



BETTY T. YEE
California State Controller

March 30, 2016

June Overholt, Finance Director
City of Glendora, Finance Department
116 E. Foothill Boulevard
Glendora, CA 91741-3380

Dear Ms. Overholt:

The State Controller's Office performed a desk review of costs claimed by the City of Glendora 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, 2012, through June 30, 2014. We conducted our review under the authority of Government Code sections 12410, 17558.5, and 17561. Our review was limited to verifying the reimbursement period.

The city claimed \$72,348 for the mandated program. Our review found that \$24,510 is allowable and \$47,838 is unallowable. The costs are unallowable because the period of reimbursement expired on December 27, 2012, with the adoption of a new permit, as described in the attached Summary of Program Costs and the Review Results. The State made no payments to the city. The State will pay \$24,510, contingent upon available appropriations.

We informed you of the review finding via email on March 15, 2016. We did not receive a response from the city.

If you disagree with the review finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (Commission). The IRC must be filed within three years following the date of this report. You may obtain IRC information at 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

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Attachments

RE: S16-MCC-9018

cc: Marie Ricci, Assistant Finance Director
City of Glendora, Finance Department
Thomas Retchless, Accounting Manager
City of Glendora, Finance Department
Mary Halterman, Principal Program Budget Analyst
Mandates Unit, California Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

Attachment 1— Summary of Program Costs July 1, 2012, through June 30, 2014

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2012, through June 30, 2013</u>			
One-time activities:			
Direct costs	\$ 299	\$ 299	\$ -
Ongoing activities:			
July 1, 2012, through December 27, 2012:			
Reasonable reimbursement methodology factor	7.31	7.31	-
Number of transit trash receptacles	× 69	× 69	× -
Annual number of trash pick-ups	× 48	× 48	× -
Total, July 1, 2012, through December 27, 2012	<u>24,211</u>	<u>24,211</u>	<u>-</u>
December 28, 2012, through June 30, 2013:			
Reasonable reimbursement methodology factor	7.31	-	(7.31)
Number of transit trash receptacles	× 69	× -	× (69)
Annual number of trash pick-ups	× 48	× -	× (48)
Total, December 28, 2012, through June 30, 2013	<u>24,210</u>	<u>-</u>	<u>(24,210)</u>
Total, ongoing activities	<u>48,421</u>	<u>24,211</u>	<u>(24,210)</u>
Total program costs	<u>\$ 48,720</u>	<u>24,510</u>	<u>\$ (24,210)</u>
Less amount paid by the State		<u>-</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 24,510</u>	
<u>July 1, 2013, through June 30, 2014</u>			
One-time activities:			
Direct costs	\$ 27	\$ -	\$ (27)
Indirect costs	+ 2	+ -	+ (2)
Total, one-time activities	<u>29</u>	<u>-</u>	<u>(29)</u>
Ongoing activities:			
Reasonable reimbursement methodology factor	7.32	-	(7.32)
Number of transit trash receptacles	× 62	× -	× (62)
Annual number of trash pick-ups	× 52	× -	× (52)
Total, ongoing activities	<u>23,599</u>	<u>-</u>	<u>(23,599)</u>
Total program costs	<u>\$ 23,628</u>	<u>-</u>	<u>\$ (23,628)</u>
Less amount paid by the State		<u>-</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	
<u>Summary: July 1, 2012, through June 30, 2014</u>			
Total program costs	<u>\$ 72,348</u>	<u>\$ 24,510</u>	<u>\$ (47,838)</u>
Less amount paid by the State		<u>-</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 24,510</u>	

¹ See Attachment 2, Review Results.

Attachment 2— Review Results July 1, 2012, through June 30, 2014

BACKGROUND

The California Regional Water Quality Control Board, Los Angeles Region (LARWQCB), 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 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 LARWQCB is adopted. On November 8, 2012, the LARWQCB adopted a new 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 Government Code section 17558, the State Controller's Office issues claiming instructions to assist local agencies, school districts, and community college districts in claiming mandated program reimbursable costs.

FINDING— Expired period of reimbursement

For fiscal year (FY) 2012-13 and FY 2013-14, the city claimed reimbursement of \$72,348 for costs of the Municipal Storm Water and Urban Runoff Discharges Program. We found that \$24,510 is allowable and \$47,838 is unallowable because the city is not eligible to claim reimbursement after December 27, 2012.

The City of Glendora is a permittee identified in the LARWQCB Order No. 01-182, Permit CAS004001; and as such, is eligible to claim reimbursement for mandated activities. However, the LARWQCB adopted a new NPDES permit, Order No. R4-2012-0175, regulating discharges from storm sewer systems operated by a number of municipalities in Los Angeles County. The new permit was adopted by the LARWQCB on November 8, 2012, and became effective on December 28, 2012. As such, the period of reimbursement for this mandate ended on December 27, 2012.

The parameters and guidelines (Section III. Period of Reimbursement) state:

...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.

Recommendation

We recommend that the city ensure that it file reimbursement claims for mandated programs for which the period of reimbursement has yet to expire.