



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. 15

SEPTEMBER 18, 2009 – Finance
Smith (Chair), Dear
SEPTEMBER 28, 2009 – Board Meeting
Prepared by: Mary-Ann Rexroad
Submitted by: Margaret Moggia
Approved by: Rich Nagel

ACTION CALENDAR

STANDBY CHARGE TECHNICAL CORRECTION

SUMMARY:

In the early 1990's West Basin Municipal Water District (West Basin) implemented a recycled water parcel charge that has been used to finance West Basin's water recycling program. The amount of the charge for each parcel is proportionate to the amount of benefit received. For property used for residential purposes (single family and duplex), the annual standby assessment is \$24 for each acre of land, or portion thereof. For property used for multi-family residential purposes, the annual assessment is \$16 per dwelling unit. For property used for any nonresidential purpose, the annual standby assessment is \$120 for each acre of land, or a portion thereof.

In Fiscal Year (FY) 1992-93, property owner of assessor parcel number (APN) 4455-005-017 requested a reduction from West Basin of the Standby Charge. West Basin granted the request as the property qualified for a low water use reduction. Each subsequent fiscal year, the parcel was assessed at \$1,200 for 20 acres and the land use code assigned by the County of Los Angeles (County) was non-residential.

In FY 2008-09, the daughter, on behalf of the property owner, contacted staff and requested a further reduction to the standby assessment. Staff contacted its Standby Charge consultant, Willdan Financial Services (Willdan) to review the request, who found that the adjacent parcels to APN 4455-005-017 are coded residential by the County. Willdan notified the property owner who in turn requested the County to change the land use code effective FY 2008-09. With the change in land use code, West Basin refunded \$960 (the difference between \$1,200 charged and the corrected charge of \$240). In future fiscal years the standby charge for this parcel will be assessed \$240 (20 acres x \$24 x 50%).

At this time a refund for all prior fiscal years has been requested (Exhibit "A"). The total standby charge assessed for FY 1992-93 through FY 2007-08 was \$15,360. The Board has the option to refund or decline the request. As the determination of the land use code is the responsibility of the County and West Basin relies on this information in calculating the annual parcel charge, staff recommends declining the request for refund.

Committee recommendation is to rebate the property owner an additional 2 years of standby charges, on the condition that the owner executes a waiver and release. Under the waiver and release the property owner will acknowledge she is waiving all rights to any future requests for

reimbursements for the relevant period, and releasing the district from any claims she may have for the same period.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 8, Finance – Manage finances to optimize the public’s investment return and minimize risk.

COMMITMENT STATEMENT:

Sound Financial and Resources Management – West Basin is committed to efficient business operations, financial planning, and asset management.

FISCAL IMPACTS:

The refund of \$1,920 from FY 2006-07 to FY 2007-08 is not included in the FY 2009-10 Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on September 18, 2009, and the Committee recommended refunding the property owner an additional 2 years of standby charges, on the condition that the owner executes a waiver and release for any additional refund.

RECOMMENDED MOTION:

That the Board considers a rebate to the property owner of \$1,920 that covers the fiscal year 2006-07 and 2007-08, on the condition that the owner execute a waiver and release. Under the waiver and release the property owner will acknowledge she is waiving all rights to any future requests for reimbursements and releasing West Basin from any claims she may have for the same period.

LIST OF EXHIBITS:

Exhibit “A” – Letter from Diane Craft