



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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February 23, 2011

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

Dear Mr. Bohan:

**LOS ANGELES COUNTY'S REVIEW
PROPOSED PARAMETERS AND GUIDELINES
MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES TEST CLAIMS**

The County of Los Angeles respectfully submits its review of parameters and guidelines for the Municipal Storm Water and Urban Runoff Discharges reimbursement program proposed by Commission staff.

If you have any questions, please contact Leonard Kaye at (213) 974-9791 or via e-mail at lkaye@auditor.lacounty.gov.

Very truly yours,

A handwritten signature in cursive script that reads "Wendy L. Watanabe".

Wendy L. Watanabe
Auditor-Controller

WLW:MMO:JN:CY:lk

H:\SB90A 02 11++ Storm water Ps&Gs Hearing/Cover letter 02 22 11

Enclosure

**Los Angeles County's Review
Proposed Parameters and Guidelines
Municipal Storm Water and Urban Runoff Discharges Test Claims**

Executive Summary

On July 31, 2009, the Commission on State Mandates (Commission) adopted a landmark decision. For the first time in California, municipalities could receive State reimbursement for storm water mandates that are not found in the federal Clean Water Act and related legislation. Specifically, eligible claimants are now required to place and maintain trash receptacles at all transit stops.

On August 26, 2009, the County filed parameters and guidelines (Ps&Gs) which permitted claiming repetitive trash collection activities using time studies. On May 27, 2010, the County filed revised Ps&Gs which added a 'reasonable reimbursement methodology' (RRM) or standard cost provision for claiming repetitive trash collection activities. This standard cost provision was based on a \$6.75 unit cost RRM calculation and was endorsed by the League of California Cities and the California State Association of Counties on May 24, 2010.

In comments filed with the Commission on July 27, 2010, the State Department of Finance (Finance) accepted use of an RRM, but on July 26, 2010 the State Controller's Office (SCO) did not. SCO reasoned that "... for uniformity and consistency" only actual costs, not (standard) RRM costs, are available methodologies for claiming repetitive trash collection activities. However, no prohibition against combining actual cost and standard cost claiming options in a single reimbursement program was ever found.

On February 4, 2011, Commission staff issued their analysis and concluded that the County's RRM "... appears to be complete except for two essential pieces of data". The first type of missing data is whether the County included the costs of graffiti removal in its proposed RRM. The County analyzed the matter and found that it did not. Two sworn declarations to this effect are attached. The second type of missing data is the nature of "other" costs in the Bellflower City RRM survey response. It was found that these were not repetitive allowable costs. Accordingly, the per trash pickup RRM was recalculated and dropped from \$6.75 to \$6.74.

Commission staff also proposed Ps&Gs language limiting installation of receptacles and pads to one-time per transit stop and limiting pickup of trash to no more than three times per week per receptacle. The County finds these limitations to be reasonable.

Reimbursable Activities

The County agrees with Commission staff that the following activities are reimbursable under the Municipal Storm Water and Urban Runoff Discharges reimbursement program:

“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.” (Commission Staff Analysis, pages 5-6)

Commission staff further find that the County’s proposed RRM “appears to be complete except for two essential pieces of data. Staff explain, on page 27 of their analysis, that:

“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... , 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... “

The “two essential pieces of data” have been identified and are now offered into evidence supporting adoption of the County’s RRM at \$6.74 per transit trash receptacle pickup.

Under the auspices of the cities representatives in this matter, it was found that Bellflower’s “other” cost of \$3,421 should be deleted as these costs were not for repetitive activities but for the initial purchase of transit trash receptacles. This deletion was made on Bellflower’s RRM survey response, attached as page 1 of Exhibit One. The mean weighted average unit cost for all respondents was then recalculated and found to be \$6.74 per transit trash receptacle pickup. This result is found on page 2 of Exhibit One. A pertinent declaration by Bernardo Iniguez, Environmental Services Manager for the City of Bellflower, is attached on page 3 of Exhibit One.

Regarding the inclusion of graffiti removal costs as reimbursable RRM cleaning costs, it was confirmed that only the costs of cleaning bus stop trash receptacles were included in the RRM survey. Other cleaning costs were not. Specifically, the costs of cleaning the bus stop bench and the bus stop shelter were not included in the RRM survey. Therefore, the relevant question was whether graffiti removal

costs were being charged by the contractors for cleaning transit trash receptacles. This question was put to both of the County's transit trash contractors.

According to the declaration of Gino Sotelo, General Operations Manager of Sureteck Industrial and Commercial Services, Inc., attached as Exhibit Two, and the declaration of Alan Mudge, General Manager of ShelterClean, Inc., attached as Exhibit Three, the answer is that County's trash receptacle cleaning costs do not include graffiti removal costs. They explain that:

1. The County is charged three separate rates for cleaning: (1) the bus bench, (2) the bus stop shelter, and (3) the trash receptacle.
2. The costs of graffiti removal are included in the rates for cleaning benches and shelters as these fixtures provide the flat surfaces necessary for graffiti display.
3. Graffiti is very rarely found on the trash receptacle.
4. The very infrequent task of removing graffiti from trash receptacles result in little or no costs to the contractor.
5. Consequently, the negligible costs of graffiti removal are not used by the contractor in developing the rate for cleaning trash receptacles charged the County.

Accordingly, evidence is now in the record indicating that graffiti removal costs are not included in transit trash receptacle cleaning costs.

Finally, it should be noted that the County agrees with Commission staff language indicating graffiti removal is not reimbursable; and, limiting the installation of receptacles and pads to one-time per transit stop and the pickup of trash to no more than three times per week per receptacle.

The County's revised Ps&Gs and RRM for the Municipal Storm Water and Urban Runoff Discharges reimbursement program is presented on the following pages.

Hearing Date: March 24, 2011
J:\mandates\2003\tc\03tc04\psgs\draft Ps&Gs

LOS ANGELES COUNTY
REVISED 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

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.

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.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,

² California Regional Water Quality Control Board, Los Angeles Region, Order No. 01-182, Permit CAS004001 (12/13/01), part 4F5c3, page 49.

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

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. 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, except where reasonable reimbursement methodology ("RRM") rates are adopted for the repetitive task of trash collection and disposal set forth in Section IV.B below. 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.

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.

Claimants also 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 ("SCO"). The reimbursable time recorded on each time survey form must be for specific reimbursable activities as detailed herein. Further time study guidance is available from the State Controller's Office web site at www.sco.ca.gov.]

With respect to costs incurred as identified in Section IV.B below, Claimants may elect to be reimbursed using an RRM methodology. Under this 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.

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. Graffiti removal is not reimbursable.
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.

Eligible claimants must use the actual cost method to claim costs for the tasks reflected in Sections IV.A(1-5).

Eligible claimants may use either the actual cost or RRM methods to claim costs for the collection of trash reflected in Section IV.B above.

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. Actual costs that are claimed 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 2CFR 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 2CFR 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.

³ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

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.

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.

**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 : City of Bellflower
 Contact Person : Bernardo Iniguez
 Phone : (562)-804 - 1424, ext. 2233
 E-Mail : biniguez@bellflower.org

Please Send Survey Response to:

Dan Carrigg League of California Cities: CarriggD@cacities.org
 and cc: Howard Gest hgest@burhenngest.com
 Leonard Kaye lkaye@auditor.lacounty.gov

<u>Cost Survey</u>	[A] Ave. # Trash Receptacles	Annual Transit Trash Collection Costs (Note 2)				[B] \$ Total	[B] ÷ [A] Unit Cost
		\$ Pick-up	\$ Cleaning	\$ Repair	\$ Replace		
2008-09	189	\$96,876	\$2,519		\$99,395	525.89947	
2007-08	189	\$96,876	\$1,794		\$98,670	522.06349	
2006-07	189	\$96,876	\$1,490	\$1,383	\$99,749	527.77249	
2005-06	189	\$96,876	\$2,187	\$1,146	\$100,209	530.20635	
2004-05	189	\$93,497	\$1,801		\$95,298	504.22222	
2003-04	189	\$89,925	\$1,901		\$91,826	485.85185	
2002-03	189	\$81,047	\$267		\$81,314	430.23280	

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:
- (3) 'Other' cost of \$3,421 was deleted on 02 10 11 in accordance with Commission staff analysis. See attached declaration of Bernardo Iniguez, Environmental Services Manager for the City of Bellflower. 'Other' costs were not for repetitive activities but for the initial purchase of trash receptacles.

**Transit Trash Collection Unit [Per Pickup] Adjusted (2 10 11) Costs Survey Results (Note a)
Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4F5c3**

Respondent Survey	Fiscal Years										(X) Average # Pickups (Note b)	(Y) @ year	(X/Y=Z) Unit Cost @ Pickup #	M Weighted Units (Note d)	M/Total=D Ave. Adjustment % of Total	DxZ Result
	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00						
1 Los Angeles County	\$893	\$1,241	\$1,152	\$1,122	\$1,127	\$1,132	(Note c)	\$1,111	156	\$7.12	2,513	34.81%	\$2.48			
Beverly Hills [in watershed]																
Norwalk [e]																
2 Downey	\$347	\$321	\$320	\$290	\$272	\$581	\$602	\$390	52	\$7.51	1,497	20.74%	\$1.56			
3 Carson [2.57x52 wks=134]	\$311	\$299	\$708	\$144	\$144	\$144	\$144	\$271	134	\$2.02	1,434	19.86%	\$0.40			
4 Bellflower	\$526	\$522	\$528	\$530	\$504	\$486	\$430	\$504	52	\$9.69	1,323	18.33%	\$1.78			
5 Azusa	\$1,504	\$1,504	\$1,504 [f]					\$1,504	104	\$14.46	39	0.54%	\$0.08			
6 Artesia	\$1,299	\$1,299	\$1,271	\$1,271	\$1,361	\$1,224	\$1,180	\$1,272	104	\$12.23	63	0.87%	\$0.11			
Commerce [in watershed]																
Covina [e]																
7 Signal Hill	\$398	\$384	\$374	\$374	\$374	\$353	\$343	\$371	52	\$7.14	350	4.85%	\$0.35			
Average by Respondent	\$754	\$796	\$837	\$622	\$630	\$653	\$540	\$775		Totals	7,219	100.00%	\$6.74			
Average by Year								\$690		Weighted Ave						

Notes

- [a] This survey table presents data by fiscal year and by respondent. A weighted mean average per pickup cost of \$6.74 was found.
- [b] Average annual unit cost per trash receptacle over the reimbursement period. Totals were divided by the number of nonzero years.
- [c] During FY 02-03, trash receptacles were installed over a 3-month period. During the installation period, the cleaning and trash pick-up service was first handled in-house and later by contract. Because the number of trash receptacles was not a fixed number during this period and the maintenance service was handled in-house and by contract, it is difficult to accurately annualize the unit cost for FY 02-03.
- [d] The number of units is the sum of all trash receptacles reported by respondents in each average annual cost year [above].
- [e] Survey results were inconclusive. In Norwalk's case, contractor billed city for the combined costs of trash collection and bus stop cleaning. In Covina's case, contractor used numerous metrics to bill city, including per ton disposal costs by refuge type. \$6,517 was incurred during four months of 2006-07. Annualized cost was \$19,551 for 13 receptacles or 1,504 per receptacle.
- [f]

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DECLARATION OF BERNARDO INIGUEZ

I, BERNARDO INIGUEZ, hereby declare and state as follows:

1. I am Environmental Services Manager for the City of Bellflower, California ("City"), one of the Claimants before the Commission on State Mandates regarding Municipal Storm Water and Urban Runoff Discharges, a mandate of the Los Angeles Regional Water Quality Control Board.

I participated in the City's response to a "Unit Cost Survey" concerning costs incurred by the City in performing the cleaning and maintenance of trash receptacles.

2. I have personal and first-hand knowledge of the matters set forth in this declaration and could, if called upon, testify competently thereto.

3. In the column on the Unit Cost Survey prepared for the City, one amount was included in the "Other" column on the survey form. This amount, for \$3,421, was for the initial purchase of trash receptacles.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on February 15, 2011 at Bellflower, California.



Bernardo Iniguez



12375 Mills Ave. Suite #7 Chino CA. 91710
Contractor License # 936393 B, C-33, D-38,42,49,63

**County of Los Angeles
Transit Trash Receptacle Cleaning Contracts
Municipal Storm Water and Urban Runoff Discharges Test Claim
California Regional Water Quality Control Board
Executive Order Number 01-182, December 13, 2001
Permit Number CAS004001, Part 4, Section F.5.c.3.**

Declaration of Gino Sotelo

Gino Sotelo makes the following declaration and statement under oath:

I, **Gino Sotelo, General Operations Manager**, of Sureteck Industrial & Commercial Services, Inc. declare that I am responsible for ensuring trash receptacles at bus stops and the 10-foot area around each trash receptacle are thoroughly cleaned of any graffiti, stickers, posters, litter, dust, dirt, weeds, and any residue in the performance of maintenance services, to implement the (above) captioned Permit requirements.

I declare that the County of Los Angeles (County) is charged three separate rates for cleaning: (1) the bus bench, (2) the bus stop shelter, and (3) the trash receptacle.

I declare that it is my information or belief that the costs of graffiti removal are included in the rates for cleaning benches and shelters as these fixtures provide the flat surfaces necessary for graffiti display.

I declare that it is my information and belief that graffiti is very rarely found on the trash receptacle.

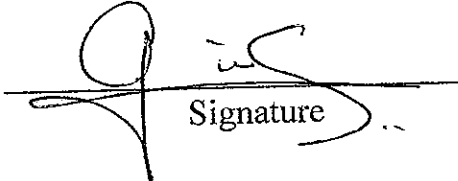
I declare that it is my information or belief that the very infrequent task of removing graffiti from trash receptacles result in little or no costs to Sureteck Industrial & Commercial Services, Inc.

Consequently, I declare that the negligible costs of graffiti removal are not used by **Sureteck Industrial & Commercial Services**, in developing the rate for cleaning trash receptacles charged to the County in the Maintenance Program For Non-Advertising Bus Stop Amenities -North County (Agreement No. 074400).

I am personally conversant with the foregoing facts and if so required, I could and would testify to the statements made herein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct of my own knowledge, except as to the matters which are therein stated as information or belief, and as to those matters I believe them to be true.

2/15/11
Date


Signature



County of Los Angeles
Transit Trash Receptacle Cleaning Contracts
Municipal Storm Water and Urban Runoff Discharges Test Claim
California Regional Water Quality Control Board
Executive Order Number 01-182, December 13, 2001
Permit Number CAS004001, Part 4, Section F.5.c.3.

Declaration of Alan Mudge

Alan Mudge makes the following declaration and statement under oath:

I, **Alan Mudge, General Manager**, of ShelterClean, Inc. declare that I am responsible for ensuring trash receptacles at bus stops and the 10-foot area around each trash receptacle are thoroughly cleaned of any graffiti, stickers, posters, litter, dust, dirt, weeds, and any residue in the performance of maintenance services, to implement the (above) captioned Permit requirements.

I declare that the County of Los Angeles (County) is charged three separate rates for cleaning: (1) the bus bench, (2) the bus stop shelter, and (3) the trash receptacle.

I declare that it is my information or belief that the costs of graffiti removal are included in the rates for cleaning benches and shelters as these fixtures provide the flat surfaces necessary for graffiti display.

I declare that it is my information and belief that graffiti is very rarely found on the trash receptacle.

I declare that it is my information or belief that the very infrequent task of removing graffiti from trash receptacles result in little or no costs to ShelterClean, Inc.

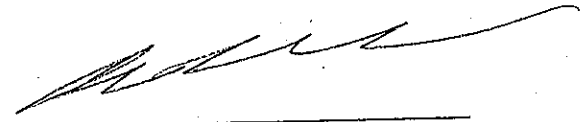
Consequently, I declare that the negligible costs of graffiti removal are not used by **ShelterClean, Inc.**, in developing the rate for cleaning trash receptacles charged to the County in the Maintenance Program For Non-Advertising Bus Stop Amenities – South County (Agreement No. 076721).

I am personally conversant with the foregoing facts and if so required, I could and would testify to the statements made herein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct of my own knowledge, except as to the matters which are therein stated as information or belief, and as to those matters I believe them to be true.

2-17-11

Date and Place



Signature

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**



KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
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WENDY L. WATANABE
AUDITOR-CONTROLLER

MARIA M. OMS
CHIEF DEPUTY

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JUDI E. THOMAS

**Los Angeles County's Review
Proposed Parameters and Guidelines
Municipal Storm Water and Urban Runoff Discharges Test Claims**

Declaration of Leonard Kaye

Leonard Kaye makes the following declaration and statement under oath:

I, Leonard Kaye, Los Angeles County's [County] representative in this matter, have prepared the attached review of the Commission staff analysis and draft parameters and guidelines for the Municipal Storm Water and Urban Runoff Discharges reimbursement program as adopted by the Commission on July 31, 2009.

I declare that I have revised the County's proposed parameters and guidelines and reasonable reimbursement methodology, attached hereto, in accordance with the findings of Commission staff in their analysis issued on February 4, 2011.

I declare that it is my information or belief that the County's State mandated duties and resulting costs as set forth in the attached revised parameters and guidelines and reasonable reimbursement methodology for the Municipal Storm Water and Urban Runoff Discharges reimbursement program, are reimbursable "costs mandated by the State", as defined in Government Code section 17514:

" ' Costs mandated by the State' means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution."

I am personally conversant with the foregoing facts and if so required, I could and would testify to the statements made herein.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct of my own knowledge, except as to the matters which are therein stated as information or belief, and as to those matters I believe them to be true.

2/22/11; Los Angeles, CA

Date and Place

Signature

Commission on State Mandates

Original List Date:

Last Updated: 2/18/2011

List Print Date: 02/25/2011

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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Division of Accounting and Reporting	Fax:
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Ms. Evelyn Tseng City of Newport Beach 3300 Newport Blvd. P. O. Box 1768 Newport Beach, CA 92659-1768	Tel: (949)644-3127 Email etseng@city.newport-beach.ca.gov Fax: (949)644-3339
Ms. Annette Chinn Cost Recovery Systems, Inc. 705-2 East Bidwell Street, #294 Folsom, CA 95630	Tel: (916)939-7901 Email achinnrcs@aol.com Fax: (916)939-7801
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COMMISSION ON STATE MANDATES

980 NINTH STREET, SUITE 300
SACRAMENTO, CA 95814
PHONE: (916) 323-3562
FAX: (916) 445-0278
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 25, 2011, I served the:

Co-Claimant Comments

Municipal Storm Water and Urban Runoff Discharges

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

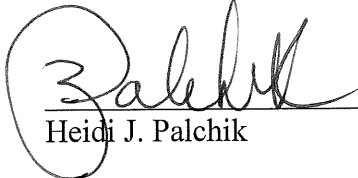
Los Angeles Regional Quality Control Board Order No. 01-182

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, Downey, 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 25, 2011 at Sacramento, California.


Heidi J. Palchik