

**COMMISSION ON STATE MANDATES**

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November 6, 2002

Mr. David Wellhouse  
Wellhouse & Associates  
9175 Kiefer Boulevard, Suite 121  
Sacramento, CA 95826

Mr. Mike Havey  
State Controller's Office  
Division of Accounting and Reporting  
3301 C Street, Suite 501  
Sacramento, CA 95816

Re: **Incorrect Reduction Claims of the  
Cities of:**

Lodi, 02-9635802-I-50  
Walnut Creek, 02-9635802-I-52  
South Lake Tahoe, 02-9635802-I-53  
San Carlos, 02-9635802-I-54  
Reedley, 02-9635802-I-55  
Pleasant Hill, 02-9635802-I-56  
Albany, 02-9635802-I-57  
Concord, 02-9635802-I-58  
Corona, 02-9635802-I-59  
El Cajon, 02-9635802-I-60

Patterson, 02-9635802-I-61  
Lathrop, 02-9635802-I-62  
Monterey, 02-9635802-I-63  
Gilroy, 02-9635802-I-64  
Hanford, 02-9635802-I-65  
Antioch, 02-9635802-I-66  
Stockton, 02-9635802-I-67  
Turlock, 02-9635802-I-68  
Coachella, 02-9635802-I-70

Government Code Section 53646  
Statutes 1995, Chapter 783 (SB 564)  
Statutes 1996, Chapter 156 (SB 864)  
Statutes 1996, Chapter 749 (SB 109)

**Fiscal Years:**

1995-96 (Cities of Antioch, Gilroy, Patterson, Pleasant Hill, and Reedley)  
1995-96, 1996-97 (Cities of Concord, Lathrop, and South Lake Tahoe)  
1995-96, 1996-97, 1998-99 (Cities of Corona, El Cajon, Hanford, Lodi,  
Monterey, San Carlos, Stockton, Turlock, and Walnut Creek)  
1996-97 (Cities of Albany and Coachella)

*Investment Reports*

Dear Mr. Wellhouse and Mr. Havey:

On October 16, 2002, the above referenced claimants filed incorrect reduction claims (IRCs) with the Commission on State Mandates (Commission) based on the *Investment Reports* program. Commission staff determined that the IRC filings are complete.

Mr. David Wellhouse and Mr. Mike Havey

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Government Code section 17551, subdivision (b), requires the Commission to hear and decide upon claims filed by local agencies and school districts that the State Controller's Office (SCO) has incorrectly reduced payments to the local agencies or school districts.

**SCO Review and Response.** Please file the SCO response and supporting documentation regarding these claims within 90 days of the date of this letter. Please include an explanation of the reason(s) for the reductions and the computation of reimbursements. All documentary evidence must be authenticated by declarations under penalty of perjury signed by persons who are authorized and competent to do so and be based on the declarant's personal knowledge, information or belief. The Commission's regulations also require that the responses (opposition or recommendation) filed with the Commission be simultaneously served on the claimants and their designated representatives, and accompanied by a proof of service. (Cal. Code Regs., tit. 2, § 1185.01.)

The failure of the SCO to respond within this 90-day timeline shall not cause the Commission to delay consideration of these IRCs.

**Claimant's Rebuttal.** Upon receipt of the SCO response, the claimant and interested parties may file rebuttals. The rebuttals are due 30 days from the service date of the response.

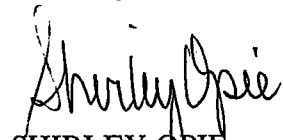
**Prehearing Conference.** A prehearing conference will be scheduled if requested.

**Public Hearing and Staff Analysis.** The public hearing on these claims will be scheduled after the records close. Staff analyses will be issued on the IRCs at least eight weeks prior to the public hearing.

**Dismissal of Incorrect Reduction Claims.** Under section 1188.31 of the Commission's regulations, IRCs may be dismissed if postponed or placed on inactive status by the claimant for more than one year. Prior to dismissing a claim, the Commission will provide 60 days notice and opportunity for the claimant to be heard on the proposed dismissal.

Please contact Nancy Patton at (916) 323-8217 if you have any questions.

Sincerely,



SHIRLEY OPIE

Assistant Executive Director

Enclosures: Incorrect Reduction Claim Filings - (SCO only)

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