly Hills, Culver City, Inglewood, Los Angeles, Los Angeles County, Santa Monica, West Hollywood.

Thus, local agency permittees in the Ballona Creek trash TMDLs are eligible for reimbursement only to the extent they have transit stops located in areas not subject to a trash TMDL.

Los Angeles River trash TMDL: This trash TMDL was not effective from August 28, 2002, until September 22, 2008 due to legal challenges. Thus, from August 28, 2002, until September 22, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, Vernon.

Beginning September 23, 2008, the local agencies listed above that are subject to the Los Angeles trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the trash TMDL.

Period of Reimbursement

Government Code section 17557, subdivision (e), establishes eligibility to claim reimbursement for a reimbursable state-mandated program beginning in the fiscal year prior to the fiscal year the test claim was filed. In this case, the test claims were filed in September 2003, so the period of reimbursement for this claim begins July 1, 2002 (six months after the operative and effective date of the permit).

Finance requests that the reimbursement period for placement of the trash receptacles be up to August 1, 2002 for transit stops with shelters, and until February 3, 2003 for the remaining transit stops. The cities object to these deadlines because costs may be incurred to place receptacles at new transit stops due to changing transit routes.

Staff finds that the “Period of Reimbursement” section of the parameters and guidelines should not limit reimbursement to the costs of placing trash receptacles at transit stops to only those costs incurred before the deadlines. Staff also recommends, however, that the reimbursement for installation activities be limited to one-time per transit stop. Staff also finds that reimbursement under the permit continues until the effective date of a new NPDES storm water permit that supersedes the permit in the test claim (Permit CAS004001, California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182.)

Reimbursable Activities

Based on the evidence in the record, staff recommends that for each eligible local agency, the following activities should be reimbursable:

- A. Installation of Trash Receptacles (one-time per transit stop):
 1. Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.
 2. Selection of receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings.
 3. Contract preparation, specification review process, bid advertising, and review and award of bid.
 4. Purchase or construct receptacles and pads and install receptacles and pads.
 5. Movement (including replacement if required) of receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location.

B. Maintenance of Trash Receptacles and Pads (on-going as needed):

1. Collect trash on routine basis, including trash collection and disposal at disposal/recycling facility. This activity is limited to no more than three times per week.
2. Inspection of receptacles and pads for wear, cleaning, emptying and other maintenance needs.
3. Maintenance of receptacles and pads, including painting, cleaning and repair of receptacles and replacement of liners, and cost of paints, cleaning supplies and liners. Graffiti removal is not reimbursable.
4. Replacement of individual damaged or missing receptacles, including costs of purchase and installation of replacement receptacles and disposal/recycling of replaced receptacles or pads.

Reasonable Reimbursement Methodology

Staff does not recommend supporting the proposed RRM because the costs surveyed for “cleaning” may include graffiti removal, which is not reimbursable, and because survey data for Bellflower included unidentified costs in an “other” category, which may or may not be reimbursable. Therefore, staff recommends reimbursing actual costs.

VI. Conclusion & Recommendation

Staff recommends that the parameters and guidelines be adopted, with the changes to the proposed revised parameters and guidelines as noted.

STAFF ANALYSIS

Claimants

County of Los Angeles (03-TC-04); Cities of Artesia, Beverly Hills, Carson, Norwalk, Rancho Palos Verdes, Westlake Village, Azusa, Commerce, Vernon, Claimants (03-TC-20); Bellflower, Covina, Downey, Monterey Park, Signal Hill, Claimants (03-TC-21)

Chronology

- 09/02/03 Test claim 03-TC-04 (*Transit Trash Receptacles*) filed by County of Los Angeles
- 09/26/03 Test claim 03-TC-19 (*Inspection of Industrial/Commercial Facilities*) filed by County of Los Angeles²
- 09/30/03 Test Claim 03-TC-20 (*Waste Discharge Requirements*) filed by the Cities of Artesia, Beverly Hills, Carson, La Mirada, Monrovia, Norwalk, Rancho Palos Verdes, San Marino, and Westlake Village³
- 09/30/03 Test Claim 03-TC-21 (*Storm Water Pollution Requirements*) filed by the Cities of Baldwin Park, Bellflower, Cerritos, Covina, Downey, Monterey Park, Pico Rivera, Signal Hill, South Pasadena, and West Covina⁴
- 07/31/09 Commission adopts Statement of Decision
- 08/04/09 Commission staff notifies parties and interested parties that issuance of the Statement of Decision would be delayed
- 08/26/09 County submits proposed parameters and guidelines
- 08/28/09 Cities submit proposed parameters and guidelines
- 09/03/09 Commission issues Statement of Decision
- 10/19/09 LA Regional Water Board submits comments on the draft parameters and guidelines
- 10/23/09 Department of Finance submits comments on the draft parameters and guidelines
- 11/13/09 County claimants submit rebuttal comments to the state agency comments
- 11/18/09 City claimants submit rebuttal comments to the state agency comments
- 01/07/10 Commission staff requests further information on the proposed parameters and guidelines
- 01/27/10 LA Regional Water Board submits requested information on the proposed parameters and guidelines
- 02/12/10 City claimants submit comments on the information from the LA Regional Water Board

² In adopting the Statement of Decision, the Commission found that the sections of the permit and activities pled in 03-TC-19 (*Inspection of Industrial/Commercial Facilities*) do not constitute a reimbursable state-mandated program.

³ When the test claim was resubmitted in November 2007, the cities of La Mirada, Monrovia and San Marino were not included, and Azusa, Commerce and Vernon were added.

⁴ When the test claim was resubmitted in July 2008, the cities of Baldwin Park, Cerritos, Pico Rivera, South Pasadena, and West Covina were not included.

- 03/25/10 Commission staff participates in an informal conference on the proposed parameters and guidelines
- 05/13/10 County claimants request extension of time to submit revised parameters and guidelines that includes a reasonable reimbursement methodology (RRM)
- 05/20/10 Commission staff grants County claimants extension of time to submit revised parameters and guidelines and RRM
- 06/01/10 County claimants submit proposed revised parameters and guidelines and RRM, with attached letter (dated 5/24/10) from the League of California Cities and California State Association of Counties supporting the RRM.
- 06/04/10 City claimants submit proposed revised parameters and guidelines and RRM.
- 06/09/10 Commission staff deems proposed revised parameters and guidelines to be complete.
- 07/09/10 Department of Finance requests an extension to respond to the proposed revised parameters and guidelines
- 07/26/10 State Controller's Office submits comments on the revised parameters and guidelines and RRM.
- 07/27/10 Department of Finance submits comments on the revised parameters and guidelines and RRM.
- 08/24/10 County claimants submit rebuttal comments to Controller's and Finance's comments
- 08/26/10 City claimants submit rebuttal comments to Controller's and Finance's comments

I. Background

The consolidated test claim was filed by the County of Los Angeles and several cities in the County of Los Angeles, alleging that various sections of the 2001 storm water permit (Permit CAS004001) adopted by the Los Angeles Regional Water Quality Control Board constitute a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution. The permit covers the Los Angeles County Flood Control District, Los Angeles County, and 84 cities in Los Angeles County (all cities except Long Beach). On July 31, 2009, the Commission adopted a Statement of Decision, finding that part 4F5c3 of the permit imposes a reimbursable state-mandated program on specified local agencies. Part 4F5c3 states the following:

Permittees not subject to a trash TMDL [total maximum daily load] shall [¶]...[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.⁵

The Commission found that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL) is entitled to reimbursement to: "Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary." All

⁵ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.

other activities pled in the test claim were denied by the Commission. The Statement of Decision was issued in September 2009.

In August 2009, the County of Los Angeles and the city claimants submitted separate proposed parameters and guidelines in accordance with Government Code section 17557. The claimants' proposals request reimbursement for placing and maintaining trash receptacles as mandated by the permit. The claimants also request reimbursement pursuant to Government Code section 17557 and section 1183.1, subdivision (a)(4), of the Commission's regulations for activities the claimants assert to be "the most reasonable methods of complying with the mandate." The claimants have proposed that a reasonable reimbursement methodology (RRM) for reimbursing local agencies be included within the parameters and guidelines.

The revised proposed parameters and guidelines and proposed RRM were submitted by the County of Los Angeles on June 1, 2010, and by the cities on June 4, 2010.

As indicated in the discussion below, the Department of Finance, the State Water Resources Control Board, the State Controller's Office, and the Los Angeles Regional Water Control Board contend that many of the activities identified by the claimants go beyond the scope of the mandate and should not be reimbursable. In addition, the state agencies oppose the adoption of an RRM and, instead, request that the parameters and guidelines require eligible claimants to claim actual costs incurred, supported by documentation of the costs. The state agencies also seek to clarify the eligible claimants under this mandate and the eligible period of reimbursement.

II. Commission's Responsibility for Adopting Parameters and Guidelines

If the Commission approves a test claim, the Commission is required by Government Code section 17557 to adopt parameters and guidelines for the reimbursement of any claims. The successful test claimant is required to submit proposed parameters and guidelines to the Commission for review. The parameters and guidelines shall include the following information: summary of the mandate; a description of the eligible claimants; a description of the period of reimbursement; a description of the specific costs and types of costs that are reimbursable, including activities that are not specified in the test claim statute or executive order, but are determined to be reasonably necessary for the performance of the state-mandated program; instructions on claim preparation, including instructions for the direct or indirect reporting of the actual costs of the program or the application of a RRM; and any offsetting revenue or savings that may apply.⁶

The Commission may adopt a RRM for inclusion in the parameters and guidelines.⁷ A RRM may be proposed by the claimant, an interested party, the Department of Finance, the Controller's Office, or another affected state agency. A RRM is defined as "a formula for reimbursing local agencies and school districts for costs mandated by the state" and is based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed documentation of actual local costs. In cases when local agencies and school districts are projected to incur costs to implement a mandate over a period of more than one fiscal year, the determination of a RRM may consider local costs and state reimbursements over a period of greater than one fiscal year, but not exceeding 10 years. A RRM shall be based on cost information from a representative sample of

⁶ Government Code section 17557; California Code of Regulations, Title 2, section 1183.1.

⁷ Government Code section 17557, subdivision (b); California Code of Regulations, Title 2, section 1183.131.

eligible claimants, information provided by associations of local agencies and school districts, or other projections of local costs. In addition, the RRM shall consider the variation in costs among local agencies and school districts to implement the mandate in a cost-efficient manner.⁸

As of January 1, 2011, the hearing on the adoption of proposed parameters and guidelines is conducted under Article 7 of the Commission's regulations.⁹ Under Article 7, the Commission's decision is based on evidence in the record. Oral or written testimony offered by any person shall be under oath or affirmation. Each party has the right to present witnesses, introduce exhibits, and submit declarations. However, the hearing is not conducted according to the technical rules of evidence. Any relevant non-repetitive evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs. Irrelevant and unduly repetitious evidence shall be excluded. Hearsay evidence may be used to supplement or explain, but is not sufficient in itself to support a finding unless the hearsay evidence would be admissible in civil actions.¹⁰

After it adopts the parameters and guidelines, the Commission submits them to the State Controller's Office to issue claiming instructions to local government, and to pay and audit reimbursement claims.¹¹ Issuance of the claiming instructions constitutes the notice of the right of local government to file reimbursement claims with the State Controller's Office based on the parameters and guidelines.¹²

III. Discussion

The analysis of the proposals and comments submitted by the parties, and a description of staff's proposed parameters and guidelines are explained below.

A. Summary of the Mandate

City claimants submitted the following language for the "Summary of the Mandate" in their proposed parameters and guidelines:

1. Planning (including indentifying transit stops, evaluating and selecting trash receptacle type, evaluation of placement of trash receptacles and specification and drawing preparation); preliminary engineering work (construction contract preparation and specification review, bid advertising and award process); construction and installation of trash receptacles (including fabrication and installation of receptacles and foundations and construction management); and
2. Trash collection and receptacle maintenance (including repair and replacement of receptacles as required).

The Department of Finance requests that the "Summary of the Mandate" section simply identify what the Commission approved in the Statement of Decision and not contain other language or proposed reimbursable activities.¹³

⁸ Government Code section 17518.5.

⁹ California Code of Regulations, Title 2, section 1187.

¹⁰ California Code of Regulations, Title 2, section 1187.5.

¹¹ Government Code section 17558.

¹² Government Code section 17561, subdivision (d)(1).

¹³ Department of Finance comments dated October 23, 2009.

Staff agrees with Department of Finance’s comments. The “Summary of the Mandate” section of the parameters and guidelines is intended to summarize only the activities approved in the Statement of Decision that are mandated from the language of the permit. The summary does not include the detailed list of proposed activities that are reasonably necessary to comply with the mandate.

Thus, staff recommends that the “Summary of the Mandate” section of the parameters and guidelines state the following:

This consolidated test claim was filed by the County of Los Angeles and several cities in the Los Angeles region, alleging that various sections of the 2001 storm water permit (Permit CAS004001) adopted by the Los Angeles Regional Water Quality Control Board constitute a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution. On July 31, 2009, the Commission adopted a Statement of Decision, finding that part 4F5c3 of the permit imposes a reimbursable state-mandated program on specified local agencies. (California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.) Part 4F5c3 states the following:

Permittees not subject to a trash TMDL [total maximum daily load] shall [¶]...[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.¹⁴

The Commission found that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL), is entitled to reimbursement to: “Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.” All other activities pled in the test claim were denied by the Commission. The Statement of Decision was issued in September 2009.

B. Eligible Claimants

The mandated activity (placing and maintaining trash receptacles at all transit stops within a local agency’s jurisdiction) applies only to local agency permittees¹⁵ that are *not subject to a Trash TMDL*. Part 4F5c3 of the permit states:

¹⁴ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.

¹⁵ All of the local agencies subject to the permit are listed in the permit as follows: Los Angeles County, Los Angeles Flood Control District, Cities of Agoura Hills, Alhambra, Arcadia, Artesia, Azusa, Baldwin Park, Bell, Bellflower, Bell Gardens, Beverly Hills, Bradbury, Burbank, Calabasas, Carson, Cerritos, Claremont, Commerce, Compton, Covina, Cudahy, Culver City, Diamond Bar, Downey, Duarte, El Monte, El Segundo, Gardena, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Hermosa Beach, Hidden Hills, Huntington Park, Industry, Inglewood, Irwindale, La Cañada-Flintridge, La Habra Heights, Lakewood, La Mirada, La Puente, La Verne, Lawndale, Lomita, Los Angeles, Lynwood, Malibu, Manhattan Beach, Maywood, Monrovia, Montebello, Monterey Park, Norwalk, Palos Verdes Estates, Paramount, Pasadena, Pico Rivera, Pomona, Rancho Palos Verdes, Redondo Beach, Rolling

Permittees not subject to a trash TMDL shall [¶]...[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.¹⁶

Section II of the proposed parameters and guidelines submitted by the County of Los Angeles identifies the eligible claimants as follows:

The County of Los Angeles, Los Angeles County Flood Control District and all cities covered under the municipal storm water permit issued by the Los Angeles Regional Water Quality Control Board in Order No. 01182, Permit No. CAS0040001, in Part 4F5c3, to the extent that these local agencies are not or were not subject to coverage under a trash “Total Maximum Daily Load,” or TMDL requirement.¹⁷

The city claimants propose similar language as follows:

The County of Los Angeles, Los Angeles County Flood Control District, and all cities covered under the Permit, to the extent that the same are not or were not subject to coverage under a trash TMDL requirement.¹⁸

The Department of Finance requests that Section II of the proposed parameters and guidelines be amended to list the eligible claimants that are not subject to a TMDL requirement.¹⁹

As described below, the analysis of this issue is complicated by the various events leading up to and following the adoption of the permit at issue in this case that resulted in separate TMDL requirements for those watershed areas identified as having impaired water bodies within the jurisdictions of some of the eligible claimants. In addition, the TMDL requirements for the watershed area along the Los Angeles River was not operative and effective during the entire period from July 1, 2002 (when the period of reimbursement for the mandated activities begins) until late September 2008 due to legal challenges. Staff finds, however, that all local agency permittees are eligible to claim reimbursement for placing and maintaining trash receptacles to the extent they have transit stops located in areas within their jurisdictions that are *not* covered by an operative and effective trash TMDL.

Hills, Rolling Hills Estates, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Clarita, Santa Fe Springs, Santa Monica, Sierra Madre, Signal Hill, South El Monte, South Gate, South Pasadena, Temple City, Torrance, Vernon, Walnut, West Covina, West Hollywood, Westlake Village, and Whittier. California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), page 15-16.

¹⁶ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.

¹⁷ County of Los Angeles’ revised parameters and guidelines, filed June 1, 2010.

¹⁸ Revised parameters and guidelines filed June 4, 2010, by Burhenn & Gest LLP on behalf of the Cities of Artesia, Azusa, Bellflower, Beverly Hills, Carson, Commerce, Covina, Downey, Monterey Park, Norwalk, Rancho Palos Verdes, and Signal Hill.

¹⁹ Department of Finance comments filed October 23, 2009.

1. Trash TMDLs

The plain language of part 4F5c3 of the permit states that the mandate to place and maintain trash receptacles at transit stops within the permittees' jurisdictions applies only to permittees that are "not subject to a trash TMDL." A "TMDL" stands for "total maximum daily load" and stems from federal law. Under the federal Clean Water Act, the states are required to identify polluted waters that have failed to meet the water quality standards under the National Pollution Discharge Elimination System (NPDES) permit system. These identified waters are classified as "impaired."²⁰ Once identified, the states are required to rank the impaired waters in order of priority, and based on the ranking, calculate levels of permissible pollution called "total maximum daily loads" or TMDLs, that can be discharged into the water bodies at issue.²¹ The State Water Resources Control Board (hereafter "State Board") defines a TMDL as "a written plan that describes how an impaired water body will meet water quality standards, it [sic] contains a measurable feature to describe attainment of the water quality standard(s), a description of required actions to remove the impairment, an allocation of responsibility among dischargers to act in the form of actions or water quality conditions for which each discharger is responsible."²²

TMDLs are developed in draft form by the staff of the regional water boards and then adopted as amendments to each regional board's water quality control plan, or Basin Plan. The Basin Plan amendments are then submitted to the State Board, and then subsequently to the Office of Administrative Law (OAL) for approval. After approval by the State Board and OAL, the amended Basin Plan that includes the TMDL is submitted for approval to the U.S. Environmental Protection Agency (EPA).²³ The TMDL is not effective until the U.S. EPA approves the TMDL. If the U.S. EPA disapproves the state's TMDL, EPA must establish its own TMDL within 30 days of the disapproval.²⁴

Thus, a trash TMDL imposes separate requirements and goals on a local entity for reducing pollution specific to the area that is subject to the TMDL. A trash TMDL was not pled in the test claim and there has been no finding that requirements imposed by a trash TMDL are state-mandated within the meaning of article XIII B, section 6. The mandated program here only applies to those permittees that have trash receptacles in areas that are not subject to a trash TMDL.

a) Trash TMDLs adopted for the Los Angeles River and Ballona Creek Watershed Areas

With respect to the local agency permittees in this case, the LA Regional Board adopted two TMDLs for trash for the water bodies in the Los Angeles River and Ballona Creek watershed areas on September 19, 2001, three months before the adoption of the permit and mandate at issue here. The trash TMDLs require annual reductions in trash from an established baseline for each permittee

²⁰ Section 303(d) of the Clean Water Act (codified as 33 U.S.C. § 1313).

²¹ See summaries of the Clean Water Act and the TMDLs in *City of Arcadia v. U.S. Environmental Protection Agency* (2003) 265 F.Supp.2d 1142, 1143-1146, and *City of Arcadia v. State Water Resources Control Board* (2006) 135 Cal.App.4th 1392, 1403-1407.

²² "Total Maximum Daily Loads (TMDL), Questions & Answers," published by the State Water Resources Control Board.

²³ *Id.* See also, *City of Arcadia, supra*, 265 F.Supp.2d 1142, 1147.

²⁴ 33 U.S.C. section 1313(d)(2); see also, California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), page 10.

identified as a responsible jurisdiction in the TMDL, until the final target of zero trash discharge is attained over a period of several years.²⁵ On February 19, 2002, the State Board approved and adopted the two trash TMDLs. On July 16, 2002, OAL approved the TMDLs, and on August 1, 2002, U.S. EPA sent a letter to the State Board approving the TMDLs.²⁶ The Regional Board reports that these TMDLs became effective on August 28, 2002.²⁷

Prior to the approval of the two TMDLs, however, U.S. EPA issued its own interim TMDLs for trash for the water bodies in the Los Angeles and Ballona Creek watershed areas pursuant to a consent decree signed in the *Heal the Bay, et al. v. Browner* lawsuit (No. C 98-4825). The *Heal the Bay* lawsuit challenged EPA's alleged failure to either approve or disapprove TMDLs for the State of California. Pursuant to the consent decree, EPA was required to either have approved a state-submitted TMDL for trash in Los Angeles region or to have established the TMDL itself by a March 24, 2002 deadline.²⁸ The State did not adopt and submit a final TMDL by the consent decree deadline and, thus, EPA adopted a trash TMDL for the water bodies in the Los Angeles River and Ballona Creek watershed areas in March 2002. EPA's TMDLs were based largely on the TMDLs for trash adopted by the Regional Board, but did not contain implementation measures.²⁹ When EPA approved the State's trash TMDLs on August 1, 2002, its letter announced that the State's TMDLs "supersede" the EPA trash TMDLs as follows: "The approved State TMDLs for trash for Los Angeles River Watershed and Ballona Creek and Wetland now supersede the TMDLs established by EPA in March; therefore, the State's TMDLs are now the applicable TMDLs for Clean Water Act purposes."³⁰ No further federal trash TMDLs have been issued by the EPA for the water bodies in the Ballona Creek and Los Angeles River watershed areas.³¹

²⁵ 2001 TMDLs for trash adopted for Ballona Creek and Los Angeles River watershed areas.

²⁶ Letter dated August 1, 2002, from the U.S. EPA approving the TMDLs. See also, *City of Arcadia*, *supra*, 265 F.Supp.2d 1142, 1147.

²⁷ See list of TMDLs adopted by the Regional Board in their document entitled "Basin Plan Amendments – TMDLs."

²⁸ *City of Arcadia*, *supra*, 265 F.Supp.2d 1142, 1146, fn. 5, where the court found the TMDL deadline date under the consent decree to be March 24, 2002, rather than March 22, 2002 as contended by the parties (and published by the Regional Board).

²⁹ See Staff Reports Supporting Approval of the Trash TMDLs for the Los Angeles River and Ballona Creek watershed areas, dated July 30, 2002; and letter dated August 1, 2002, from the U.S. EPA approving the TMDLs.

³⁰ *Ibid.*

³¹ EPA's document entitled, "Monitoring, Assessment and TMDLs: EPA-established TMDLs/ Region 9," which lists the March 2002 trash TMDLs for the Los Angeles River and Ballona Creek areas adopted by EPA and indicates they were superseded by State TMDLs in August 2002. No further EPA TMDLs are listed.

b) The Ballona Creek Trash TMDL has been in effect since March 2002

The State's trash TMDL for the Ballona Creek area has been in effect since March 2002.³² Thus, the permittees identified as responsible jurisdictions in the Ballona Creek trash TMDL were "subject to a trash TMDL" in March 2002 for the water bodies in the area, before the beginning of the reimbursement period for the mandate in question here (July 1, 2002). The local agencies identified in the Ballona Creek trash TMDL are:

Beverly Hills, Culver City, Inglewood, Los Angeles, Los Angeles County, Santa Monica, West Hollywood.³³

c) The Los Angeles River Trash TMDL was not effective or operative from August 28, 2002, until September 22, 2008 due to legal challenges

However, the State's trash TMDL for the water bodies in the Los Angeles River watershed area was challenged by 22 cities. The Court of Appeal in *City of Arcadia v. State Water Resources Control Board* (2006) 135 Cal.App.4th 1392, found that the state did not adequately comply with CEQA when adopting the TMDL and in 2006, declared the trash TMDL for the Los Angeles River watershed area void. The court issued a writ of mandate directing the State and Regional Water Boards set aside the TMDL until it was brought into compliance with CEQA.³⁴

In accordance with the court's order, the Regional Board set aside the 2001 action incorporating the TMDL into the Basin Plan (Resolution R06-013) on June 8, 2006. The trash TMDL was subsequently approved by the State Board, OAL, and EPA, and became effective on September 23, 2008.³⁵

Thus, the permittees identified as responsible jurisdictions in the Los Angeles River trash TMDL were subject to the federal trash TMDL from March 2002 (before the period of reimbursement began in this case on July 1, 2002) until August 27, 2002. On August 28, 2002, the state's trash TMDL initially became effective, but was later determined void by the court and set aside. As noted above, there is no evidence that the federal trash TMDL took effect or became operative during the period the state's TMDL was set aside. Thus, the permittees listed in the Los Angeles River trash TMDL were not subject to a trash TMDL and, thus, were required to comply with the mandate to place and maintain trash receptacles at all transit stops in their jurisdictions from August 28, 2002, until September 22, 2008, the day before the trash TMDL was finally approved. The following day, these permittees became subject

³² In 2003, the county and City of Los Angeles filed a lawsuit to challenge the Ballona Creek TMDL. The county, city, and the state entered into a settlement agreement that resulted in an amendment to the Ballona Creek TMDL. The amendment was adopted by the Regional and State Water Boards in 2004, approved by OAL in February 2005, and became effective on August 11, 2005. (See BPA Detail published by the Los Angeles Regional Water Quality Control Board for the Basin Plan amendment, Resolution No. 2004-023.)

³³ Regional Board's letter dated January 26, 2010, Appendix I to Regional Board's TMDL for the Ballona Creek and Wetland, dated September 19, 2001.

³⁴ *City of Arcadia, supra*, 135 Cal.App.4th at page 1436; see also the summary of the TMDL in the Regional Board's Fact Sheet supporting 2009 amendments to the Los Angeles River trash TMDL, pages 2-4.

³⁵ Regional Board's Fact Sheet supporting 2009 amendments to the Los Angeles River trash TMDL, pages 4.

to the State’s trash TMDL for the Los Angeles River watershed area and, therefore, were no longer required to adhere to the permit’s transit stop trash receptacle requirements that are the subject of these parameters and guidelines. According to the Regional Board, the following local agencies are subject to the Los Angeles River trash TMDL:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles, Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, Vernon.³⁶

2. Local agency permittees that are listed in the Los Angeles River or Ballona Creek trash TMDLs are eligible to claim reimbursement for the mandated program to the extent they have transit stops located in areas not subject to the trash TMDL.

In comments submitted February 12, 2010, city claimants argue that only portions of the local agency jurisdictions listed in the TMDLs are subject to the trash TMDLs. Thus, the city claimants argue that if a portion of a local agency lies in an area *without* a trash TMDL, it still is entitled to reimbursement. The cities state the following:

[O]nly *portions* of the Cities of Carson and Downey are located within the Los Angeles River Watershed and thus subject to the trash TMDL for the Los Angeles River watershed. For example, all but a very small portion of the City of Carson is located within the Dominguez Channel Watershed, which is not subject to a trash TMDL. More than half of the City of Downey is located within the San Gabriel River and Los Cerritos Channel Watersheds, which are also not subject to a trash TMDL. ... If a city lies in part within a watershed without a trash TMDL, it still is entitled, under the Commission’s decision, for a subvention of funds. [Emphasis in original.]

The cities’ position is supported by the Regional Board staff reports for the trash TMDLs. Page 3 of the staff report for the Ballona Creek trash TMDL states that “Cities on this small coastal watershed are Culver City, Beverly Hills, West Hollywood, *parts* of Santa Monica, *parts* of Inglewood, *parts* of Los Angeles, and *some unincorporated areas* of Los Angeles County.” (Emphasis added.) Page 23 of the staff report for the Los Angeles River TMDL (dated August 9, 2007) describes “cities that are only partially located in the watershed” under the description for the refined baseline waste load allocations.³⁷

Thus, even when the TMDLs are valid and in effect, the local agency permittees that are listed in the Los Angeles River or Ballona Creek trash TMDLs are eligible to claim reimbursement for the mandated program to the extent these local agency permittees have transit stops located in areas not covered by the trash TMDL requirements.

³⁶ Regional Board’s letter dated January 26, 2010; Regional Board Order No. R4-2009-0130, Appendix 7-1.

³⁷ Exhibit ____.

3. Costs of carrying out the transit trash receptacle mandate until the trash TMDLs are in their implementation phase under Part 4F5b of the permit are beyond the scope of the mandate and are not reimbursable.

Finally, the parties have suggested that permittees subject to a trash TMDL are eligible for reimbursement to place and maintain trash receptacles at all transit stops in their jurisdiction pursuant to Part 4F5c3 of the permit until the trash TMDL is “implemented.” Part 4F5b of the permit states that “if the implementation phase for the Los Angeles River and Ballona Creek Trash TMDLs has not begun by October 2003, subject Permittees shall implement the requirements described below in subsection 5(c), until such time programs in conformance with the subject Trash TMDLs are being implemented.” However, part 4F5b of the permit was not pled in this test claim and the Commission has made no mandate findings on that part of the permit. Any reimbursement stemming from Part 4F5b goes beyond the scope of the mandated program in Part 4F5c3.

4. Staff Recommendation on “Eligible Claimants”

Accordingly, staff recommends that Section II of the parameters and guidelines that describe the “Eligible Claimants” state the following:

The following local agencies that incur increased costs as a result of this mandate are eligible to claim reimbursement:

- Local agency permittees identified in the Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, that are *not* subject to a trash TMDL are eligible to claim reimbursement for the mandated activities.
- The following local agency permittees that are subject to the Ballona Creek trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the trash TMDL requirements:
 - Beverly Hills, Culver City, Inglewood, Los Angeles (City), Los Angeles County
Santa Monica, West Hollywood

These local agency permittees are not eligible to claim reimbursement for the mandated activities for transit stops located in areas covered by the trash TMDL requirements.

- From August 28, 2002, until September 22, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities:
 - Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, Vernon.
- Beginning September 23, 2008, the following local agency permittees that are subject to the Los Angeles trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the trash TMDL requirements:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, Vernon.

Beginning September 23, 2008, these local agency permittees are not eligible to claim reimbursement for the mandated activities for transit stops located in areas covered by the trash TMDL requirements.

C. Period of Reimbursement

Government Code section 17557, subdivision (e), establishes eligibility to claim reimbursement for a reimbursable state-mandated program beginning in the fiscal year prior to the fiscal year the test claim was filed.³⁸ In this case, the test claims were filed in September 2003 (fiscal year 2003-2004) and, thus, the period of reimbursement for this claim begins July 1, 2002 (six months after the operative and effective date of the permit: December 13, 2001).³⁹

Part 4F5c3 of the permit establishes deadlines to perform the mandated activity to place trash receptacles at transit stops. The plain language requires local agency permittees to place trash receptacles at all transit stops within their jurisdictions that have shelters no later than August 1, 2002, and at all other transit stops no later than February 3, 2003. The Department of Finance requests that the language in the “Period of Reimbursement” section of the parameters and guidelines include these deadlines. In its October 23, 2009 comments, Finance recommends that the Commission:

Identify the reimbursement period, effective July 1, 2002, for the costs associated with placing trash receptacles at transit stops with shelters until August 1, 2002, and at remaining transit stops until February 3, 2003. The reimbursement period, however, for the ongoing maintenance of those trash receptacles continues until the test claim permit is no longer valid.

The cities, in comments filed November 13, 2009, do not want the deadlines identified in the parameters and guidelines because “costs may have been incurred after those dates. For example, after those dates, municipalities may be required to place trash receptacles at new transit stops as the result of changes in transit routes.”

Staff finds that the “Period of Reimbursement” section of the parameters and guidelines should not limit reimbursement to the costs of placing trash receptacles at transit stops to only those costs incurred before the deadlines. There is no indication in the permit, or in any document issued by the LA Regional Water Board, that local agencies that fail to meet the deadlines are then not required to perform the mandated activity to place the trash receptacles at all transit stops. In fact, limiting the mandate to activities performed only before the deadlines would defeat the purpose of the mandate to “reduce the discharge

³⁸ Government Code section 17557, subdivision (e), states that “A test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year.”

³⁹ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), page 70, as well as the footer on each page of the permit.

of pollutants into storm water to the maximum extent practicable.”⁴⁰ Moreover, local agencies are required to install trash receptacles at “all transit stops,” including those transit stops that are added by a transit agency after the deadlines in the permit have passed. Therefore, although staff recommends that reimbursement be allowed for receptacles installed at transit stops after the dates in the permit, staff also recommends that the reimbursement for installation activities (as discussed further below) be limited to one-time per transit stop.

As to the ending date for reimbursement, even though the permit at issue expires by its own terms on December 12, 2006,⁴¹ staff finds that the mandate continues past that date until a new permit is approved and issued by the Regional Water Board.

The federal regulation on expired permits states:

States authorized to administer the NPDES program may continue either EPA or State-issued permits until the effective date of the new permits, if State law allows. Otherwise, the facility or activity is operating without a permit from the time of expiration of the old permit to the effective date of the State-issued new permit.⁴²

California’s regulations provide for automatically continuing expired permits.

The terms and conditions of an expired permit are automatically continued pending issuance of a new permit if all requirements of the federal NPDES regulations on continuation of expired permits have been complied with.⁴³

In short, the law provides for automatic continuation of the permit until a new one is approved. There is no evidence in the record that a new NPDES storm water permit has been issued for Los Angeles County. Therefore, staff finds that reimbursement under the permit continues until the effective date of a new NPDES storm water permit that supersedes the permit in the test claim (Permit CAS004001, California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182.)

Accordingly, staff recommends the following language in Section III of the parameters and guidelines addressing the “Period of Reimbursement:”

Government Code section 17557 states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that fiscal year.

The County of Los Angeles filed a test claim on *Transit Trash Receptacles* (03-TC-04) on September 2, 2003. The Cities of Artesia, Beverly Hills, Carson, La Mirada, Monrovia, Norwalk, Rancho Palos Verdes, San Marino, and Westlake Village filed a test claim on *Waste Discharge Requirements* (03-TC-20) on September 30, 2003. The Cities of Baldwin Park, Bellflower, Cerritos, Covina, Downey, Monterey Park, Pico Rivera, Signal Hill, South Pasadena, and West Covina filed a test claim on *Storm Water Pollution Requirements* (03-TC-21) on September 30, 2003. Each test claim alleged that Part 4F5C3 of the Los Angeles Regional Water Quality Control Board Order

⁴⁰ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), pages 7 and 13.

⁴¹ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), page 70.

⁴² 40 Code of Federal Regulations, section 122.6 (d).

⁴³ California Code of Regulations, title 23, section 2235.4.

No. 01-182, Permit CAS004001 was a reimbursable state-mandated program. The filing dates of these test claims establish eligibility for reimbursement beginning July 1, 2002, pursuant to Government Code section 17557, subdivision (e), and continues until a new NPDES permit issued by the Regional Water Resources Control Board for Los Angeles County is adopted.

Reimbursement for state-mandated costs may be claimed as follows:

1. Actual costs for one fiscal year shall be included in each claim.
2. Pursuant to Government Code section 17561, subdivision (d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.
3. Pursuant to Government Code section 17560, a local agency may, by February 15 following the fiscal year in which costs were incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
4. If revised claiming instructions are issued by the Controller pursuant to Government Code section 17558, subdivision (c), between November 15 and February 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.
5. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564.
6. There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

D. Reimbursable Activities

City and County claimants submitted the following activities in their proposed parameters and guidelines, along with the proposed reasonable reimbursement methodology in June 2010:

A. Installation of Trash Receptacles:

1. Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.
2. Evaluate and select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and /or drawings.
3. Contract preparation, specification review process, bid advertising, and review and award of bid.
4. Purchase receptacles/pads and/or construct receptacles/pads and install receptacles.⁴⁴
5. Repeat steps 3-4 above when necessary for replacement of receptacles/pads.⁴⁵

B. Maintenance of Trash Receptacles

1. Collection of trash on routine basis, including trash collection and disposal at disposal/recycling facility.

⁴⁴ City claimants: “purchase and/or construct and install pads”

⁴⁵ City claimants: “repeat steps 3-4 above when necessary for replacement of receptacles/pads on a non-individual basis.”

2. Inspection of receptacles and pads for wear, cleaning, emptying and other maintenance needs.
3. Maintenance of receptacles and pads, including painting, cleaning and repair of receptacles and replacement of liners, and cost of paints, cleaning supplies and liners.
4. Replacement of individual damaged or missing receptacles, including costs of purchase and installation of replacement receptacles and disposal/recycling of replaced receptacles or pads.
5. Movement (including replacement if required) of receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location.

The Department of Finance, in comments submitted October 23, 2009, states that the installation activities in A1 to A4 above should be deleted because they go beyond the scope of the mandate. Finance “believes activities such as construction contract preparation, specification review, or fabrication and installation of pads are not necessary to implement the approved mandate.”

The LA Regional Water Board, in comments submitted October 19, 2009, asserts that the claimants overstate the scope of the trash receptacle requirement. The Board argues that the purpose of the provision is to effectively control litter from transit stops through the simple placement of trash cans:

Claimants may fairly and adequately comply with the mandates of the order through the placement of any type of receptacle capable of containing the garbage that waiting passengers might throw into the gutter. Likewise, given the water quality context, the obligation to maintain the receptacles is simply to ensure the receptacles are emptied when they are full, and not damaged to a point where they can no longer retain garbage.

According to the LA Regional Water Board, the order does not require any construction or installation. “Nor can the order fairly be viewed as requiring the expenditure of \$20,000 to identify the location of transit stops that are well known by transit authorities and published on transit authority maps for the benefit of their riders.”

City claimants, in their November 2009 rebuttal comments, state that “for the requirement to be effective in an urban environment, the receptacles must be durable and theft proof.” Further, proper design requires a permanent installation, often including a concrete pad to which a receptacle is bolted, that will resist thieves and vandals. Missing receptacles receive no trash, defeating the purpose of the mandate. Claimants call construction and installation “intrinsic to the mandate.” Claimants also responded to the Regional Board’s assertion that the mandate to maintain “is simply to ensure the receptacles are emptied when they are full, and not damaged to a point where they can no longer retain garbage.” According to the city claimants, it is less expensive and more appropriate to achieve the goal of less trash in gutters if the receptacles are routinely emptied, inspected and maintained. As to spending \$20,000 for the location of transit stops, city claimants assert that these stops are not on transit maps, and that stops must be identified and updated as routes change over time.

The County of Los Angeles, in its November 2009 rebuttal comments, states that the proposed parameters and guidelines include “only the types of installation activities that are reasonably necessary in complying with the mandates found to be reimbursable by the Commission” and also cites the declaration of Aras Ahmed, an Associate Civil Engineer in the Department of Public Works, in the test claim. County claimants also assert the necessity of bolting down receptacles to prevent vandalism, theft, and accidental losses, to a concrete pad, including the pad’s design and fabrication, as well as “identifying the topological nature of specific site receptacle placements.” Claimants further assert that

scheduled collections and inspections of receptacles are necessary to prevent guessing as to when receptacles should be emptied.

Both city and county claimants point to declarations in the test-claim record. Two declarations were submitted with test claim (03-TC-04) submitted by Los Angeles County. The first is by Frank Kuo, Facilities Program Manager II in the Watershed Management Division of Los Angeles County Department of Public Works; and another by Aras Ahmed, an Associate Civil Engineer in the Programs Development Division of Los Angeles County's Department of Public Works. Both Mr. Kuo and Mr. Ahmed state they are responsible for implementing the permit, and both declarations state their information and belief that the following duties are reasonably necessary to comply with the permit:

1. Identifying all transit stops within its jurisdiction except for the Los Angeles River and Ballona Creek Watershed Management areas.
2. Selecting proper trash receptacle design and evaluating placement of trash receptacles.
3. Designing receptacle pad improvement, if needed.
4. Constructing and installing trash receptacle units.
5. Collecting trash and maintaining receptacles.

Los Angeles County and city claimants included a similar declaration from William Yan, Associate Civil Engineer in the Programs Development Division of the County Public Works Department with their submissions of a reasonable reimbursement methodology (RRM) and revised parameters and guidelines received June 1, 2010 (Los Angeles County) and June 4, 2010 (for cities). In the declaration, Mr. Yan stated the following reasons for the installation activities:

- To prevent frequent loss of trash receptacles in many types of locations, the receptacle must be bolted down and, in order to be bolted down, unimproved bus stops must be constructed with a concrete pad;
- Proper selection of receptacle and pad types, evaluation of appropriate placement of receptacles and preparation of engineering specifications and/or drawings necessary for installation of trash receptacles;
- Securing transit trash receptacles reduces vandalism, theft, and accidental losses and the costs of replacing the missing or damaged receptacles;
- Securing transit trash receptacles would reduce the time the receptacles would be out of service and not available to collect trash;
- Concrete pads would provide adequate bolting surface and for large-capacity transit trash receptacles which require less collection frequency;
- Transit trash receptacles made of wrought iron would be more durable against vandalism and damage, thereby reducing replacement cost;
- Dome covers and the solid trash receptacle liners prevent rain water from going into the receptacles, thereby causing trash to spill out and flow into the storm drains;
- The use of dome covers and solid trash receptacle liners meets the intent of the ... [permit] by preventing pollutants from entering the storm drains.

None of the activities proposed by claimants are in the permit. The Commission has discretion, however to determine “the most reasonable methods of complying with the mandate.”⁴⁶ This is defined as “those methods not specified in statute or executive order that are necessary to carry out the mandated program.”⁴⁷ Using this standard, each proposed activity is analyzed below.

The first activity, A.1., is: “Identification of locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.” Evidence in the record supports the finding that this activity is a reasonable method to comply with the mandate. The declaration in Los Angeles County’s test claim by Mr. Kuo and Mr. Ahmed state their information and belief that “identifying all transit stops within its jurisdiction except for the Los Angeles River and Ballona Creek Watershed Management areas” is reasonably necessary to comply with the permit. There is no evidence in the record for the Department of Finance’s assertion that all transit stops are on transit maps, or even if they were, that the maps would be up to date. And claimants are only eligible to the extent they are not subject to a trash TMDL, so transit stops in a jurisdiction partially subject to a trash TMDL would need to be identified to the extent they are outside the area subject to the trash TMDL. There is no evidence that this information (or any other watershed information) would be on a transit map.

There is also evidence in the record to find that the second activity, A.2.: “Selection of receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and /or drawings” is a reasonable method of complying with the mandate. Mr. Yan of Los Angeles County submitted a declaration supporting this activity, as cited above. Moreover, a receptacle and pad that is not easily vulnerable to theft or vandalism is reasonable to effect the purpose of the mandate: “to reduce the discharge of pollutants into storm water to the maximum extent practicable.”⁴⁸ Missing or vandalized receptacles would not effectively capture trash and therefore not attain this goal.

Staff also finds that, A.3.: “contract preparation, specification review process, bid advertising, and review and award of bids” is a reasonable method of complying with the mandate. There is no requirement in the permit for city or county employees to personally perform the activities at issue, and the Commission’s boilerplate language for reimbursable activities includes contract costs. Moreover, Public Contract Code section 20120 et seq. contains the county bidding and contract requirements, and Public Contract Code section 20160 et seq. contains the city bidding and contract requirements, both of which require competitive bidding for public works contracts.

As for A.4.: “Purchase of receptacles [cities include “pads”] and/or construct receptacles [pads] and install receptacles [pads]” staff finds that this is a reasonable method of complying with the mandate, as the receptacles are required by the plain language of the permit, and are not effective without installation, including affixing the receptacles to prevent theft and vandalism. The declarations of Mr. Kuo and Mr. Ahmed cited above indicate that these activities were performed in compliance with the mandate.

Staff finds that A.5., replacement of receptacles and pads may be necessary from time to time when a transit stop is moved is a reimbursable activity, since the cities and counties do not have direct control

⁴⁶ Government Code section 17557; California Code of Regulations, title 5, section 1183.1, subdivision (a)(4).

⁴⁷ *Ibid.*

⁴⁸ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), pages 7 and 13.

over placement of transit stops by the Metropolitan Transit Authority or other transportation agencies. But to comply with the mandate and to effect the goal of keeping pollutants out of storm water, trash receptacles must be moved to reflect current locations of transit stops.

Staff also finds that activities A.1. through A.5. are limited to one time per transit stop. As discussed above under “period of reimbursement,” the permit contains deadlines for placement of the trash receptacles: for stops with shelters no later than August 1, 2002, and at all other transit stops no later than February 3, 2003. Because the shelters are required to be in place by these deadlines, staff finds that installation activities in A.1. through A.5. are eligible for reimbursement only one time per transit stop, which allows for relocation of transit stops.

In A.5., city claimants requested reimbursement for replacement on a “non-individual” basis. Staff finds that this is not a reasonable method to comply with the mandate. Individual replacements are discussed below under B4 for missing or damaged receptacles, and are found to be a reasonable method to comply with the mandate. There is nothing in the record to support non-individual replacement (by group or lot, for example) of trash receptacles. Thus, staff finds that “non-individual” replacement is not a reasonable method to comply with the mandate.

Staff finds that B.1., “routine collection and disposal of trash,” falls within the plain language of the mandate that requires “all trash receptacles shall be maintained as necessary.” Routine collection and disposal is the most reasonable method to comply with the mandate because the purpose of the mandate is to keep pollutants out of storm water. Disposal at designated facilities is reasonable to comply with the mandate, since it is unlawful to dispose of trash outside of designated areas without a landowner’s permission. (Pen. Code, § 374.3.)

Claimants did not propose how frequently the trash receptacles would be emptied. Survey data submitted with the revised parameters and guidelines⁴⁹ indicates that frequency of collection varies from weekly for some local agencies (e.g., Bellflower, Covina, Signal Hill), to 2.57 times per week for Carson. (The pickup frequency data is unclear for Los Angeles County, as the survey appears to state 156 pickups per year, or three times per week, but an August 2010 declaration from William Yan states that pickup frequency is 48-52 times per year). Trash will accumulate at different rates at different transit stops. However, based on the survey data and accompanying declaration, staff finds that the most reasonable method of complying with the mandate is to reimburse collection frequency no more than three times per week.

Staff also finds that inspections and maintenance of receptacles and pads under B.2. and B.3. fall within the scope of the plain language of the mandate to “maintain” the receptacles “as necessary.” These activities are also reasonably necessary to comply with the mandate. Any problems with receptacles and pads should be noted and reported to effect the purpose of the mandate: “to reduce the discharge of pollutants into storm water to the maximum extent practicable.”⁵⁰

The declaration submitted by Los Angeles County, dated August 16, 2010, by Mr. William Yan, Associate Civil Engineer, states that “trash receptacles and the 10-foot area around each trash receptacle must be thoroughly cleaned of any graffiti, stickers, posters, litter, dust, dirt, weeds and any residue in

⁴⁹ County of Los Angeles’ letter and proposed revised parameter and guidelines dated May 27, 2010; city claimants’ letter and proposed revised parameters and guidelines dated June 1, 2010.

⁵⁰ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), pages 7 and 13.

order to prevent the flow of any waste to enter the storm drain and/or street gutters.” The record is insufficient, however, as to how graffiti removal effects the permit’s purpose of keeping pollutants out of storm water. Therefore, staff finds that graffiti removal is beyond the scope of the mandate and not reimbursable.

In July 2010 comments, Finance states that cleaning receptacles “may not be reasonably necessary to carry out the mandate.” In August 2010 rebuttal comments, the County points to language in the permit that states “all trash receptacles shall be maintained as necessary” and includes a declaration from a civil engineer in the County’s Dept. of Public Works that cleaning is necessary to comply with the mandate “in order to prevent the flow of any waste to enter the storm drain and/or street gutters.” Based on this evidence in the record, staff finds that the maintenance activity, B.3, includes cleaning receptacles and pads.

Staff further finds that B.4., “replacement of receptacles” falls within the scope of the mandate to maintain receptacles as necessary and is reasonably necessary to comply with the mandate. Damaged or missing receptacles will not keep pollutants out of storm water, thereby defeating the purpose of the mandate. Staff also finds that disposal of replaced receptacles is also eligible for reimbursement.

Although moving receptacles in B.5. is a reasonably necessary activity for transit stops that need to be relocated, because this activity is one-time per transit stop it is listed in A.5.

In sum, staff recommends the following language for section IV of the parameters and guidelines addressing “Reimbursable Activities:”

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual costs were incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, “I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct,” and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible local agency, the following activities are reimbursable:

C. Installation of Trash Receptacles (one-time per transit stop):

6. Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.

7. Selection of receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings.
8. Contract preparation, specification review process, bid advertising, and review and award of bid.
9. Purchase or construct receptacles and pads and install receptacles and pads.
10. Movement (including replacement if required) of receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location.

D. Maintenance of Trash Receptacles and Pads (on-going as needed):

5. Collect trash on routine basis, including trash collection and disposal at disposal/recycling facility. This activity is limited to no more than three times per week.
6. Inspection of receptacles and pads for wear, cleaning, emptying and other maintenance needs.
7. Maintenance of receptacles and pads, including painting, cleaning and repair of receptacles and replacement of liners, and cost of paints, cleaning supplies and liners. Graffiti removal is not reimbursable.
8. Replacement of individual damaged or missing receptacles, including costs of purchase and installation of replacement receptacles and disposal/recycling of replaced receptacles or pads.

E. Proposed Reasonable Reimbursement Methodology

A reasonable reimbursement methodology (RRM) is to be based on “cost information from a representative sample of eligible claimants, information provided by associations of local agencies and school districts, or other projections of local costs” and is to “consider the variation in costs among local agencies and school districts to implement the mandate in a cost-efficient manner.” (Gov. Code, § 17518.5)

City and county claimants submitted surveys of 11 local agencies, of which eight were included in the survey data (excluded were two cities that are subject to a trash TMDL and one which included additional costs). Thus, of about 85 eligible claimants, eight were surveyed, which is 9.4% of the claimants. For the surveys in the record, the number of receptacles varies widely, from over 400 in LA County to nine in Artesia. The surveys indicate that there is a sample of both large and small local agency claimants, which constitutes a “representative” sample.

Based on the survey data, claimants propose a weighted average uniform cost allowance of \$6.75 per transit stop for pickup and cleaning and maintenance (what appears to correspond to the categories in section B under the reimbursable activities listed above). Claimants also propose increasing that uniform cost allowance for 2006-07 and future years for costs of living adjustments used by the State Controller in promulgating annual claiming instructions, and decreasing the amount for years prior to 2005-06 via the same adjustments. Claimants state that “the League [of Cities] and CSAC fully support this calculation.”

In its July 23, 2010 letter, the Department of Finance objects to the proposed RRM because “the survey responses do not clearly explain the costs associated with maintenance of the trash receptacles, e.g., cleaning.” Finance points to Los Angeles County data that show cleaning costs increased \$7,275 from 05-06 to 06-07, and states: “the concern is that the ratio of increased cleaning costs to increased number

of receptacles is not proportionate or consistent between fiscal years.” Additionally, Finance states that some “other” costs should be excluded, such as Signal Hill’s cost for review of the collection contract by the City Attorney. Finally, Finance proposed no cost of living adjustment, but that the costs remain constant from 2002 to 2009, and increase in 2009-10 each year by the implicit price deflator.

In its July 26, 2010 comments, the State Controller proposes to delete reference to the RRM and proposes language for reimbursement to be based on actual costs.

Los Angeles County submitted rebuttal comments in August 2010 with a declaration from William Yan from LA County Department of Public Works regarding the cleaning costs. Mr. Yan states that three variables contribute to the variation in cleaning costs: the average number of trash receptacles, the unit cleaning cost per visit (including living wage adjustments), and the frequency of cleanings per month. The declaration also states that “associated cleaning costs are reasonable, proper, and fairly stated.”

The city claimants also submitted rebuttal comments in August 2010 and also cite Mr. Yan’s declaration regarding cleaning costs. City claimants also state that Signal Hill’s contract review a proper administrative cost, and do not object to deleting a cost of living adjustment.

Staff finds that the proposed RRM appears to be complete except for two essential pieces of data. First, the data submitted include surveyed costs for “cleaning,” which is eligible for reimbursement. Graffiti removal, however, is not a separate survey category and is not eligible for reimbursement. Assuming that a portion of the “cleaning” costs include graffiti removal,⁵¹ the costs would be inflated because they reflect activities beyond the scope of the mandate. Second, Bellflower’s survey included unidentified costs for “other” making it impossible to tell whether the surveyed costs go beyond the scope of the mandate.

Therefore, staff finds that the evidence in the record does not support the RRM as proposed, so that actual costs would be reimbursed.

F. Conclusion & Recommendation

Staff recommends that the parameters and guidelines be adopted, with the changes to the proposed revised parameters and guidelines as noted.

⁵¹ This assumption is based on the declaration submitted by Los Angeles County, dated August 16, 2010, by Mr. William Yan, Associate Civil Engineer, who states that “trash receptacles and the 10-foot area around each trash receptacle must be thoroughly cleaned of any graffiti, stickers, posters, litter, dust, dirt, weeds and any residue in order to prevent the flow of any waste to enter the storm drain and/or street gutters.”

EXHIBIT D

Adopted: March 24, 2011

**FINAL STAFF ANALYSIS
PROPOSED PARAMETERS AND GUIDELINES
AND STATEMENT OF DECISION**

Los Angeles Regional Quality Control Board Order No. 01-182
Permit CAS004001
Part 4F5c3

Municipal Storm Water and Urban Runoff Discharges

03-TC-04, 03-TC-20, 03-TC-21

County of Los Angeles, Claimant (03-TC-04)

Cities of Artesia, Beverly Hills, Carson, Norwalk, Rancho Palos Verdes, Westlake Village, Azusa,
Commerce, Vernon, Claimants (03-TC-20)

Bellflower, Covina, Downey, Monterey Park, Signal Hill, Claimants (03-TC-21)

EXECUTIVE SUMMARY

Overview

The consolidated test claim was filed by the County of Los Angeles and several cities in the County of Los Angeles, alleging that various sections of the 2001 storm water permit (Permit CAS004001) adopted by the Los Angeles Regional Water Quality Control Board (“LA Regional Water Board”) constitute a reimbursable state-mandated program. Of the activities in the test claim, the Commission approved only Part 4F5c3 of the permit, which states:

Permittees not subject to a trash TMDL [total maximum daily load¹] shall [¶]...[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

The purpose of the permit is to reduce the discharge of pollutants into storm water to the maximum extent practicable.”² The permit complies with the Federal Clean Water Act (CWA), which was

¹ “Under section 303(d) of the Clean Water Act, states, territories, and authorized tribes are required to develop lists of impaired waters. These are waters that are too polluted or otherwise degraded to meet the water quality standards set by states, territories, or authorized tribes. The law requires that these jurisdictions establish priority rankings for waters on the lists and develop TMDLs for these waters. A Total Maximum Daily Load, or TMDL, is a calculation of the maximum amount of a pollutant that a waterbody can receive and still safely meet water quality standards.” See < <http://water.epa.gov/lawsregs/lawguidance/cwa/tmdl/index.cfm> > as of March 8, 2011.

² California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), pages 7 and 13.

amended in 1972 to implement a permitting system for all discharges of pollutants³ from point sources⁴ to waters of the United States. The permits, issued under the National Pollutant Discharge Elimination System, are called NPDES permits. Under the CWA, each state is free to enforce its own water quality laws so long as its effluent limitations⁵ are not “less stringent” than those set out in the CWA (33 USCA 1370). The California Supreme Court described NPDES permits as follows:

Part of the federal Clean Water Act is the National Pollutant Discharge Elimination System (NPDES), “[t]he primary means” for enforcing effluent limitations and standards under the Clean Water Act. (*Arkansas v. Oklahoma, supra*, 503 U.S. at p. 101, 112 S.Ct. 1046.) The NPDES sets out the conditions under which the federal EPA or a state with an approved water quality control program can issue permits for the discharge of pollutants in wastewater. (33 U.S.C. § 1342(a) & (b).) In California, wastewater discharge requirements established by the regional boards are the equivalent of the NPDES permits required by federal law. (§ 13374.)⁶

Procedural History

The test claims were filed in September 2003 (fiscal year 2003-2004) and, thus, the period of reimbursement for this claim begins July 1, 2002 (six months after the operative and effective date of the permit). The Commission adopted the Statement of Decision on July 31, 2009, and issued it on September 3, 2009. The county and cities submitted proposed parameters and guidelines in August 2009. Comments by the LA Regional Water Board and the Department of Finance (Finance) were submitted in October 2009, and the claimants submitted rebuttal comments in November 2009.

³ According to the federal regulations, “Discharge of a pollutant” means: (a) Any addition of any “pollutant” or combination of pollutants to “waters of the United States” from any “point source,” or (b) Any addition of any pollutant or combination of pollutants to the waters of the “contiguous zone” or the ocean from any point source other than a vessel or other floating craft which is being used as a means of transportation. This definition includes additions of pollutants into waters of the United States from: surface runoff which is collected or channeled by man; discharges through pipes, sewers, or other conveyances owned by a State, municipality, or other person which do not lead to a treatment works; and discharges through pipes, sewers, or other conveyances, leading into privately owned treatment works. This term does not include an addition of pollutants by any “indirect discharger.” (40 C.F.R. § 122.2.)

⁴ A point source is “any discernible, confined and discrete conveyance, including but not limited to any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, or vessel or other floating craft, from which pollutants are or may be discharged.” 33 U.S.C. § 1362(14).

⁵ *Effluent limitation* means any restriction imposed by the Director on quantities, discharge rates, and concentrations of “pollutants” which are “discharged” from “point sources” into “waters of the United States,” the waters of the “contiguous zone,” or the ocean. (40 C.F.R. § 122.2.)

⁶ *City of Burbank v. State Water Resources Control Bd.* (2005) 35 Cal.4th 613, 621. State and regional board permits allowing discharges into state waters are called “waste discharge requirements” (Wat. Code, § 13263).

In January 2010, the Commission requested and received clarification from the LA Regional Water Board regarding local agencies that may be subject to a trash TMDL, and city claimants also responded in February 2010. An informal conference was held on March 25, 2010, regarding the parameters and guidelines and a proposed reasonable reimbursement methodology (RRM). The county and city claimants submitted proposed revised parameters and guidelines and an RRM in June 2010. In July, the State Controller's Office and Finance submitted comments on the revised proposed parameters and guidelines and RRM, to which the county and city claimants submitted rebuttal comments in August 2010.

Commission staff issued a draft staff analysis in February 2011. The State Controller's Office, Department of Finance, LA County and the city claimants all submitted comments in response to it.

Positions of Parties and Interested Parties

The Department of Finance, the State Water Resources Control Board, the LA Regional Water Board, and the State Controller's Office contend that many of the activities identified by the claimants in their proposed parameters and guidelines go beyond the scope of the mandate and should not be reimbursable. In addition, the state agencies oppose the adoption of an RRM and instead request that the parameters and guidelines require eligible claimants to claim actual costs incurred, supported by documentation of the costs. The state agencies also seek to clarify the eligible claimants under this mandate and the eligible period of reimbursement.

In comments on the draft staff analysis, claimants propose reimbursement for some of the ongoing activities under either an RRM or actual costs. Claimant LA County also proposes graffiti removal as a reimbursable activity.

Commission Responsibilities

The Commission is required by Government Code section 17557 to adopt parameters and guidelines for the reimbursement of any test claim it approves. The successful test claimant is required to submit proposed parameters and guidelines to the Commission for review. The parameters and guidelines include a summary of the mandate, a description of the eligible claimants, a description of the period of reimbursement, a description of the specific costs and types of costs that are reimbursable, including activities that are not specified in the test claim statute or executive order, but are determined to be reasonably necessary for the performance of the state-mandated program. The parameters and guidelines also include instructions on claim preparation, including instructions for the direct or indirect reporting of the actual costs of the program or the application of an RRM, and any offsetting revenue or savings that may apply.

The Commission may adopt an RRM for inclusion in the parameters and guidelines. An RRM is defined as "a formula for reimbursing local agencies and school districts for costs mandated by the state" and is based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed documentation of actual local costs. If local agencies are projected to incur costs to implement a mandate over a period of more than one fiscal year, the determination of an RRM may consider local costs and state reimbursements over a period of greater than one fiscal year, but not exceeding 10 years. RRMs shall be based on cost information from a representative sample of eligible claimants, information provided by associations of local agencies, or other projections of local costs. In addition, the RRM considers the variation in costs among local agencies to implement the mandate in a cost-efficient manner.

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As of January 1, 2011, the Commission is required to hold a hearing on the adoption of proposed parameters and guidelines under Article 7 of the Commission’s regulations. Article 7 hearings are quasi-judicial hearings. The Commission is required to adopt a decision that is based on substantial evidence in the record, and oral or written testimony that is offered under oath or affirmation. Each party has the right to present witnesses, introduce exhibits, and submit declarations. (Gov. Code, § 17559, subd. (b), Cal.Code Regs., tit. 2, § 1187.5.)

Should the Commission adopt this analysis and the proposed parameters and guidelines as modified by staff, a cover sheet would be attached indicating that the Commission adopted the analysis as its decision. The decision and adopted parameters and guidelines are then submitted to the State Controller’s Office to issue claiming instructions to local governments, and to pay and audit reimbursement claims. Issuance of the claiming instructions constitutes the notice of the right of local government to file reimbursement claims with the State Controller’s Office based on the parameters and guidelines.

Summary Chart

The following provides a brief summary of the eligible claimants, period of reimbursement, reimbursable activities, and the proposed RRM.

Subject	Issues	Staff Recommendation
Eligible Claimants	<p>Finance requests that the eligible claimants not subject to a trash TMDL be listed.</p> <p>City claimants assert that listing the claimants is not necessary.</p>	<p>List the local agency permittees eligible to claim reimbursement for placing and maintaining trash receptacles to the extent they have transit stops located in areas within their jurisdictions that are <i>not</i> subject to an operative and effective trash TMDL.</p>
Period of Reimbursement	<p>Finance requests that the reimbursement period for the costs of placing trash receptacles at transit stops with shelters be until August 1, 2002, and at remaining transit stops until February 3, 2003.</p> <p>City claimants do not want specified deadlines because costs may have been incurred after the dates in the permit, e.g., due to new transit stops.</p>	<p>The test claims were filed in September 2003 so reimbursement begins July 1, 2002 (six months after the effective date of the permit).</p> <p>Reimbursement is allowed for receptacles installed at transit stops after the deadlines in the permit. Reimbursement for installation activities is limited to one time per transit stop.</p> <p>Reimbursement under the permit continues until the effective date of a new NPDES storm water permit that supersedes the permit in the test claim</p>
Reimbursable Activities	<p>Claimants propose activities related to installation and maintenance of trash receptacles at transit stops.</p>	<p>Reimbursement is for most installation and maintenance as proposed by claimants except: (1) removing graffiti is not reimbursable; (2) installing a</p>

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	<p>Finance and the LA Regional Water Board request that identifying transit stops and installation be omitted.</p> <p>The State Controller proposes minor changes to boilerplate language and deleting reference to activities beyond installation and maintenance.</p>	<p>receptacle and pad is limited to one-time per transit stop; and (3) picking up trash is limited to not more than three times per week per receptacle.</p>
<p>Reasonable Reimbursement Methodology</p>	<p>Claimants propose an RRM of \$6.74 per trash receptacle per pickup for the ongoing activities listed in Part B of the proposed parameters and guidelines to maintain the trash receptacles. In support of the proposed RRM, the claimants submitted survey data from seven municipalities.</p> <p>Finance states the RRM does not accurately reflect the actual costs to implement the mandate.</p> <p>The State Controller’s Office requests that actual costs be reimbursed.</p>	<p>Adopt the proposed RRM because it is based on cost information from a representative sample of eligible claimants and considers the variation of costs among local agencies to implement the mandate in a cost-efficient manner. (Gov. Code, § 17518.5.)</p>

Analysis

Eligible Claimants

The mandated activity (placing and maintaining trash receptacles at all transit stops within a local agency’s jurisdiction) applies only to local agency permittees that are *not subject to a Trash TMDL*. Therefore, staff finds that local agency permittees identified in the Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, that are *not* subject to a trash TMDL, are eligible to claim reimbursement for the mandated activities.

Identifying eligible claimants for local agencies that are subject to a trash TMDL is difficult due to events leading up to and following the adoption of the permit, which resulted in separate TMDL requirements for the Los Angeles River and Ballona Creek watersheds that have impaired water bodies within the jurisdictions of some of the eligible claimants. In addition, the TMDL requirements for the Los Angeles River watershed area was not operative and effective during the period from July 1, 2002 (when the period of reimbursement for the mandated activities begins) until late September 2008 due to legal challenges. Staff finds, however, that all local agency permittees are eligible to claim reimbursement for placing and maintaining trash receptacles to the extent they have transit stops located in areas within their jurisdictions that are *not* covered by an operative and effective trash TMDL.

Ballona Creek Trash TMDL: The state’s trash TMDL for the Ballona Creek area has been in effect since March 2002. Thus, the permittees identified as responsible jurisdictions in the Ballona Creek trash TMDL were “subject to a trash TMDL” in March 2002 for the water bodies in the area, before the

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beginning of the reimbursement period for the mandate in question (July 1, 2002). The local agencies identified in the Ballona Creek trash TMDL are:

Beverly Hills, Culver City, Inglewood, Los Angeles, Los Angeles County, Santa Monica, and West Hollywood.

Thus, local agency permittees identified in the Ballona Creek trash TMDLs are eligible for reimbursement only to the extent they have transit stops located in areas not subject to a trash TMDL.

Los Angeles River Trash TMDL: This trash TMDL was not effective from August 28, 2002, until September 22, 2008 due to legal challenges. Thus, from August 28, 2002, until September 22, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, and Vernon.

Beginning September 23, 2008, the local agencies listed above that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the Los Angeles River trash TMDL.

Period of Reimbursement

Government Code section 17557, subdivision (e), establishes eligibility to claim reimbursement for a reimbursable state-mandated program beginning in the fiscal year prior to the fiscal year the test claim was filed. In this case, the test claims were filed in September 2003, so the period of reimbursement for this claim begins July 1, 2002 (six months after the operative and effective date of the permit).

Finance requests that the reimbursement period for placement of the trash receptacles be up to August 1, 2002 for transit stops with shelters, and up to February 3, 2003 for the remaining transit stops. The cities object to limiting reimbursement to activities performed before these deadlines because costs may be incurred to place receptacles at new transit stops due to changing transit routes.

Staff finds that the “Period of Reimbursement” section of the parameters and guidelines should not limit reimbursement to the costs of placing trash receptacles at transit stops to only those costs incurred before the permit deadlines because the permit does not excuse municipalities who fail to meet the placement deadline from performing the mandated activity. In addition, transit stops may be added after the deadlines in the permit. Staff also finds, however, that the reimbursement for installation activities is limited to one-time per transit stop. Reimbursement under the permit continues until the effective date of a new NPDES storm water permit that supersedes the permit in the test claim. (Permit CAS004001, California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182.)

Reimbursable Activities

Based on the evidence in the record, staff finds that for each eligible local agency, the following activities should be reimbursable:

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- A. Install Trash Receptacles (one-time per transit stop, reimbursed using actual costs):
 1. Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.
 2. Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings.
 3. Prepare contracts, conduct specification review process, advertise bids, and review and award bids.
 4. Purchase or construct receptacles and pads and install receptacles and pads.
 5. Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location.
- B. Maintain Trash Receptacles and Pads (on-going, reimbursed using the reasonable reimbursement methodology):
 1. Collect and dispose of trash at a disposal/recycling facility. *This activity is limited to no more than three times per week.*
 2. Inspect receptacles and pads for wear, cleaning, emptying, and other maintenance needs.
 3. Maintain receptacles and pads. This activity includes painting, cleaning, and repairing receptacles; and replacing liners. The cost of paint, cleaning supplies and liners is reimbursable. *Graffiti removal is not reimbursable.*
 4. Replace individual damaged or missing receptacles and pads. The costs to purchase and install replacement receptacles and pads and dispose of or recycle replaced receptacles and pads are reimbursable.

Reasonable Reimbursement Methodology

Staff finds that actual costs should be reimbursed for the one-time activities listed in section A above.

Staff finds that an RRM should be adopted to reimburse eligible local agencies for all direct and indirect costs for all of the on-going activities identified in section B above to maintain trash receptacles. (Gov. Code, §§ 17557, subd. (b) & 17518.) The RRM is in lieu of filing a detailed documentation of actual costs. Under the RRM, the annual unit cost of \$6.74 for each trash collection or “pickup” is multiplied by the annual number of trash collections (number of receptacles times pickup events for each receptacle), subject to the limitation of no more than three pickups per receptacle per week. Beginning in fiscal year 2009-2010, the RRM shall be adjusted by the implicit price deflator as forecast by the Department of Finance.

Staff finds that the proposed RRM is “based on cost information from a representative sample of eligible claimants” (Gov. Code, § 17518.5, subd. (b)) and implements “the mandate in a cost-efficient manner.” (Gov. Code, § 17518.5, subd. (c).)

Conclusion & Recommendation

Staff recommends that the Commission adopt this analysis as its decision along with the attached proposed parameters and guidelines, as modified by staff.

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Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

STAFF ANALYSIS

Claimants

County of Los Angeles (03-TC-04); Cities of Artesia, Beverly Hills, Carson, Norwalk, Rancho Palos Verdes, Westlake Village, Azusa, Commerce, and Vernon, Claimants (03-TC-20); Bellflower, Covina, Downey, Monterey Park, and Signal Hill, Claimants (03-TC-21)

Chronology

- 09/02/03 Test claim 03-TC-04 (*Transit Trash Receptacles*) filed by County of Los Angeles
- 09/26/03 Test claim 03-TC-19 (*Inspection of Industrial/Commercial Facilities*) filed by County of Los Angeles⁷
- 09/30/03 Test Claim 03-TC-20 (*Waste Discharge Requirements*) filed by the Cities of Artesia, Beverly Hills, Carson, La Mirada, Monrovia, Norwalk, Rancho Palos Verdes, San Marino, and Westlake Village⁸
- 09/30/03 Test Claim 03-TC-21 (*Storm Water Pollution Requirements*) filed by the Cities of Baldwin Park, Bellflower, Cerritos, Covina, Downey, Monterey Park, Pico Rivera, Signal Hill, South Pasadena, and West Covina⁹
- 07/31/09 Commission adopts Statement of Decision
- 08/04/09 Commission staff notifies parties and interested parties that issuance of the Statement of Decision would be delayed
- 08/26/09 County claimant submits proposed parameters and guidelines
- 08/28/09 Cities submit proposed parameters and guidelines
- 09/03/09 Commission issues Statement of Decision
- 10/19/09 LA Regional Water Board submits comments on the draft parameters and guidelines
- 10/23/09 Department of Finance submits comments on the draft parameters and guidelines
- 11/13/09 County claimant submits rebuttal comments to the state agency comments
- 11/18/09 City claimants submit rebuttal comments to the state agency comments
- 01/07/10 Commission staff requests further information on the proposed parameters and guidelines
- 01/27/10 LA Regional Water Board submits requested information on the proposed parameters and guidelines

⁷ In adopting the Statement of Decision, the Commission found that the sections of the permit and activities pled in 03-TC-19 (*Inspection of Industrial/Commercial Facilities*) do not constitute a reimbursable state-mandated program.

⁸ When the test claim was resubmitted in November 2007, the cities of La Mirada, Monrovia and San Marino were not included, and Azusa, Commerce and Vernon were added.

⁹ When the test claim was resubmitted in July 2008, the cities of Baldwin Park, Cerritos, Pico Rivera, South Pasadena, and West Covina were not included.

- 02/12/10 City claimants submit comments on the information from the LA Regional Water Board
- 03/25/10 Commission staff participates in an informal conference on the proposed parameters and guidelines
- 05/13/10 County claimant requests extension of time to submit revised parameters and guidelines that includes a reasonable reimbursement methodology (RRM)
- 05/20/10 Commission staff grants County claimants extension of time to submit revised parameters and guidelines and RRM
- 06/01/10 County claimant submits proposed revised parameters and guidelines and RRM, with attached letter (dated 5/24/10) from the League of California Cities and California State Association of Counties supporting the RRM
- 06/04/10 City claimants submit proposed revised parameters and guidelines and RRM
- 06/09/10 Commission staff deems proposed revised parameters and guidelines to be complete
- 07/09/10 Department of Finance requests an extension to respond to the proposed revised parameters and guidelines
- 07/26/10 State Controller's Office submits comments on the revised parameters and guidelines and RRM
- 07/27/10 Department of Finance submits comments on the revised parameters and guidelines and RRM
- 08/24/10 County claimant submits rebuttal comments to Controller's and Finance's comments
- 08/26/10 City claimants submit rebuttal comments to Controller's and Finance's comments
- 02/08/11 Commission staff issues draft staff analysis and proposed parameters and guidelines
- 02/18/11 State Controller's Office submits comments on the proposed parameters and guidelines
- 02/24/11 County claimant submits comments on the proposed parameters and guidelines
- 02/25/11 City claimants submit comments on the proposed parameters and guidelines
- 03/01/11 Department of Finance submits comments on the proposed parameters and guidelines
- 03/03/11 County claimant submits comments on the proposed parameters and guidelines (graffiti removal)

I. Background

The consolidated test claim was filed by the County of Los Angeles and several cities in the County of Los Angeles, alleging that various sections of the 2001 storm water permit (Permit CAS004001) adopted by the Los Angeles Regional Water Quality Control Board constitute a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution. The permit covers the Los Angeles County Flood Control District, Los Angeles County, and 84 cities in Los Angeles County (all cities except Long Beach). On July 31, 2009, the Commission adopted a Statement of Decision, finding that part 4F5c3 of the permit imposes a reimbursable state-mandated program on specified local agencies. Part 4F5c3 states the following:

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Permittees not subject to a trash TMDL [total maximum daily load] shall [¶]...[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.¹⁰

The Commission found that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL) is entitled to reimbursement to: “Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.” All other activities pled in the test claim were denied by the Commission. The Statement of Decision was issued in September 2009.

In August 2009, the County of Los Angeles and the city claimants submitted separate proposed parameters and guidelines in accordance with Government Code section 17557. The claimants’ proposals request reimbursement for placing and maintaining trash receptacles as mandated by the permit. The claimants also request reimbursement pursuant to Government Code section 17557 and section 1183.1, subdivision (a)(4), of the Commission’s regulations for activities the claimants assert to be “the most reasonable methods of complying with the mandate.” The claimants have proposed that a reasonable reimbursement methodology (RRM) for reimbursing local agencies be included within the parameters and guidelines.

The revised proposed parameters and guidelines and proposed RRM were submitted by the County of Los Angeles on June 1, 2010, and by the cities on June 4, 2010.

As indicated in the discussion below, the Department of Finance, the State Water Resources Control Board, the State Controller’s Office, and the Los Angeles Regional Water Control Board contend that many of the activities identified by the claimants go beyond the scope of the mandate and should not be reimbursable. In addition, Finance and the State Controller’s Office oppose the adoption of an RRM and, instead, request that the parameters and guidelines require eligible claimants to claim actual costs incurred, supported by documentation of the costs. The state agencies also seek to clarify the eligible claimants under this mandate and the eligible period of reimbursement.

II. Commission’s Responsibility for Adopting Parameters and Guidelines

If the Commission approves a test claim, the Commission is required by Government Code section 17557 to adopt parameters and guidelines for the reimbursement of any claims. The successful test claimant is required to submit proposed parameters and guidelines to the Commission for review. The parameters and guidelines shall include the following information: a summary of the mandate; a description of the eligible claimants; a description of the period of reimbursement; a description of the specific costs and types of costs that are reimbursable, including activities that are not specified in the test claim statute or executive order, but are determined to be reasonably necessary for the performance of the state-mandated program; instructions on claim preparation, including instructions for the direct or

¹⁰ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.

indirect reporting of the actual costs of the program or the application of an RRM; and any offsetting revenue or savings that may apply.¹¹

The Commission may adopt an RRM for inclusion in the parameters and guidelines.¹² An RRM may be proposed by the claimant, an interested party, the Department of Finance, the Controller's Office, or another affected state agency. An RRM is defined as "a formula for reimbursing local agencies and school districts for costs mandated by the state" and is based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed documentation of actual local costs.

In cases when local agencies and school districts are projected to incur costs to implement a mandate over a period of more than one fiscal year, the determination of an RRM may consider local costs and state reimbursements over a period of greater than one fiscal year, but not exceeding 10 years. An RRM shall be based on cost information from a representative sample of eligible claimants, information provided by associations of local agencies and school districts, or other projections of local costs. In addition, the RRM shall consider the variation in costs among local agencies and school districts to implement the mandate in a cost-efficient manner.¹³

As of January 1, 2011, the hearing on the adoption of proposed parameters and guidelines is conducted under Article 7 of the Commission's regulations.¹⁴ Article 7 hearings are quasi-judicial hearings. The Commission is required to adopt a decision that is based on substantial evidence in the record, and oral or written testimony is offered under oath or affirmation.¹⁵ Each party has the right to present witnesses, introduce exhibits, and submit declarations. However, the hearing is not conducted according to the technical rules of evidence. Any relevant non-repetitive evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs. Irrelevant and unduly repetitious evidence shall be excluded. Hearsay evidence may be used to supplement or explain, but is not sufficient in itself to support a finding unless the hearsay evidence would be admissible in civil actions.¹⁶

Should the Commission adopt this analysis and proposed parameters and guidelines, a cover sheet would be attached indicating that the Commission adopted the analysis as its decision. The decision and adopted parameters and guidelines are then submitted to the State Controller's Office to issue claiming instructions to local governments, and to pay and audit reimbursement claims. Issuance of the claiming instructions constitutes the notice of the right of local governments to file reimbursement claims with the State Controller's Office based on the parameters and guidelines.

¹¹ Government Code section 17557; California Code of Regulations, Title 2, section 1183.1.

¹² Government Code section 17557, subdivision (b); California Code of Regulations, Title 2, section 1183.131.

¹³ Government Code section 17518.5.

¹⁴ California Code of Regulations, Title 2, section 1187.

¹⁵ Government Code section 17559, subdivision (b); California Code of Regulations, Title 2, section 1187.5.

¹⁶ California Code of Regulations, Title 2, section 1187.5.

III. Discussion

The analysis of the proposals and comments submitted by the parties, and a description of the proposed parameters and guidelines and RRM are explained below.

A. Summary of the Mandate

City claimants submitted the following language for the “Summary of the Mandate” in their proposed parameters and guidelines:

1. Planning (including indentifying transit stops, evaluating and selecting trash receptacle type, evaluation of placement of trash receptacles and specification and drawing preparation); preliminary engineering work (construction contract preparation and specification review, bid advertising and award process); construction and installation of trash receptacles (including fabrication and installation of receptacles and foundations and construction management); and
2. Trash collection and receptacle maintenance (including repair and replacement of receptacles as required).

The Department of Finance requests that the “Summary of the Mandate” section simply identify what the Commission approved in the Statement of Decision and not contain other language or proposed reimbursable activities.¹⁷

Staff agrees with Department of Finance’s comments. The “Summary of the Mandate” section of the parameters and guidelines is intended to summarize only the activities approved in the Statement of Decision that are mandated from the language of the permit. The summary does not include the detailed list of proposed activities that are reasonably necessary to comply with the mandate.

Thus, staff finds that the “Summary of the Mandate” section of the parameters and guidelines should state:

This consolidated test claim was filed by the County of Los Angeles and several cities in the Los Angeles region, alleging that various sections of the 2001 storm water permit (Permit CAS004001) adopted by the Los Angeles Regional Water Quality Control Board constitute a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution. On July 31, 2009, the Commission adopted a Statement of Decision, finding that part 4F5c3 of the permit imposes a reimbursable state-mandated program on specified local agencies. (California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.) Part 4F5c3 states the following:

Permittees not subject to a trash TMDL [total maximum daily load] shall [¶]...[¶] Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.¹⁸

¹⁷ Department of Finance comments dated October 23, 2009.

¹⁸ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.

The Commission found that each local agency subject to the permit and not subject to a trash total maximum daily load (TMDL), is entitled to reimbursement to: “Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.” All other activities pled in the test claim were denied by the Commission. The Statement of Decision was issued in September 2009.

B. Eligible Claimants

The mandated activity (placing and maintaining trash receptacles at all transit stops within a local agency’s jurisdiction) applies only to local agency permittees¹⁹ that are *not subject to a Trash TMDL* as stated in Part 4F5c3 as quoted above.

Section II of the proposed parameters and guidelines submitted by the County of Los Angeles identifies the eligible claimants as follows:

The County of Los Angeles, Los Angeles County Flood Control District and all cities covered under the municipal storm water permit issued by the Los Angeles Regional Water Quality Control Board in Order No. 01182, Permit No. CAS0040001, in Part 4F5c3, to the extent that these local agencies are not or were not subject to coverage under a trash “Total Maximum Daily Load,” or TMDL requirement.²⁰

The city claimants propose similar language as follows:

The County of Los Angeles, Los Angeles County Flood Control District, and all cities covered under the Permit, to the extent that the same are not or were not subject to coverage under a trash TMDL requirement.²¹

¹⁹ All of the local agencies subject to the permit are listed in the permit as follows: Los Angeles County, Los Angeles Flood Control District, Cities of Agoura Hills, Alhambra, Arcadia, Artesia, Azusa, Baldwin Park, Bell, Bellflower, Bell Gardens, Beverly Hills, Bradbury, Burbank, Calabasas, Carson, Cerritos, Claremont, Commerce, Compton, Covina, Cudahy, Culver City, Diamond Bar, Downey, Duarte, El Monte, El Segundo, Gardena, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Hermosa Beach, Hidden Hills, Huntington Park, Industry, Inglewood, Irwindale, La Cañada-Flintridge, La Habra Heights, Lakewood, La Mirada, La Puente, La Verne, Lawndale, Lomita, Los Angeles, Lynwood, Malibu, Manhattan Beach, Maywood, Monrovia, Montebello, Monterey Park, Norwalk, Palos Verdes Estates, Paramount, Pasadena, Pico Rivera, Pomona, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Clarita, Santa Fe Springs, Santa Monica, Sierra Madre, Signal Hill, South El Monte, South Gate, South Pasadena, Temple City, Torrance, Vernon, Walnut, West Covina, West Hollywood, Westlake Village, and Whittier. California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), pages 15-16.

²⁰ County of Los Angeles’ revised parameters and guidelines, filed June 1, 2010.

²¹ Revised parameters and guidelines filed June 4, 2010, by Burhenn & Gest, LLP, on behalf of the Cities of Artesia, Azusa, Bellflower, Beverly Hills, Carson, Commerce, Covina, Downey, Monterey Park, Norwalk, Rancho Palos Verdes, and Signal Hill.

The Department of Finance requests that Section II of the proposed parameters and guidelines be amended to list the eligible claimants that are not subject to a TMDL requirement.²²

As described below, the analysis of this issue is complicated by the various events leading up to and following the adoption of the permit at issue in this case that resulted in separate TMDL requirements for those watershed areas identified as having impaired water bodies within the jurisdictions of some of the eligible claimants. In addition, the TMDL requirements for the watershed area along the Los Angeles River were not operative and effective during the entire period from July 1, 2002 (when the period of reimbursement for the mandated activities begins) until late September 2008 due to legal challenges. Staff finds, however, that all local agency permittees are eligible to claim reimbursement for placing and maintaining trash receptacles to the extent they have transit stops located in areas within their jurisdictions that are *not* covered by an operative and effective trash TMDL.

1. Trash TMDLs

The plain language of part 4F5c3 of the permit states that the mandate to place and maintain trash receptacles at transit stops within the permittees' jurisdictions applies only to permittees that are "not subject to a trash TMDL." "TMDL" stands for "total maximum daily load" and stems from federal law. Under the federal Clean Water Act, the states are required to identify polluted waters that have failed to meet the water quality standards under the National Pollution Discharge Elimination System (NPDES) permit system. These identified waters are classified as "impaired."²³ Once impaired waters are identified, the states are required to rank them in order of priority, and based on the ranking, calculate levels of permissible pollution called "total maximum daily loads" or TMDLs, that can be discharged into the water bodies at issue.²⁴ The State Water Resources Control Board (hereafter "State Board") defines a TMDL as "a written plan that describes how an impaired water body will meet water quality standards, it [sic] contains a measurable feature to describe attainment of the water quality standard(s), a description of required actions to remove the impairment, an allocation of responsibility among dischargers to act in the form of actions or water quality conditions for which each discharger is responsible."²⁵

TMDLs are developed in draft form by the staff of the regional water boards and then adopted as amendments to each regional board's water quality control plan, or Basin Plan. The Basin Plan amendments are then submitted to the State Board, and then subsequently to the Office of Administrative Law (OAL) for approval. After approval by the State Board and OAL, the amended Basin Plan that includes the TMDL is submitted for approval to the U.S. Environmental Protection

²² Department of Finance comments filed October 23, 2009.

²³ Section 303(d) of the Clean Water Act (codified as 33 U.S.C. § 1313).

²⁴ See summaries of the Clean Water Act and the TMDLs in *City of Arcadia v. U.S. Environmental Protection Agency* (2003) 265 F.Supp.2d 1142, 1143-1146, and *City of Arcadia v. State Water Resources Control Board* (2006) 135 Cal.App.4th 1392, 1403-1407.

²⁵ State Water Resources Control Board, "Total Maximum Daily Loads (TMDL), Questions & Answers," April 2001.

Agency (EPA).²⁶ The TMDL is not effective until the U.S. EPA approves the TMDL. If the U.S. EPA disapproves the state's TMDL, it must establish its own TMDL within 30 days of the disapproval.²⁷

Thus, a trash TMDL imposes separate requirements and goals on a local entity for reducing pollution specific to the area that is subject to the TMDL. A trash TMDL was not pled in the test claim and there has been no finding that requirements imposed by a trash TMDL are state-mandated within the meaning of article XIII B, section 6. The mandated program here only applies to those permittees that have trash receptacles in areas that are not subject to a trash TMDL.

a) Trash TMDLs adopted for the Los Angeles River and Ballona Creek Watershed Areas

With respect to the local agency permittees in this case, the LA Regional Board adopted two TMDLs for trash for the water bodies in the Los Angeles River and Ballona Creek watershed areas on September 19, 2001, three months before the adoption of the permit and mandate at issue here. The trash TMDLs require annual reductions in trash from an established baseline for each permittee identified as a responsible jurisdiction in the TMDL, until the final target of zero trash discharge is attained over a period of several years.²⁸ On February 19, 2002, the State Board approved and adopted the two trash TMDLs. On July 16, 2002, OAL approved the TMDLs, and on August 1, 2002, U.S. EPA sent a letter to the State Board approving the TMDLs.²⁹ The LA Regional Board reports that these TMDLs became effective on August 28, 2002.³⁰

Prior to the approval of the two TMDLs, however, U.S. EPA issued its own interim TMDLs for trash for the water bodies in the Los Angeles and Ballona Creek watershed areas pursuant to a consent decree signed in the *Heal the Bay, et al. v. Browner* lawsuit (No. C 98-4825). The *Heal the Bay* lawsuit challenged EPA's alleged failure to either approve or disapprove TMDLs for the State of California. Pursuant to the consent decree, EPA was required to either have approved a state-submitted TMDL for trash in the Los Angeles region or to have established the TMDL itself by a March 24, 2002 deadline.³¹ The State did not adopt and submit a final TMDL by the consent decree deadline so in March 2002 EPA adopted a trash TMDL for the water bodies in the Los Angeles River and Ballona Creek watershed areas.

²⁶ State Water Resources Control Board, "Total Maximum Daily Loads (TMDL), Questions & Answers," April 2001. See also, *City of Arcadia, supra*, 265 F.Supp.2d 1142, 1147.

²⁷ 33 U.S.C. section 1313(d)(2); see also, California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), page 10.

²⁸ 2001 TMDLs for trash adopted for Ballona Creek and Los Angeles River watershed areas.

²⁹ U.S. EPA, August 1, 2002 letter to the State Water Resources Control Board approving the LA River and Ballona Creek trash TMDLs. See also, *City of Arcadia, supra*, 265 F.Supp.2d 1142, 1147.

³⁰ California Regional Water Quality Control Board, Los Angeles Region, "Basin Plan Amendments – TMDLs." <www.waterboards.ca.gov/losangeles/water_issues/programs/tmdl/tmdl_list.shtml> as of March 8, 2010

³¹ *City of Arcadia, supra*, 265 F.Supp.2d 1142, 1146, fn. 5, where the court found the TMDL deadline date under the consent decree to be March 24, 2002, rather than March 22, 2002 as contended by the parties (and published by the Regional Board).

EPA's TMDLs were based largely on the TMDLs for trash adopted by the LA Regional Board, but did not contain implementation measures.³² When EPA approved the State's trash TMDLs on August 1, 2002, its letter announced that the State's TMDLs "supersede" the EPA trash TMDLs as follows: "The approved State TMDLs for trash for Los Angeles River Watershed and Ballona Creek and Wetland now supersede the TMDLs established by EPA in March; therefore, the State's TMDLs are now the applicable TMDLs for Clean Water Act purposes."³³ No further federal trash TMDLs have been issued by the EPA for the water bodies in the Ballona Creek and Los Angeles River watershed areas.³⁴

b) The Ballona Creek Trash TMDL has been in effect since March 2002

The State's trash TMDL for the Ballona Creek area has been in effect since March 2002.³⁵ Thus, the permittees identified as responsible jurisdictions in the Ballona Creek trash TMDL were "subject to a trash TMDL" in March 2002 for the water bodies in the area, before the beginning of the reimbursement period for the mandate in question here (July 1, 2002). The local agencies identified in the Ballona Creek trash TMDL are:

Beverly Hills, Culver City, Inglewood, Los Angeles, Los Angeles County, Santa Monica, and West Hollywood.³⁶

c) The Los Angeles River Trash TMDL was not effective or operative from August 28, 2002, until September 22, 2008 due to legal challenges

The State's trash TMDL for the water bodies in the Los Angeles River watershed area was challenged by 22 cities. The Court of Appeal in *City of Arcadia v. State Water Resources Control Board* (2006) 135 Cal.App.4th 1392, found that the state did not adequately comply with CEQA when adopting the TMDL and in 2006, declared the trash TMDL for the Los Angeles River watershed area void. The court

³² State Water Resources Control Board, Staff Reports supporting approval of the Trash TMDLs for the Los Angeles River and Ballona Creek watershed areas, July 30, 2002; and letter dated August 1, 2002, from the U.S. EPA approving the TMDLs.

³³ *Ibid.*

³⁴ U.S. EPA, Region 9, "Monitoring, Assessment and TMDLs: EPA-established TMDLs" which lists the March 2002 trash TMDLs for the Los Angeles River and Ballona Creek watersheds adopted by EPA and indicates they were superseded by State trash TMDLs in August 2002. No further EPA TMDLs are listed.

³⁵ In 2003, the county and City of Los Angeles filed a lawsuit to challenge the Ballona Creek TMDL. The county, city, and the state entered into a settlement agreement that resulted in an amendment to the Ballona Creek TMDL. The amendment was adopted by the Regional and State Water Boards in 2004, approved by OAL in February 2005, and became effective on August 11, 2005. (See BPA Detail published by the Los Angeles Regional Water Quality Control Board for the Basin Plan amendment, Resolution No. 2004-023.)

³⁶ Regional Water Quality Control Board, Los Angeles Region, letter dated January 26, 2010, Appendix I to Regional Board's TMDL for the Ballona Creek and Wetland, dated September 19, 2001.

issued a writ of mandate directing the State and Regional Water Boards to set aside the TMDL until it was brought into compliance with CEQA.³⁷

In accordance with the court's order, the LA Regional Board set aside the 2001 action incorporating the TMDL into the Basin Plan (Resolution R06-013) on June 8, 2006. The trash TMDL was subsequently approved by the State Board, OAL, and EPA, and became effective on September 23, 2008.³⁸

Thus, the permittees identified as responsible jurisdictions in the Los Angeles River trash TMDL were subject to the federal trash TMDL from March 2002 (before the period of reimbursement began in this case on July 1, 2002) until August 27, 2002. On August 28, 2002, the state's trash TMDL initially became effective, but was later determined void by the court and set aside. As noted above, there is no evidence that the federal trash TMDL took effect or became operative during the period the state's TMDL was set aside. Thus, the permittees listed in the Los Angeles River trash TMDL were not subject to a trash TMDL and were required to comply with the mandate to place and maintain trash receptacles at all transit stops in their jurisdictions from August 28, 2002, until September 22, 2008, the day before the trash TMDL was finally approved. The following day, these permittees became subject to the State's trash TMDL for the Los Angeles River watershed area and, therefore, were no longer required to adhere to the permit's transit stop trash receptacle requirements that are the subject of these parameters and guidelines. According to the LA Regional Board, the following local agencies are subject to the Los Angeles River trash TMDL:

Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson, Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills, Huntington Park, Irwindale, La Canada Flintridge, Los Angeles, Los Angeles County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount, Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena, Temple City, and Vernon.³⁹

2. Local agency permittees that are listed in the Los Angeles River or Ballona Creek trash TMDLs are eligible to claim reimbursement for the mandated program to the extent they have transit stops located in areas not subject to the trash TMDL

In comments submitted February 12, 2010, city claimants argue that only portions of the local agency jurisdictions listed in the TMDLs are subject to the trash TMDLs. Thus, the city claimants argue that if a portion of a local agency lies in an area *without* a trash TMDL, it still is entitled to reimbursement. The cities state the following:

³⁷ *City of Arcadia, supra*, 135 Cal.App.4th at page 1436; see also the summary of the TMDL in the Regional Board's Fact Sheet supporting 2009 amendments to the Los Angeles River trash TMDL, pages 2-4.

³⁸ Regional Water Quality Control Board, Los Angeles Region, letter dated January 26, 2010, Fact Sheet supporting 2009 amendments to the Los Angeles River trash TMDL, pages 4.

³⁹ Regional Water Quality Control Board, Los Angeles Region, letter dated January 26, 2010; Regional Board Order No. R4-2009-0130, Appendix 7-1.

[O]nly *portions* of the Cities of Carson and Downey are located within the Los Angeles River Watershed and thus subject to the trash TMDL for the Los Angeles River watershed. For example, all but a very small portion of the City of Carson is located within the Dominguez Channel Watershed, which is not subject to a trash TMDL. More than half of the City of Downey is located within the San Gabriel River and Los Cerritos Channel Watersheds, which are also not subject to a trash TMDL.... If a city lies in part within a watershed without a trash TMDL, it still is entitled, under the Commission's decision, for a subvention of funds. (Emphasis in original.)

The cities' position is supported by the LA Regional Board staff reports for the trash TMDLs. Page 3 of the staff report for the Ballona Creek trash TMDL states that "Cities on this small coastal watershed are Culver City, Beverly Hills, West Hollywood, *parts* of Santa Monica, *parts* of Inglewood, *parts* of Los Angeles, and *some unincorporated areas* of Los Angeles County." (Emphasis added.) Page 23 of the Los Angeles River TMDL (revised draft: July 27, 2007) describes "cities that are only partially located in the watershed" under the description for the refined baseline waste load allocations.⁴⁰

Thus, even when the TMDLs are valid and in effect, the local agency permittees that are listed in the Los Angeles River or Ballona Creek trash TMDLs are eligible to claim reimbursement for the mandated program to the extent these local agency permittees have transit stops located in areas not covered by the trash TMDL requirements.

3. Costs of carrying out the transit trash receptacle mandate until the trash TMDLs are in their implementation phase under Part 4F5b of the permit are beyond the scope of the mandate and are not reimbursable

Finally, the claimants have suggested that permittees subject to a trash TMDL are eligible for reimbursement to place and maintain trash receptacles at all transit stops in their jurisdiction pursuant to Part 4F5c3 of the permit until the trash TMDL is "implemented." Part 4F5b of the permit states that "if the implementation phase for the Los Angeles River and Ballona Creek Trash TMDLs has not begun by October 2003, subject Permittees shall implement the requirements described below in subsection 5(c), until such time programs in conformance with the subject Trash TMDLs are being implemented." However, part 4F5b of the permit was not pled in this test claim and the Commission has made no mandate findings on that part of the permit. Any reimbursement stemming from Part 4F5b goes beyond the scope of the mandated program in Part 4F5c3.

4. Staff Finding on "Eligible Claimants"

Staff finds that Section II of the parameters and guidelines that describe the "Eligible Claimants" should state the following:

The following local agencies that incur increased costs as a result of this mandate are eligible to claim reimbursement:

- Local agency permittees identified in the Los Angeles Regional Water Quality Control Board Order No. 01-182, Permit CAS004001, that are *not* subject to a trash TMDL are eligible to claim reimbursement for the mandated activities.

⁴⁰ California Regional Water Quality Control Board, Los Angeles Region, "Trash Total Maximum Daily Loads for the Los Angeles River Watershed." Revised draft: July 27, 2007, page 23.

- The following local agency permittees that are subject to the Ballona Creek trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the Ballona Creek trash TMDL requirements:
 Beverly Hills, Culver City, Inglewood, Los Angeles (City), Los Angeles County
 Santa Monica, and West Hollywood
- From August 28, 2002, until September 22, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities:
 Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson,
 Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills,
 Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles
 County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount,
 Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita,
 Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena,
 Temple City, and Vernon
- Beginning September 23, 2008, the following local agency permittees that are subject to the Los Angeles River trash TMDL are eligible to claim reimbursement for the mandated activities only to the extent they have transit stops located in areas not covered by the Los Angeles River trash TMDL requirements:
 Alhambra, Arcadia, Bell, Bell Gardens, Bradbury, Burbank, Calabasas, Carson,
 Commerce, Compton, Cudahy, Downey, Duarte, El Monte, Glendale, Hidden Hills,
 Huntington Park, Irwindale, La Canada Flintridge, Los Angeles (City), Los Angeles
 County, Lynwood, Maywood, Monrovia, Montebello, Monterey Park, Paramount,
 Pasadena, Pico Rivera, Rosemead, San Fernando, San Gabriel, San Marino, Santa Clarita,
 Sierra Madre, Signal Hill, Simi Valley, South El Monte, South Gate, South Pasadena,
 Temple City, and Vernon

C. Period of Reimbursement

Government Code section 17557, subdivision (e), establishes eligibility to claim reimbursement for a reimbursable state-mandated program beginning in the fiscal year prior to the fiscal year the test claim was filed.⁴¹ In this case, the test claims were filed in September 2003 (fiscal year 2003-2004) and, thus, the period of reimbursement for this claim begins July 1, 2002 (six months after the operative and effective date of the permit: December 13, 2001).⁴²

Part 4F5c3 of the permit establishes deadlines to perform the mandated activity to place trash receptacles at transit stops. The plain language requires local agency permittees to place trash

⁴¹ Government Code section 17557, subdivision (e), states that “A test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year.”

⁴² California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), page 70, as well as the footer on each page of the permit.

receptacles at all transit stops within their jurisdictions that have shelters no later than August 1, 2002, and at all other transit stops no later than February 3, 2003. The Department of Finance requests that the language in the “Period of Reimbursement” section of the parameters and guidelines include these deadlines. In its October 23, 2009 comments, Finance recommends that the Commission:

Identify the reimbursement period, effective July 1, 2002, for the costs associated with placing trash receptacles at transit stops with shelters until August 1, 2002, and at remaining transit stops until February 3, 2003. The reimbursement period, however, for the ongoing maintenance of those trash receptacles continues until the test claim permit is no longer valid.

The cities, in comments filed November 13, 2009, do not want the deadlines to be identified in the parameters and guidelines because “costs may have been incurred after those dates. For example, after those dates, municipalities may be required to place trash receptacles at new transit stops as the result of changes in transit routes.”

Staff finds that the “Period of Reimbursement” section of the parameters and guidelines should not limit reimbursement to the costs of placing trash receptacles at transit stops to only those costs incurred before the deadlines. There is no indication in the permit, or in any document issued by the LA Regional Water Board, that local agencies that fail to meet the deadlines are then not required to perform the mandated activity to place the trash receptacles at all transit stops. In fact, limiting the mandate to activities performed only before the deadlines would defeat the purpose of the mandate to “reduce the discharge of pollutants into storm water to the maximum extent practicable.”⁴³ Moreover, local agencies are required to install trash receptacles at “all transit stops,” including those transit stops that are added by a transit agency after the deadlines in the permit have passed. Therefore, although staff finds that the claimants should be reimbursed for receptacles installed at transit stops after the dates in the permit, staff also finds that the reimbursement for installation activities (as discussed further below) should be limited to one-time per transit stop.

As to the ending date for reimbursement, even though the permit at issue expires by its own terms on December 12, 2006,⁴⁴ staff finds that the mandate continues past that date until a new permit is approved and issued by the Regional Water Board.

The federal regulation on expired permits states:

States authorized to administer the NPDES program may continue either EPA or State-issued permits until the effective date of the new permits, if State law allows. Otherwise, the facility or activity is operating without a permit from the time of expiration of the old permit to the effective date of the State-issued new permit.⁴⁵

⁴³ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), pages 7 and 13.

⁴⁴ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), page 70.

⁴⁵ 40 Code of Federal Regulations, section 122.6 (d).

California's regulations provide for automatically continuing expired permits.

The terms and conditions of an expired permit are automatically continued pending issuance of a new permit if all requirements of the federal NPDES regulations on continuation of expired permits have been complied with.⁴⁶

In short, the law provides for automatic continuation of the permit until a new one is approved. There is no evidence in the record that a new NPDES storm water permit has been issued for Los Angeles County. Therefore, staff finds that reimbursement under the permit continues until the effective date of a new NPDES storm water permit that supersedes the permit in the test claim. (Permit CAS004001, California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182.)

Accordingly, staff finds that the following language in Section III of the parameters and guidelines addressing the "Period of Reimbursement" should be adopted:

Government Code section 17557 states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that fiscal year.

The County of Los Angeles filed a test claim on *Transit Trash Receptacles* (03-TC-04) on September 2, 2003. The Cities of Artesia, Beverly Hills, Carson, La Mirada, Monrovia, Norwalk, Rancho Palos Verdes, San Marino, and Westlake Village filed a test claim on *Waste Discharge Requirements* (03-TC-20) on September 30, 2003. The Cities of Baldwin Park, Bellflower, Cerritos, Covina, Downey, Monterey Park, Pico Rivera, Signal Hill, South Pasadena, and West Covina filed a test claim on *Storm Water Pollution Requirements* (03-TC-21) on September 30, 2003. Each test claim alleged that Part 4F5C3 of the Los Angeles Regional Water Quality Control Board Order No. 01-182, Permit CAS004001 was a reimbursable state-mandated program. The filing dates of these test claims establish eligibility for reimbursement beginning July 1, 2002, pursuant to Government Code section 17557, subdivision (e), and continues until a new NPDES permit issued by the Regional Water Quality Control Board for Los Angeles is adopted.

Reimbursement for state-mandated costs may be claimed as follows:

1. Costs for one fiscal year shall be included in each claim.
2. All claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions. (Gov. Code, § 17561, subd. (b)(1)(A).)
3. A local agency may, by February 15 following the fiscal year in which costs were incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year. (Gov. Code, § 17560, subd. (a).)
4. In the event revised claiming instructions are issued by the Controller pursuant to Government Code section 17558, subdivision (c), between November 15 and February 15, a local agency filing an annual reimbursement claim shall have 120 days following the

⁴⁶ California Code of Regulations, title 23, section 2235.4.

issuance date of the revised claiming instructions to file a claim. (Gov. Code, § 17560, subd. (b).)

5. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564, subdivision (a).
6. There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

D. Reimbursable Activities

City and county claimants submitted the following activities in their proposed parameters and guidelines, along with the proposed reasonable reimbursement methodology in June 2010:

A. Installation of Trash Receptacles:

1. Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.
2. Evaluate and select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and/or drawings.
3. Contract preparation, specification review process, bid advertising, and review and award of bid.
4. Purchase receptacles/pads and/or construct receptacles/pads and install receptacles.⁴⁷
5. Repeat steps 3-4 above when necessary for replacement of receptacles/pads.⁴⁸

B. Maintenance of Trash Receptacles

1. Collection of trash on routine basis, including trash collection and disposal at disposal/recycling facility.
2. Inspection of receptacles and pads for wear, cleaning, emptying and other maintenance needs.
3. Maintenance of receptacles and pads, including painting, cleaning and repair of receptacles and replacement of liners, and cost of paints, cleaning supplies and liners.
4. Replacement of individual damaged or missing receptacles, including costs of purchase and installation of replacement receptacles and disposal/recycling of replaced receptacles or pads.
5. Movement (including replacement if required) of receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location.

The Department of Finance, in comments submitted October 23, 2009, states that the installation activities in A.1 to A.4 above should be deleted because they go beyond the scope of the mandate. Finance “believes activities such as construction contract preparation, specification review, or fabrication and installation of pads are not necessary to implement the approved mandate.” In its

⁴⁷ City claimants: “purchase and/or construct and install pads.”

⁴⁸ City claimants: “repeat steps 3-4 above when necessary for replacement of receptacles/pads on a non-individual basis.”

comments submitted March 1, 2011, Finance reiterates these comments in response to the draft staff analysis and proposed parameters and guidelines.

The LA Regional Water Board, in comments submitted October 19, 2009, asserts that the claimants overstate the scope of the trash receptacle requirement. The Board argues that the purpose of the provision is to effectively control litter from transit stops through the simple placement of trash cans:

Claimants may fairly and adequately comply with the mandates of the order through the placement of any type of receptacle capable of containing the garbage that waiting passengers might throw into the gutter. Likewise, given the water quality context, the obligation to maintain the receptacles is simply to ensure the receptacles are emptied when they are full, and not damaged to a point where they can no longer retain garbage.

According to the LA Regional Water Board, the order does not require any construction or installation. “Nor can the order fairly be viewed as requiring the expenditure of \$20,000 to identify the location of transit stops that are well known by transit authorities and published on transit authority maps for the benefit of their riders.”

The State Controller’s Office, in its February 18, 2011 comments on the draft staff analysis, proposes deleting all activities other than “Installation of Trash Receptacles (one-time per transit stop)” and “Maintenance of Trash Receptacles (on-going as needed).”

City claimants, in their November 2009 rebuttal comments, state that “for the requirement to be effective in an urban environment, the receptacles must be durable and theft proof.” Further, proper design requires a permanent installation, often including a concrete pad to which a receptacle is bolted, that will resist thieves and vandals. Missing receptacles receive no trash, defeating the purpose of the mandate. Claimants call construction and installation “intrinsic to the mandate.” Claimants also responded to the LA Regional Board’s assertion that the mandate to maintain “is simply to ensure the receptacles are emptied when they are full, and not damaged to a point where they can no longer retain garbage.” According to the city claimants, it is less expensive and more appropriate to achieve the goal of less trash in gutters if the receptacles are routinely emptied, inspected and maintained. As to spending \$20,000 for the location of transit stops, city claimants assert that these stops are not on transit maps, and that stops must be identified and updated as routes change over time.

The County of Los Angeles, in its November 2009 rebuttal comments, states that the proposed parameters and guidelines include “only the types of installation activities that are reasonably necessary in complying with the mandates found to be reimbursable by the Commission” and also cites the declaration of Aras Ahmed, an Associate Civil Engineer in the Department of Public Works, in the test claim. County claimants also assert the necessity of bolting down receptacles to prevent vandalism, theft, and accidental losses, to a concrete pad, including the pad’s design and fabrication, as well as “identifying the topological nature of specific site receptacle placements.” Claimants further assert that scheduled collections and inspections of receptacles are necessary to prevent guessing as to when receptacles should be emptied.

Both city and county claimants point to declarations in the test-claim record. Two declarations were submitted with test claim (03-TC-04) submitted by Los Angeles County. The first is by Frank Kuo, Facilities Program Manager II in the Watershed Management Division of Los Angeles County Department of Public Works; and another by Aras Ahmed, an Associate Civil Engineer in the Programs Development Division of Los Angeles County’s Department of Public Works. Both Mr. Kuo and

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Mr. Ahmed state they are responsible for implementing the permit, and both declarations state their information and belief that the following duties are reasonably necessary to comply with the permit:

1. Identifying all transit stops within its jurisdiction except for the Los Angeles River and Ballona Creek Watershed Management areas.
2. Selecting proper trash receptacle design and evaluating placement of trash receptacles.
3. Designing receptacle pad improvement, if needed.
4. Constructing and installing trash receptacle units.
5. Collecting trash and maintaining receptacles.

Los Angeles County and city claimants included a similar declaration from William Yan, Associate Civil Engineer in the Programs Development Division of the County Public Works Department with their submissions of a reasonable reimbursement methodology and revised parameters and guidelines received June 1, 2010 (Los Angeles County) and June 4, 2010 (for cities). In the declaration, Mr. Yan stated the following reasons for the installation activities:

- To prevent frequent loss of trash receptacles in many types of locations, the receptacle must be bolted down and, in order to be bolted down, unimproved bus stops must be constructed with a concrete pad;
- Proper selection of receptacle and pad types, evaluation of appropriate placement of receptacles and preparation of engineering specifications and/or drawings necessary for installation of trash receptacles;
- Securing transit trash receptacles reduces vandalism, theft, and accidental losses and the costs of replacing the missing or damaged receptacles;
- Securing transit trash receptacles would reduce the time the receptacles would be out of service and not available to collect trash;
- Concrete pads would provide adequate bolting surface and for large-capacity transit trash receptacles which require less collection frequency;
- Transit trash receptacles made of wrought iron would be more durable against vandalism and damage, thereby reducing replacement cost;
- Dome covers and the solid trash receptacle liners prevent rain water from going into the receptacles, thereby causing trash to spill out and flow into the storm drains;
- The use of dome covers and solid trash receptacle liners meets the intent of the ... [permit] by preventing pollutants from entering the storm drains.

None of the activities proposed by claimants, beyond installing and maintaining trash receptacles, are in the permit. The Commission has discretion, however, to determine “the most reasonable methods of complying with the mandate.”⁴⁹ This is defined as “those methods not specified in statute or executive

⁴⁹ Government Code section 17557; California Code of Regulations, title 5, section 1183.1, subdivision (a)(4).

order that are necessary to carry out the mandated program.”⁵⁰ Using this standard, each proposed activity is analyzed below.

The first activity, A.1, is “Identification of locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.” Evidence in the record supports the finding that this activity is a reasonable method to comply with the mandate. The declaration in Los Angeles County’s test claim by Mr. Kuo and Mr. Ahmed state their information and belief that “identifying all transit stops within its jurisdiction except for the Los Angeles River and Ballona Creek Watershed Management areas” is reasonably necessary to comply with the permit. There is no evidence in the record for the Department of Finance’s assertion that all transit stops are on transit maps, or even if they were, that the maps would be up to date. And, claimants are only eligible to the extent they are not subject to a trash TMDL, so transit stops in a jurisdiction partially subject to a trash TMDL would need to be identified to the extent they are outside the area subject to the trash TMDL. There is no evidence that this information (or any other watershed information) would be on a transit map.

There is also evidence in the record to find that the second activity, A.2, “Selection of receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and /or drawings” is a reasonable method of complying with the mandate. Mr. Yan of Los Angeles County submitted a declaration supporting this activity, as cited above. Moreover, a receptacle and pad that is not easily vulnerable to theft or vandalism is reasonable to effect the purpose of the mandate: “to reduce the discharge of pollutants into storm water to the maximum extent practicable.”⁵¹ Missing or vandalized receptacles would not effectively capture trash and therefore not attain this goal.

Staff also finds that, A.3, “contract preparation, specification review process, bid advertising, and review and award of bids” is a reasonable method of complying with the mandate. There is no requirement in the permit for city or county employees to personally perform the activities at issue, and the Commission’s boilerplate language for reimbursable activities includes contract costs. Moreover, Public Contract Code section 20120 et seq. contains the county bidding and contract requirements, and Public Contract Code section 20160 et seq. contains the city bidding and contract requirements, both of which require competitive bidding for public works contracts.

As for A.4, “Purchase of receptacles [cities include “pads”] and/or construct receptacles [pads] and install receptacles [pads]” staff finds that this is a reasonable method of complying with the mandate, as the receptacles are required by the plain language of the permit, and are not effective without installation, including affixing the receptacles to prevent theft and vandalism. The declarations of Mr. Kuo and Mr. Ahmed cited above indicate that these activities were performed in compliance with the mandate.

Staff finds that A.5, replacement of receptacles and pads, is a reimbursable activity as discussed below under B.4.

Staff also finds that all activities in A should be limited to one time per transit stop. As discussed above under “period of reimbursement,” the permit contains deadlines for placement of the trash receptacles: for stops with shelters no later than August 1, 2002, and at all other transit stops no later than

⁵⁰ *Ibid.*

⁵¹ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), pages 7 and 13.

February 3, 2003. Because the shelters are required to be in place by these deadlines, staff finds that installation activities in A.1 through A.5 are eligible for reimbursement only one time per transit stop, which allows for relocation of transit stops.

In A.5, city claimants requested reimbursement for replacement on a “non-individual” basis. Staff finds that this is not a reasonable method to comply with the mandate. Individual replacements are discussed below under B.4 for missing or damaged receptacles, and are found to be a reasonable method to comply with the mandate. There is nothing in the record to support non-individual replacement (by group or lot, for example) of trash receptacles. Thus, staff finds that “non-individual” replacement is not a reasonable method to comply with the mandate.

Staff finds that B.1, “collection and disposal of trash,” falls within the plain language of the mandate that requires “all trash receptacles shall be maintained as necessary.” Collection and disposal is the most reasonable method to comply with the mandate because the purpose of the mandate is to keep pollutants out of storm water. Disposal at designated facilities is reasonable to comply with the mandate, since it is unlawful to dispose of trash outside of designated areas without a landowner’s permission. (Pen. Code, § 374.3.)

Claimants did not propose how frequently the trash receptacles would be emptied. Survey data submitted with the revised parameters and guidelines⁵² indicates that frequency of collection varies from weekly for some local agencies (e.g., Bellflower, Covina, Signal Hill), to 2.57 times per week for Carson. (The pickup frequency data is unclear for Los Angeles County, as the survey appears to state 156 pickups per year, or three times per week, but an August 2010 declaration from William Yan states that pickup frequency is 48-52 times per year). Trash will accumulate at different rates at different transit stops. However, based on the survey data and accompanying declaration, staff finds that the most reasonable method of complying with the mandate is to reimburse collection frequency no more than three times per week.

Staff also finds that inspections and maintenance of receptacles and pads under B.2 and B.3 fall within the scope of the plain language of the mandate to “maintain” the receptacles “as necessary.” These activities are also reasonably necessary to comply with the mandate. Any problems with receptacles and pads should be noted and reported to effect the purpose of the mandate: “to reduce the discharge of pollutants into storm water to the maximum extent practicable.”⁵³

The declaration submitted by Los Angeles County, dated August 16, 2010, by Mr. William Yan, Associate Civil Engineer, states that “trash receptacles and the 10-foot area around each trash receptacle must be thoroughly cleaned of any graffiti, stickers, posters, litter, dust, dirt, weeds and any residue in order to prevent the flow of any waste to enter the storm drain and/or street gutters.” The record is insufficient, however, as to how graffiti removal effects the permit’s purpose of keeping pollutants out of storm water. Therefore, staff finds that graffiti removal is beyond the scope of the mandate and not reimbursable.

⁵² County of Los Angeles’ letter and proposed revised parameter and guidelines dated May 27, 2010; city claimants’ letter and proposed revised parameters and guidelines dated June 1, 2010.

⁵³ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), pages 7 and 13.

In its February 23, 2011 comments on the draft staff analysis, Los Angeles County concurs that graffiti removal should not be reimbursable, and submits declarations from contractors that costs for graffiti removal were not included in the contractors' rates for trash removal and receptacle cleaning. These declarations are further discussed below under "Proposed Reasonable Reimbursement Methodology."

In comments received on March 3, 2011, Los Angeles County submits an engineer's declaration that graffiti removal should be reimbursable, citing maintenance procedures from the California Stormwater Best Management Practices Municipal Handbook. The recommended procedures include using the least toxic materials available for graffiti removal, scheduling graffiti removal for dry weather, and similar activities. The procedures also call for protecting "nearby storm drain inlets prior to removing graffiti from walls, signs, sidewalks, or other structures needing graffiti abatement" and include a declaration of information and belief that the "other structures needing graffiti abatement" includes trash receptacles at bus stops.

There is nothing in the record to support a finding that removing graffiti furthers the purpose of the permit, which is to "reduce the discharge of pollutants into storm water to the maximum extent practicable."⁵⁴ Because graffiti removal is carried out for purposes other than complying with the permit, graffiti removal is beyond the scope of the mandate. Thus, staff finds that graffiti removal is not reimbursable.

In its July 2010 comments, Finance states that cleaning receptacles "may not be reasonably necessary to carry out the mandate." In August 2010 rebuttal comments, the County points to language in the permit that states "all trash receptacles shall be maintained as necessary" and includes a declaration from a civil engineer in the County's Dept. of Public Works that cleaning is necessary to comply with the mandate "in order to prevent the flow of any waste to enter the storm drain and/or street gutters." Based on this evidence in the record, staff finds that the maintenance activity, B.3, includes cleaning receptacles and pads.

Staff further finds that B.4, "replacement of receptacles" falls within the scope of the mandate to maintain receptacles as necessary and is reasonably necessary to comply with the mandate. Damaged or missing receptacles will not keep pollutants out of storm water, thereby defeating the purpose of the mandate. The survey data that the claimants provided in support of the RRM includes receptacle replacement costs. Staff also finds that disposal of replaced receptacles is also eligible for reimbursement.

Although moving receptacles in B.5 is a reasonably necessary activity for transit stops that need to be relocated, because this activity is one-time per transit stop it is listed in A.5.

In its February 25, 2011 comments on the draft staff analysis, city claimants propose adding the following: "Claimants may elect to use either actual costs, including costs based on time studies (as set forth below) or RRM rates for repetitive trash collection tasks." Claimants further include the option to use time studies for repetitive tasks.

Staff disagrees with the language proposed by the city claimants. The RRM is intended to balance "accuracy with simplicity." (Gov. Code, § 17557, subd. (f).) Allowing claimants to elect to claim costs

⁵⁴ California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), pages 7 and 13.

by using either an RRM, a time study, or actual costs does not conform to this standard. Instead, it would allow claimants to maximize their reimbursement depending on whether or not their costs are higher than the RRM. This is not the purpose of an RRM. For this reason, staff finds that the language allowing claimants to claim costs by electing either the RRM, time studies, or actual costs should not be included under section IV.B.

In its February 18, 2011 comments, the State Controller's Office proposes adding "time sheets and calendars" to the list of evidence that may corroborate the source documents. Claimants have no objection to this proposal. Because time sheets and calendars may serve as evidence to corroborate source documents, staff has included this language in the proposed parameters and guidelines.

The State Controller's Office also proposes deleting "training packets" from the list of evidence that corroborates the source documents. City claimants, in their February 25, 2011 comments, object to this deletion because "training packets can serve as corroborative evidence" and point to "training packets" being listed in prior parameters and guidelines. Staff agrees with the State Controller's Office that training packets should be deleted because training is not a reimbursable activity in this test claim.

In sum, staff finds that the following language for section IV of the parameters and guidelines addressing "Reimbursable Activities" should be adopted:

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed for the one-time activities in section IV.A below. For the ongoing tasks in section IV.B below, claimants are reimbursed under a reasonable reimbursement methodology.

Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual costs were incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, timesheets, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, calendars, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise reported in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible local agency, the following activities are reimbursable:

- A. Install Trash Receptacles (one-time per transit stop, reimbursed using actual costs):
 - 1. Identify locations of all transit stops within the jurisdiction required to have a trash receptacle pursuant to the Permit.
 - 2. Select receptacle and pad type, evaluate proper placement of receptacles and prepare specifications and drawings.
 - 3. Prepare contracts, conduct specification review process, advertise bids, and review and award bids.
 - 4. Purchase or construct receptacles and pads and install receptacles and pads.
 - 5. Move (including replacement if required) receptacles and pads to reflect changes in transit stops, including costs of removal and restoration of property at former receptacle location and installation at new location.
- B. Maintain Trash Receptacles and Pads (on-going, reimbursed using the reasonable reimbursement methodology):
 - 1. Collect and dispose of trash at a disposal/recycling facility. *This activity is limited to no more than three times per week.*
 - 2. Inspect receptacles and pads for wear, cleaning, emptying, and other maintenance needs.
 - 3. Maintain receptacles and pads. This activity includes painting, cleaning, and repairing receptacles; and replacing liners. The cost of paint, cleaning supplies and liners is reimbursable. *Graffiti removal is not reimbursable.*
 - 4. Replace individual damaged or missing receptacles and pads. The costs to purchase and install replacement receptacles and pads and dispose of or recycle replaced receptacles and pads are reimbursable.

E. Proposed Reasonable Reimbursement Methodology

A reasonable reimbursement methodology (RRM) is to be based on “cost information from a representative sample of eligible claimants, information provided by associations of local agencies and school districts, or other projections of local costs” and is to “consider the variation in costs among local agencies and school districts to implement the mandate in a cost-efficient manner.” (Gov. Code, § 17518.5, subds. (b) & (c).)

Claimants propose an RRM for the four reimbursable activities listed in Section IV.B to maintain trash receptacles at \$6.74 per trash receptacle times the annual number of trash collections for that receptacle. The claimants propose the following RRM language:

Under this [RRM] methodology, the annual standard or unit cost for each trash collection or “pickup” is multiplied by the annual number of trash collections (number of receptacles times pickup events for each receptacle) to compute the annual reimbursement for trash collection activities, subject to the limitation of no more than three pickups per week.

The standard unit RRM rate per trash collection is \$6.74 and applies to the entire initial reimbursement period (2002-03 through 2008-09) without a cost of living adjustment. The RRM rate will be increased in 2009-2010 and subsequent years by the implicit price deflator for that respective year.

To support the proposed RRM, city and county claimants submitted surveys of 11 local agencies. The surveys of seven local agencies were used to calculate the proposed RRM (surveys from Beverley Hills and Commerce were excluded because those cities are subject to a trash TMDL, and Norwalk's survey was excluded because it included additional costs). Attached to the February 5, 2011 comments on the draft staff analysis was data that further excluded the city of Covina's survey based on contractor billing practices.

Of about 85 eligible claimants (minus some that may be wholly covered a trash TMDL), the seven that are reflected in the survey data used to formulate the RRM comprise at least 8.2% of the eligible claimants. The seven permittees that make up the survey data (with numbers of receptacles that in some cities fluctuate by year) are: Los Angeles County (324-470 receptacles), Downey (151-239 receptacles), Carson (210-198 receptacles), Bellflower (189 receptacles), Azusa (13 receptacles), Artesia (9 receptacles), and Signal Hill (50 receptacles). The variation in the number of receptacles per permittee indicates that both large and small local agency claimants were surveyed. Therefore, staff finds that the proposed RRM is based on a "representative" sample of eligible claimants. (Gov. Code, § 17518.5, subd. (b).)

In its July 23, 2010 comments, the Department of Finance objects to the proposed RRM because "the survey responses do not clearly explain the costs associated with maintenance of the trash receptacles, e.g., cleaning." Finance points to Los Angeles County data that show cleaning costs increased \$7,275 from 05-06 to 06-07, and states: "the concern is that the ratio of increased cleaning costs to increased number of receptacles is not proportionate or consistent between fiscal years." Additionally, Finance states that some "other" costs should be excluded, such as Signal Hill's cost for review of the collection contract by the City Attorney.

In its July 26, 2010 comments, the State Controller proposes to delete reference to the RRM and proposes language for reimbursement to be based on actual costs "for uniformity and consistency."

Los Angeles County submitted rebuttal comments in August 2010 with a declaration from William Yan from LA County Department of Public Works regarding the cleaning costs. Mr. Yan states that three variables contribute to the variation in cleaning costs: the average number of trash receptacles, the unit cleaning cost per visit (including living wage adjustments), and the frequency of cleanings per month. The declaration also states that "associated cleaning costs are reasonable, proper, and fairly stated."

The city claimants also submitted rebuttal comments in August 2010 and cite Mr. Yan's declaration regarding cleaning costs. City claimants also state that Signal Hill's contract review is a proper administrative cost, and do not object to deleting a cost of living adjustment.

In the draft staff analysis, staff found that the proposed RRM appeared to be complete except for two essential pieces of data. First, the data submitted include surveyed costs for "cleaning," which is eligible for reimbursement. Graffiti removal, however, is not a separate survey category and is not eligible for

reimbursement. Assuming that a portion of the “cleaning” costs include graffiti removal,⁵⁵ the costs would be inflated because they reflect activities beyond the scope of the mandate. Second, Bellflower’s survey included unidentified costs for “other” making it impossible to tell whether the surveyed costs go beyond the scope of the mandate.

In the February 2011 city and county responses to the draft staff analysis, claimants submitted declarations from the contractors used to clean the transit receptacles. In a declaration, the General Manager of ShelterClean, Inc., stated that the “very infrequent task of removing graffiti from trash receptacles result in little or no costs to ShelterClean, Inc. Consequently, I declare that the negligible costs of graffiti removal are not used by ShelterClean, Inc. in developing the rate for cleaning trash receptacles charged the County.” A second declaration from the General Operations Manager of Sureteck Industrial & Commercial Services, Inc., also stated that the costs of graffiti removal are not used in developing the rate for cleaning trash receptacles.

Regarding the data submitted from the City of Bellflower for “other” unidentified costs, the claimants state that these costs were for the one-time purchase of trash receptacles and should not be included in the costs used to calculate the RRM. After recalculating the RRM, the claimants now propose \$6.74 per transit stop for the on-going maintenance activities. Because this calculation is based on surveys of actual costs, staff finds that the RRM implements the mandate in a cost efficient manner. (Gov. Code, § 17518.5, subd. (c).)

Given the new evidence submitted by the claimants, staff finds that the evidence in the record now supports a finding that the requirements of Government Code section 17518.5 have been satisfied and recommends that the Commission adopt the proposed RRM.

The claimants, in comments submitted February 25, 2011, propose a cost of living adjustment to their RRM for costs incurred beginning July 1, 2009.

Finance, in its comments submitted July 23, 2010, states that the RRM should be constant from 2002-2009 because “the proposed RRM rate provides a uniform cost allowance that is based on local costs incurred over a seven year period.”

Staff finds that the implicit price deflator, as forecast by the Department of Finance, should be applied to the RRM beginning in fiscal year 2009-2010 because the cost survey on which the RRM is based covers the period from 2002-2009.

Staff finds that the following language should be in the parameters and guidelines:

The Commission is adopting a reasonable reimbursement methodology to reimburse eligible local agencies for all direct and indirect costs for the on-going activities identified in section IV.B of these parameters and guidelines to maintain trash receptacles. (Gov. Code, §§ 17557, subd. (b) & 17518.) The RRM is in lieu of filing detailed documentation of actual costs. Under the RRM, the annual unit cost of \$6.74 for

⁵⁵ This assumption is based on the declaration submitted by Los Angeles County, dated August 16, 2010, by Mr. William Yan, Associate Civil Engineer, who states that “trash receptacles and the 10-foot area around each trash receptacle must be thoroughly cleaned of any graffiti, stickers, posters, litter, dust, dirt, weeds and any residue in order to prevent the flow of any waste to enter the storm drain and/or street gutters.”

each trash collection or “pickup” is multiplied by the annual number of trash collections (number of receptacles times pickup events for each receptacle), subject to the limitation of no more than three pickups per week. Beginning in fiscal year 2009-2010, the RRM shall be adjusted by the implicit price deflator as forecast by the Department of Finance.

In addition, staff finds that the following record retention language should be included in the parameters and guidelines for any audits conducted by the State Controller’s Office of the costs claimed using the RRM:

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a school district pursuant to this chapter⁵⁶ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced.

Pursuant to Government Code section 17561, subdivision (d)(2), the Controller has the authority to audit the application of a reasonable reimbursement methodology.

Local agencies must retain documentation which supports the reimbursement of the maintenance costs identified in Section IV.B of these parameters and guidelines during the period subject to audit, including documentation showing the number of trash receptacles in the jurisdiction and the number of trash collections or pickups. If an audit has been initiated by the Controller during the period subject to audit, the record retention period is extended until the ultimate resolution of any audit findings.

F. Conclusion & Recommendation

Staff recommends that the Commission adopt this analysis as its decision along with the attached proposed parameters and guidelines, as modified by staff.

Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

⁵⁶ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On April 9, 2021, I served the:

- **Claimants' Comments on the Draft Proposed Decision filed April 9, 2021**

Municipal Storm Water and Urban Runoff Discharges, 19-0304-I-04, 20-0304-I-06, 20-0304-I-08, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, and 20-0304-I-13

Los Angeles Regional Quality Control Board Order No. 01-182,
Permit CAS004001, Part 4F5c3

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Claremont, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006

City of Downey, Claimant

Fiscal Years: 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Glendora, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012

City of Pomona, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009

City of Santa Clarita, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

City of Signal Hill, Claimant

Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013

County of Los Angeles, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on April 9, 2021 at Sacramento, California.



Jill L. Magee
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COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 3/12/21

Claim Number: 20-0304-I-08 Con. 19-0304-I-04, 20-0304-I-06, 20-0304-I-09, 20-0304-I-10, 20-0304-I-11, 20-0304-I-13

Matter: Municipal Storm Water and Urban Runoff Discharges

Claimants: City of Claremont
City of Downey
City of Glendora
City of Pomona
City of Santa Clarita
City of Signal Hill
County of Los Angeles

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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Local Return Program

Local Return Program 2016

(/projects_studies/local_return/images/report_localreturn_2016-06.pdf).

The Proposition A, Proposition C and Measure R and Measure M Local Return programs are four one-half cent sales tax measures approved by Los Angeles County voters to finance a countywide transit development program.

By ordinance, Metro is responsible for administering the programs and establishing guidelines. The Proposition A tax measure was approved in 1980, the Proposition C tax measure was approved in 1990, Measure R was approved in 2008 and Measure M was approved in 2016. Collection of the taxes began on July 1, 1982; April 1, 1991; July 1, 2009; and July 1, 2017, respectively, while each year, more than \$1 billion is generated in local transportation revenue.

As a condition of voter approval, 25 percent of the Proposition A tax revenues, 20 percent of the Proposition C tax revenues, 15 percent of Measure R and 17 percent of Measure M tax revenues are earmarked for the Local Return Programs to be used by cities and the County of Los Angeles in developing and/or improving local public transit, paratransit and related transportation infrastructure.



Local Return funds are allocated and distributed monthly to jurisdictions on a "per capita" basis by Metro. Eligible expenditures are outlined in the Metro's Adopted Local Return Program Guidelines.

There are four sets of guidelines:

- Proposition A and Proposition C Local Return 2007 Guidelines
- Measure R Guidelines
- Measure M Guidelines
- Local Return Borrowing Guidelines

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Chapter 3-10

An Ordinance Establishing An Additional Retail Transactions And Use Tax in the County of Los Angeles For Public Transit Purposes

(Preliminary Note: The ordinance set forth in Chapter 3-10 was originally enacted as Los Angeles County Transportation Commission Ordinance No. 49 and was adopted by a vote of the electorate as Proposition C in November 1990. It is incorporated here as enacted in 1990, except that, for convenience and consistency, its section headings and numbering have been revised to conform to the style of this Code. While the provisions of this ordinance may be cited by the section headings and numbering used herein, the official ordinance remains that enacted by the electorate in 1990. The inclusion of this ordinance in this Code is not a reenactment or an amendment of the original ordinance, and its inclusion in this Code does not in any way amend its provisions or alter its application.)

A retail Transactions and Use Tax is hereby imposed in the County of Los Angeles as follows:

3-10-010 Imposition of Retail Transactions Tax. There is hereby imposed a tax for the privilege of selling tangible personal property at retail upon every retailer in the County at a rate of one-half of one percent of the gross receipts of the retailer from the sale of all tangible personal property sold at retail in the County. This tax is in addition to the tax authorized by Ordinance No. 16, on August 20, 1980 [MTA Administrative Code, Chapter 3-05].

3-02-020 Imposition of Use Tax. There is hereby imposed a complementary tax upon the storage, use or other consumption in the County of tangible personal property purchased from any retailer for storage, use or other consumption in the County. Such tax shall be at a rate of one-half of 1% of the sales price of the property whose storage, use or other consumption is subject to the tax. This tax is in addition to the tax authorized by Ordinance No. 16, on August 20, 1980 [MTA Administrative Code, Chapter 3-05].

3-10-030 Definitions. The following words, whenever used in this Ordinance, shall have the meanings as set forth below:

A. "Commission" means the Los Angeles County Transportation Commission or any successor entity.

B. “County” means the incorporated and unincorporated territory of the County of Los Angeles.

C. “Transaction” or “Transactions” have the same meaning, respectively, as the words “Sale” or “Sales”; and the word “Transactor” has the same meaning as “Seller”, as “Sale” or “Sales” and “Seller” are used in Part 1 (commencing with Section 6001) of Division 2 of the revenue and Taxation Code.

D. “Public Transit Purposes” are expenditures which maintain, improve and expand public transit, reduce congestion, and increase mobility, and include, but are not limited to, the following:

1. Transit and paratransit activities, including rail, bus and advanced technologies.
2. Fare Subsidies
3. Commuter Rail
4. Transit Centers
5. Park-and-Ride Lots
6. Public Information Services Technology and Systems
7. Freeway Bus Stations and Facilities
8. Rail and Bus Safety and Security
9. Maintenance of and Improvements to Streets and Highways used as public transit thoroughfares, including, but not limited to, the following:
 - a. Coordination and synchronization of signalization
 - b. Provisions for prompt service to assist motorists with disabled automobiles or trucks
 - c. Construction of high occupancy vehicle (HOV) lanes
 - d. Other activities which reduce congestion and improve air quality by providing transportation improvements to freeways, and state highways used

as public transit thoroughfares, including construction of transit ways including bus ways, carpool lanes, and operational and interchange improvements.

10. Transportation Systems Management and Transportation Demand Management

3-10-040 Use of Revenues Received from Imposition of the Transactions and Use Tax.

The revenues received by the Commission from the imposition of the transactions and use tax shall be used for public transit purposes, as follows:

A. Purpose of Tax. To improve transit service and operations, reduce traffic congestion, improve air quality, efficiently operate and improve the condition of the streets and freeways utilized by public transit, and reduce foreign fuel dependence. The purposes of this tax include:

1. Meeting operating expenses; purchasing or leasing supplies, equipment or materials; meeting financial reserve requirements; obtaining funds for capital projects necessary to maintain service within existing service areas;
2. Increasing funds for the existing public transit service programs;
3. Instituting or increasing passenger or commuter services on rail or highway rights of way;
4. The continued development of a regional transportation improvement program.

B. Use of Revenues. A Los Angeles County Anti-Gridlock Transit Improvement fund will be created to supplement current transportation funds and help meet the documented shortfall in funds needed to complete the Los Angeles County transportation system.

1. Forty percent of the revenue from the ½ cent sales and use tax will be used to improve and expand rail and bus transit County-wide, to provide fare subsidies, increase graffiti prevention and removal, and increase energy-efficient, low-polluting

public transit service. Funds from this revenue source will not be used for capital improvements for the Metro Rail Project between Union Station and Hollywood.

2. Five percent of the revenue from the ½ cent sales and use tax will be used to improve and expand rail and bus security.

3. Ten percent of the revenue from the ½ cent sales and use tax will be used to increase mobility and reduce congestion by providing additional funds for Commuter Rail and the construction of Transit Centers, Park-and-Ride Lots, and Freeway Bus Stops.

4. Twenty percent of the revenue from the ½ cent sales and use tax will be a Local Return Program to be used by cities and the County for public transit, paratransit, and related services including to improve and expand supplemental paratransit services to meet the requirements of the Federal Americans With Disabilities Act. At the option of each city and of the County funds can be used consistent with the County's Congestion Management Program to increase safety and improve road conditions by repairing and maintaining streets heavily used by public transit. Transportation system and demand management programs are also eligible.

Funds for the Local Return Program will be allocated to the cities and the County on a per capita basis. Local Return funds not expended within three years will be returned to the Commission for reallocation. Local Return funds may not be traded or sold to other jurisdictions.

5. Twenty-five percent of the revenue from the ½ cents sales and use tax will be used to provide essential County-wide transit-related improvements to freeways and state highways. To facilitate transit flow, the operation of major streets and freeways will be improved by providing preference and priority for transit. Traffic signals may be synchronized, and coordinated and "Smart Street" corridors may be created on those corridors served by public transit. Transportation Systems Management techniques

which assist transit service may also be funded. Transportation improvements on freeways and State highways may include transit ways and other improvements to facilitate and expedite flow of transit and rideshare vehicles, and carpools.

6. The non-Local Return funds will be allocated in formula and discretionary programs basis to be developed and approved by the LACTC within six months of voter approval of this Ordinance. In no event shall administrative costs exceed one and one-half (1 ½) percent of the funds generated by the tax.

3-10-050 Application of Sales and Use Tax Provisions of Revenue and Taxation Code.

A. The provisions contained in Part 1 of Division 2 of the Revenue and Taxation Code (Sales and Use Taxes, commencing with Section 6001), insofar as they relate to sales or use taxes and are not inconsistent with Part 1.6 of Division 2 of the revenue and Taxation Code (Transactions and Use Taxes), commencing with Section 7251), and all amendments thereto shall apply and be part of this Ordinance, being incorporated by reference herein, except that:

1. The Commission, as the taxing agency, shall be substituted for that of the State;

2. An additional transactor's permit shall not be required if a seller's permit has been or is issued to the transactor under Section 6067 of the revenue and Taxation Code; and

3. The word "County" shall be substituted for the word "State" in the phrase, "Retailer engaged in business in this State" in Section 6203 of the Revenue and Taxation Code and in the definition of that phrase.

B. A retailer engaged in business in the County shall not be required to collect use tax from the purchase of tangible personal property unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property; including, but not limited to soliciting or receiving the order, either directly or indirectly, at a

place of the retailer in the County or through any representative, agent, canvasser, solicitor, or subsidiary or person in the County under authority of the retailer.

3-10-060 Adoption of Revenue and Taxation Code Sections 7261 and 7262. Pursuant to the provisions of Revenue and Taxation Code Section 7262.2, the required provisions of Sections 7261 and 7262 of that Code as now in effect or as later amended are adopted by reference in this Ordinance.

3-10-070 Place of Consummation of Retail Transaction. For the purpose of a retail transaction tax imposed by this Ordinance, all retail transactions are consummated at the place of business of the retailer, unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-State destination or to a common carrier for delivery to an out-of-State destination. The gross receipts for such sales shall include delivery charges, when such charges are subject to the State sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State, or has more than one place of business, the place or places at which the retail sales are consummated for the purpose of the transactions tax imposed by this Ordinance shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3-10-080 Appropriations Limit. A Commission appropriations limit is hereby established equal to the revenues collected and allocated during the 1990/91 fiscal year plus an amount equal to one and a half times the taxes that would be levied or allocated on a one-half of one percent transaction and use tax in the first full fiscal year following enactment and implementation of this Ordinance.

3-10-090 Division of Taxes. This Ordinance imposes a one half of one percent transactions and use tax. Another measure imposing a one half percent transactions and use tax entitled the Local Communities Safety Act – Los Angeles County Regional Justice Facilities Financing Agency is scheduled to be submitted to the electorate in the same election as this Ordinance. If both measures are approved by the electorate, the limits of Revenue and Taxation Code Section

7251.1 would be exceeded. In the event that both measures are approved by a majority of the electors voting on the measures and both measures are otherwise valid, the transactions and use tax is to be divided equally with one fourth percent going to the Los Angeles County Transportation Commission for the purposes set forth in this Ordinance and one fourth percent going to the Los Angeles County Regional Justice Facilities Financing Agency for the purposes set forth in its Ordinance provided that legislation is enacted to authorize such a division.

However, if at some future time the statutory limit on sales tax is increased, then the full one half of one percent transactions and use tax shall be restored to each agency.

3-10-100 Adoption and Enactment of Ordinance. This Ordinance is hereby adopted by the Commission and shall be enacted upon authorization of the electors voting in favor thereof at the special election called for November 6, 1990, to vote on the measure.

3-10-110 Effective and Operative Dates. This ordinance shall take effect on the day it is adopted by the Los Angeles County Transportation Commission and pursuant to Public Utilities Code Section 130352 shall be operative on the first day of the first calendar quarter commencing not less than 180 days after adoption of the ordinance.

Chapter 3-15

The Metropolitan Transportation Authority (MTA) Reform and Accountability Act of 1998

(Preliminary Note: The ordinance set forth Chapter 3-15 was originally enacted as the Metropolitan Transportation Authority (MTA) Reform and Accountability Act of 1998 and was adopted by a vote of the electorate as Proposition A in November 1998. It is incorporated here as enacted in 1998, except that, for convenience and consistency, its section headings and numbering have been revised to conform to the style of this Code. While the provisions of this ordinance may be cited by the section headings and numbering used herein, the official ordinance remains that enacted by the electorate in 1998. The inclusion of this ordinance in this Code is not a reenactment or an amendment of the original ordinance, and its inclusion in this Code does not in any way amend its provisions or alter its application.)

3-15-010 Title. This Ordinance shall be known and may be cited as the Metropolitan Transportation Authority (MTA) Reform and Accountability Act of 1998 (“Act”).