

**WEST BASIN MUNICIPAL WATER DISTRICT****AUGUST 2, 2001 – Finance Committee**  
Smith, Little**AUGUST 27, 2001 – Board Meeting**

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Submitted by: Sharon Koike

Approved by: Darryl G. Miller

## ACTION CALENDAR

ANNUAL LAFCO ALLOCATION – FISCAL YEAR 2001-02SUMMARY:

The District received notification from the County of Los Angeles about the passage of Assembly Bill 2838. AB 2838 amended Section 58381 of the Government Code which established new requirements for funding the net operating expenses of the Los Angeles County Local Agency Formation Commission (LAFCO).

LAFCO has adopted a \$977,284 budget for fiscal year 2001-02 of which a portion has been allocated to the independent special districts. The District has reviewed the allocation prepared by the Los Angeles County for the independent special districts as well as the allocation specifically to the West Basin Municipal Water District. The allocation is based upon the gross revenues of the District as reported to the State Controller's office for 1997-1998. Based upon this allocation, West Basin's share is 18.43% of the Independent Special District's share of LAFCO's budget. Because the allocation is driven by the District's gross revenues, it appears that the allocation may be considered to be inflated, as the water revenues passed through to the WRD are also included in their gross revenues which are used to determine their allocated share as well.

The District will be required to fund a portion of LAFCO's annual operating budget using this allocation method until further notice.

FISCAL IMPACTS:

The District's allocated share of LAFCO's operating budget of \$41,564.37 has not been included in the annual operating budget.

ENVIRONMENTAL COMPLIANCE:

Not required.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee August 9, 2001 and was recommended for approval. This item was agendized to the August 27, 2001 Board meeting for action.

RECOMMENDED MOTION:

Authorize the payment of the mandated LAFCO charge in the amount of \$41, 564.37.