

MEMORANDUM TO FILE

DATE: December 20, 2005

COUNCIL FILE NO.: 98-2333

PLACE IN FILES

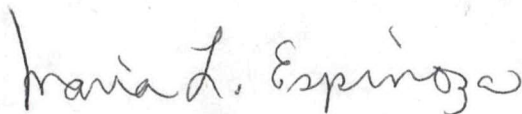
DEC 23 2005

DEPUTY 

RE: EXPIRED COUNCIL FILE

This memorandum notes the expiration of the accompanying Council file/contents; the file is deemed terminated (received and filed) and the subject matter contained herein is closed. No other action is forthcoming.

Pursuant to Council action of September 13, 2005, all Council files pending before the City Council, which have not been placed on a Council or Committee agenda for consideration for a period of two years or more, are deemed received and filed (CF 05-0553). City Clerk, Council File Index Section: 213.978.1044



Maria L. Espinoza
Legislative Assistant

cc: Index Section

#982333.exp

J. MICHAEL CAREY
City Clerk

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

June 11, 1999
(CF 98-2333/Not Transmitted)

Honorable James Hahn
City Attorney
Rm. 1800, City Hall

Ellen Stein, President
Board of Public Works
433 S. Spring St., Ste. 600

Dear City Officers:

On May 19, 1999, the City Council adopted the attached Budget and Finance Committee Report, as amended by the Motion (Miscikowski - Alatorre) relative to the City's policy on sewer service charge refunds.

This Council action requests that the City Attorney and the Department of Public Works, Bureau of Sanitation, report back to the Environmental Quality and Waste Management Committee with an enhanced policy which would expedite refunds for closed accounts and credit claims for sewer services charges.

Please transmit all written reports, in response to the Budget and Finance Committee Report and the Motion (Miscikowski - Alatorre) to the Environmental Quality and Waste Management Committee in care of the City Clerk, Room 615, City Hall, by July 12, 1999, for consideration by this Committee at its meeting scheduled for July 26, 1999.

Sincerely,

Barbara Greaves, Legislative Assistant
Environmental Quality and Waste
Management Committee

ATTACHMENTS

cc: Cindy Miscikowski, Chair Environmental Quality and Waste
Management Committee - ATTN: Lisa Gritzner



J. MICHAEL CAREY
City Clerk

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98-2333

May 20, 1999

Environmental Quality and Waste
Management Committee Clerk (with file)
Board of Environmental Affairs
Department of Environmental Affairs
Office of the Mayor
City Administrative Officer
Chief Legislative Analyst
Bureau of Sanitation
Council Member Miscikowski

Controller, Room 1200
Accounting Division, F & A
Disbursement Division
City Attorney
Board of Public Works
City Clerk
Council Member Alatorre

RE: CITY'S POLICY ON SEWER SERVICE CHARGE REFUNDS

At the meeting of the Council held May 19, 1999, the following
action was taken:

Attached report adopted, as amended.....	X
Amending motion (Miscikowski - Alatorre) adopted	X
Attached resolution adopted ().....	
Mayor concurred.....	
FORTHWITH.....	
Ordinance adopted.....	
Motion adopted to approve attached report.....	
Motion adopted to approve communication.....	
To the Mayor FORTHWITH.....	
Ordinance Number.....	
Publication date.....	
Effective date.....	
Mayor vetoed.....	
Mayor approved.....	
Mayor failed to act - deemed approved.....	
Findings adopted.....	
Negative Declaration adopted.....	
Categorically exempt.....	

J. Michael Carey

City Clerk
bs

steno\982333



19

ENVIRONMENTAL QUALITY AND WASTE MANAGEMENT COMMITTEE
Report/Communication for Signature

Council File Number 98-2333
Committee Meeting Date 1-13-99
Council Date 5-15-99

COMMITTEE MEMBER	YES	NO	ABSENT
COUNCILMEMBER MISCIKOWSKI, Chair	✓		
COUNCILMEMBER ALARCON			✓
COUNCILMEMBER GALANTER			✓

Remarks Refund of Sewer Service Charges
to customers served by Septic tanks & County facilities
Barbara Greaves, Legislative Assistant ♦♦♦ Telephone 237-1615

BUDGET AND FINANCE COMMITTEE
Report/Communication for Signature

Council File Number 98-2333
Committee Meeting Date 4/27/99
Council Date 5/19/99

COMMITTEE MEMBER	YES	NO	ABSENT
COUNCILMEMBER ALATORRE, Chair	✓		
COUNCILMEMBER WALTERS	✓		
COUNCILMEMBER FEUER	✓		

Remarks Refund SSC's

Himiko Nishiyama
Adrienne Bass, Legislative Assistant ♦♦♦♦ Telephone 5-5756 237-0379

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your BUDGET AND FINANCE Committee

reports as follows:

Public Comments Yes No
XX

BUDGET AND FINANCE COMMITTEE REPORT relative to the City's policy on sewer service charge (SSC) refunds.

Recommendations for Council action:

1. ADOPT a new policy to refund SSCs to customers whose premises are connected to septic tanks and who receive no sewer service from the City.
2. ADOPT a new policy to provide cash refunds owed by the City to customers whose premises are connected to the City's sewer system, but whose sewage is conveyed to the Los Angeles County Sanitation Districts for treatment. Cash refunds for these customers fall into following categories:
 - a) Customers who have active Department of Water and Power (DWP) accounts will receive their cash refunds from DWP by check.
 - b) Customers who do not have active DWP accounts will have to follow the normal City procedure of filing claim forms with the City Clerk's office to receive their cash refunds.
3. CONTINUE the present policy of limiting the amount of any refund to actual overpayments made without interest.

Fiscal Impact Statement: The CAO reports that the Sewer Service Charge refunds will be paid from the Sewer Construction and Maintenance Fund with a one-time cost of approximately \$500,000 and ongoing costs of approximately \$200,000 per year. There will be no impact on the General Fund.

Summary:

On April 27, 1999, the Budget and Finance Committee considered the the City Administrative Officer's (CAO) report on the City's policy on refund of sewer service charges (SSCs) to customers served by septic tanks and those customers who are directly connected to the county district facilities.

ADOPTED AS AMENDED by Council action of 5-19-99. Mosher

The report from the CAO reviewed three issues stated in a Board of Public Works report dated December 9, 1998 and concurred with the proposed changes in that report.

Refund of SSCs for Department of Water and Power (DWP) customers connected to septic tanks who receive no sewer service from the City. The City adopted a policy for septic tank households to refund SSCs which had been imposed prior to January 1, 1992. As a result of billing problems at the DWP, some properties continue to be billed for SSCs even when the Bureau of Sanitation knows that they are not users of the City system. The CAO is recommending that a the cut-off claim period be waived to allow any septic tank household to receive full refunds of any SSCs paid. The current backlog if refunds is approximately \$500,000.

Credit for customers connected to the City's sewer system but whose sewerage is conveyed to the Los Angeles County Sanitation Districts for treatment. There are certain areas in the City which are connected to the City's sewage collection system but the discharge is treated at a non-City facility. The City charges a smaller SSC rate for use of the City's collection system. The annual cost of these refunds is approximately \$200,000.

Continue policy to limit refunds to actual overpayments, without interest. The City prefers to improve its claim processing rather than pay penalties which would involve additional administrative staff and expense. Inasmuch as the City does not charge interest on overdue SSC bills, the CAO believes it is not necessary to pay interest on overpayments by customers.

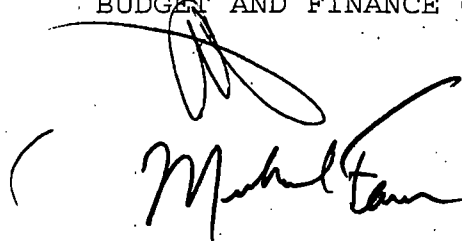
At the Budget and Finance Committee meeting, public comment was made by Ms. Elena Reyes, representing sewer service customers. Ms. Reyes impressed upon the Committee that the City's refund process was too slow and that some of the customers may have to wait as long as twenty years to receive refund. She also stated that the credit method was not equitable as there is no accrued interest.

The Budget and Finance Committee amended the CAO's recommendations and now forwards this matter to the Council for consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

HN
5/13/99
#982333



Conk Rot
ADOPTED
*REs Amended
MAY 19 1999

LOS ANGELES CITY COUNCIL
See Attached Motion

VERBAL MOTION

I HEREBY MOVE that Council AMEND the Budget and Finance Committee Report on today's agenda (Item No. 19, CF 98-2333) relative to the City's policy on sewer service charge (SSC) refunds to include the following additional recommendation:

REQUEST the City Attorney and INSTRUCT the Department of Public Works, Bureau of Sanitation to report back to the Environmental quality and Waste management Committee, with an enhanced policy which would expedite refunds for closed accounts and credit claims.

PRESENTED BY _____

CINDY MISCIKOWSKI
Councilmember, 11th District

SECONDED BY _____

RICHARD ALATORRE
Councilmember, 14th District

May 19, 1999

CF 98-2333
calagend\98-2333.mot

**motion*
ADOPTED

MAY 19 1999

LOS ANGELES CITY COUNCIL

J. MICHAEL CAREY
City Clerk

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

98-2333

May 20, 1999

Environmental Quality and Waste
Management Committee Clerk (with file)
Board of Environmental Affairs
Department of Environmental Affairs
Office of the Mayor
City Administrative Officer
Chief Legislative Analyst
Bureau of Sanitation
Council Member Miscikowski

Controller, Room 1200
Accounting Division, F & A
Disbursement Division
City Attorney
Board of Public Works
City Clerk
Council Member Alatorre

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Mayor concurred.....	
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To the Mayor FORTHWITH.....	
Ordinance Number.....	
Publication date.....	
Effective date.....	
Mayor vetoed.....	
Mayor approved.....	
Mayor failed to act - deemed approved.....	
Findings adopted.....	
Negative Declaration adopted.....	
Categorically exempt.....	

J. Michael Carey

City Clerk
bs

steno\982333

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your BUDGET AND FINANCE Committee

reports as follows:

Public Comments Yes No
XX

BUDGET AND FINANCE COMMITTEE REPORT relative to the City's policy on sewer service charge (SSC) refunds.

Recommendations for Council action:

1. ADOPT a new policy to refund SSCs to customers whose premises are connected to septic tanks and who receive no sewer service from the City.
2. ADOPT a new policy to provide cash refunds owed by the City to customers whose premises are connected to the City's sewer system, but whose sewage is conveyed to the Los Angeles County Sanitation Districts for treatment. Cash refunds for these customers fall into following categories:
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 - b) Customers who do not have active DWP accounts will have to follow the normal City procedure of filing claim forms with the City Clerk's office to receive their cash refunds.
3. CONTINUE the present policy of limiting the amount of any refund to actual overpayments made without interest.

Fiscal Impact Statement: The CAO reports that the Sewer Service Charge refunds will be paid from the Sewer Construction and Maintenance Fund with a one-time cost of approximately \$500,000 and ongoing costs of approximately \$200,000 per year. There will be no impact on the General Fund.

Summary:

On April 27, 1999, the Budget and Finance Committee considered the the City Administrative Officer's (CAO) report on the City's policy on refund of sewer service charges (SSCs) to customers served by septic tanks and those customers who are directly connected to the county district facilities.

ADOPTED AS AMENDED by Council action of 5-19-99. *Moskowitz*

The report from the CAO reviewed three issues stated in a Board of Public Works report dated December 9, 1998 and concurred with the proposed changes in that report.

Refund of SSCs for Department of Water and Power (DWP) customers connected to septic tanks who receive no sewer service from the City. The City adopted a policy for septic tank households to refund SSCs which had been imposed prior to January 1, 1992. As a result of billing problems at the DWP, some properties continue to be billed for SSCs even when the Bureau of Sanitation knows that they are not users of the City system. The CAO is recommending that a the cut-off claim period be waived to allow any septic tank household to receive full refunds of any SSCs paid. The current backlog if refunds is approximately \$500,000.

Credit for customers connected to the City's sewer system but whose sewerage is conveyed to the Los Angeles County Sanitation Districts for treatment. There are certain areas in the City which are connected to the City's sewage collection system but the discharge is treated at a non-City facility. The City charges a smaller SSC rate for use of the City's collection system. The annual cost of these refunds is approximately \$200,000.

Continue policy to limit refunds to actual overpayments, without interest. The City prefers to improve its claim processing rather than pay penalties which would involve additional administrative staff and expense. Inasmuch as the City does not charge interest on overdue SSC bills, the CAO believes it is not necessary to pay interest on overpayments by customers.

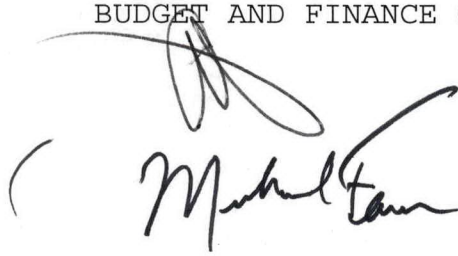
At the Budget and Finance Committee meeting, public comment was made by Ms. Elena Reyes, representing sewer service customers. Ms. Reyes impressed upon the Committee that the City's refund process was too slow and that some of the customers may have to wait as long as twenty years to receive refund. She also stated that the credit method was not equitable as there is no accrued interest.

The Budget and Finance Committee amended the CAO's recommendations and now forwards this matter to the Council for consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

HN
5/13/99
#982333



Conc Rpt
ADOPTED
~~FE~~ Amended
MAY 19 1999

LOS ANGELES CITY COUNCIL
See 17 Hatched Motion

VERBAL MOTION

I HEREBY MOVE that Council AMEND the Budget and Finance Committee Report on today's agenda (Item No. 19, CF 98-2333) relative to the City's policy on sewer service charge (SSC) refunds to include the following additional recommendation:

REQUEST the City Attorney and INSTRUCT the Department of Public Works, Bureau of Sanitation to report back to the Environmental quality and Waste management Committee, with an enhanced policy which would expedite refunds for closed accounts and credit claims.

PRESENTED BY _____

CINDY MISCIKOWSKI
Councilmember, 11th District

SECONDED BY _____

RICHARD ALATORRE
Councilmember, 14th District

May 19, 1999

CF 98-2333
calagend\98-2333.mot

**motion*
ADOPTED

MAY 19 1999

LOS ANGELES CITY COUNCIL

COUNCIL VOTE

19-May-99 11:27:38 AM, #8

ITEM NO. (19)

Voting on Item(s): 19

Roll Call

ALATORRE	Absent
BERNSON	Absent
CHICK	Yes
FEUER	Yes
GALANTER	Absent
GOLDBERG	Yes
HERNANDEZ	Yes
HOLDEN	Yes
MISCIKOWSKI	Yes
RIDLEY-THOMAS	Yes
SVORINICH	Yes
WACHS	Yes
WALTERS	Yes
*FERRARO	Yes
	Absent

Present: 11, Yes: 11 No: 0

COMMUNICATION

File No. 98-2333

LOS ANGELES CITY COUNCIL

TO:

COUNCIL MEMBER CINDY MISCIKOWSKI, CHAIR
ENVIRONMENTAL QUALITY AND WASTE MANAGEMENT COMMITTEE

Yes ☐ No ☒
Public Comments

COMMUNICATION FROM CHAIR, ENVIRONMENTAL QUALITY AND WASTE
MANAGEMENT COMMITTEE relative to the city's policy on refund of sewer
service charges (SSCs) to customers served by septic tanks and the
Los Angeles County district facilities.

Recommendations for Council action, as recommended by the Board of
Public Works:

1. ADOPT a new policy to refund SSCs charges to customers whose
premises are connected to septic tanks and who receive no
sewer service from the city.

2. CONTINUE the present policy of crediting any refunds owed by
the city to customers whose premises are connected to the
city's sewer system, but whose sewage is conveyed to the
Los Angeles County Sanitation Districts for treatment. Credits
for these customers fall into the two following categories:

a. customers who will receive credit on future Department of
Water and Power bills.

b. customers who cancel their service, but have unused
credit remaining, and are due a refund. These customers
are subject to the normal city claim procedures.

3. CONTINUE the present policy of limiting the amount of any
refund to actual overpayments made without interest.

4. INSTRUCT the City Attorney and the Department of Public Works,
Bureau of Sanitation to report back to the Environmental
Quality and Waste Management Committee, with an enhanced
policy which would expedite refunds for closed accounts and
credit claims.

Fiscal Impact Statement: The Board of Public Works reports that
there is no impact on the General Fund. Based on the refund
requests received so far, it is estimated that Recommendation
No. 1 will cost the Sewer Construction and Maintenance Fund (SCMF)
\$500,000 in additional refunds.

Summary:

On January 11, 1999, the Chair of the Environmental Quality and Waste Management (EQWM) Committee (sitting as a Committee of one), reviewed a Communication from the Board of Public Works (Board) regarding the City's policy on refund of sewer service charge (SSC) to customers served by septic tanks and those customers who are directly connected to the county district facilities.

Ms. Elena Reyes, an Attorney for "Utility Audit Corporation" submitted a speaking card on this item and stated that the City's refund process is too slow, and in some cases customers do not receive refunds for as long as twenty years, if at all.

After review of the Board and staff reports, and the public testimony given by the attorney, the Chair of the EQWM Committee recommended Council approval of the policy as submitted by the Board. The Chair also request that a recommendation be added to instruct the Bureau of Sanitation and the City Attorney to report back to the EQWM Committee with an enhanced policy which would expedite refunds for closed accounts and credit claims.

Background and Statement of Facts

The Board reports that customers of the Los Angeles sewage system pay sewer service charges to finance the costs of constructing, operating and maintaining the City's system. However, approximately twenty-five thousand residences and businesses have their own private disposal systems, usually septic tanks, and do not receive sewer service from the City.

The Department of Public Works, Bureau of Sanitation's past and present policy has been to refund SSCs paid by septic tank users in strict adherence to California Government Code Section 53082(e). This section requires full refunds for SSCs paid before January 1, 1992, but limits refunds after that date to 180-days after the date of claim.

On June 6, 1998, the appellant Mr. John McDonald, a utility consultant, represented by his attorney, Ms. Elena Reyes, met with the Board of Public Works SSC hearing officer, Commissioner Todd Burnett. Other attendees included Assistant City Attorney Chris Westhoff and Deputy City Attorney Michael Claessens, and Shahram Kharaghani and Candelario Eguia from the Financial Management Division (F.D.) of the Bureau of Sanitation.

Appellant Claims:

Appellant claims that the City's policies regarding refunding sewer service charges paid by customers who did not receive sewer service

are not consistent with the intent of the legislation requiring the refunds. Specifically that:

1. The City should refund sewer service charges paid by residences and businesses whose sewage is disposed of by septic tanks back to their water sign-on dates without considering any status of limitations, despite Government Code Section 53082(e) that allows a six-month refund limitation for claims filed after January 1, 1992.
2. The City should refund all excess SSCs paid by those customers that use the City's collection system but whose sewage is treated by the County Sanitation Districts' Carson plant in cash. The City currently credits the customers' future Department of water and Power (DWP) bills, as required by Council member Svorinich's motion introduced and adopted by the City Council in December 1996.
3. The City should include interest in the above refunds. The City currently excludes interest.

Proposed New Refund Policy for Customers on Septic Tanks

Staff Attorney's Westhoff and Claessens of the City Attorney's Office have advised that refunds to customers who have not received any services should be made back to the individual customer's water sign-on dates, with no gaps in the periods covered by refunds. They also advised that this new policy should be adopted by the Board with the Board administering this new policy as the cases are brought before it for consideration. Their reasons are as follows:

1. As the time between January 1, 1992 and the present increases, the current policy does not seem fair to those customers who, for whatever reasons, applied late for their refunds.
2. The current policy seems inconsistent with the intent of the State Legislature, as evidenced by its passage of SB 1821 that added Section 53082 to the Government Code. This section nullified all statutes of limitations for refunds of charges paid by residences and businesses who did not receive sewer service. This legislation did limit the refunds to 180-days of charges for those claims filed after January 1, 1992. However, because these residences and businesses did not receive any sewer services from the City, a full refund, without consideration of the claim deadline, seems consistent with the state statutory mandate that local agencies refund any sewer service fees collected for which no services were delivered.
3. The amount of the overpayment is substantial in many cases as

the time from January 1, 1992 to the present increases, resulting in significant inequity if refunds are restricted to six months.

4. Government Code Section 53092 does not prohibit the City Council from establishing a policy for the refund of SSCs which is consistent with at least the minimum requirements set forth in this section.

Affirm a Policy of Strictly following the Intent of the City Council Motion Regarding County Sanitation District Customers That Receive Partial Sewer Service.

The sewage generated within small parts of the City is collected in City local sewers but flows to a trunk sewer owned by the County Sanitation Districts and is treated at the Districts' Carson treatment plant. The affected portions of the City include part of Watts, Harbor Gateway, part of Harbor City, and a small area next to the City of Inglewood. The County Sanitation Districts bill these customers for sewage service on their property tax bill.

Los Angeles Municipal Code (LAMC) Section 64.41.03 provides that, where sewage enters the City's sewage system but is treated in the County Sanitation Districts' plant, the SSC rate is 15 percent of the standard rate. When the SSC was started in 1972, the Bureau of Engineering made an extensive effort to identify properties served by the Carson treatment plant and to grant the 15 percent rate without requiring applications. However, some properties were inadvertently missed and a few such rate corrections have been granted each year by application.

On November 13, 1996, a Council action nullified all statutes of limitations on refunds for customers whose sewage is treated at the Carson plant, but who paid the full rate SSC. However, the Council action intended to provide these refunds as credits against future DWP bills, not as cash. The Council could take this action because these refunds are not covered by the Government Code Section 53082.

The advantage of crediting refunds to future bills is that the impact on the Sewer Construction and Maintenance Fund is spread over several years. The disadvantage is the additional administrative effort required, including:

1. DWP must reprogram its computers and then bill its costs to the SCMF. Alternatively, the City Clerk could track these accounts until the credit is used and prepare a full reconciliation billing.
2. A customer who relinquishes a property (for example, by selling it or by canceling a lease) before the entire overpayment has been credited must file a claim against the City for the remaining amount. This would require that reports be prepared for the Board and Council.

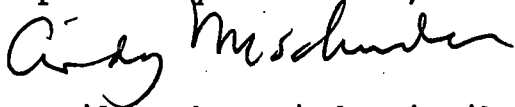
City Attorney staff Westhoff and Claessens recommended that refunds be made to customers whose sewage is treated at the Carson plant based upon the current policy which credits the customer's account until it is totally used up as opposed to a one time cash refund.

Affirm a Policy of Strict Adherence to the Exclusion of Interest When Calculating Customers SSC Refunds.

Since interest is mentioned neither Government Code Section 53082 for residences and businesses with septic tanks nor in the 1996 Council action for County Sanitation District customers, including interest in refunds is outside the intent of both. Furthermore, governmental entities usually do not include interest when back-billing a customer.

The Bureau of Sanitation concurs with the City Attorney's recommendations on the SSC issues described above.

Respectfully submitted,



Council Member Cindy Miscikowski, Chair
Environmental Quality and Waste Management Committee

BG:
5/3/99
#982333.eq

SUGGESTED NOTIFICATION OF COUNCIL ACTION

Council File No.

98-2333

☐	Petitioner/Communicant _____	
☐	Council Member(s) _____	
☒	Board of Environmental Affairs	(Mail Stop 725)
☒	Department of Environmental Affairs	(Mail Stop 725)
☒	Office of the Mayor <i>w/o file</i>	(Mail Stop 370)
☒	City Administrative Officer	(Mail Stop 130)
☒	Chief Legislative Analyst	(Mail Stop 136)
☐	South Coast Air Quality Management District	
☒	Bureau of Sanitation	(Mail Stop 520)
☐	Bureau of Engineering	(Mail Stop 490)
☒	Controller	(Mail Stop 183)
☒	City Attorney	(Mail Stop 140)
☒	<i>Bond Review Work</i>	(Mail Stop)
☒	<i>City Clerk</i>	(Mail Stop)
☐	_____	(Mail Stop)
☐	_____	(Mail Stop)
☐	_____	(Mail Stop)
☐	_____	(Mail Stop)
☐	_____	(Mail Stop)

CITY OF LOS ANGELES SPEAKER CARD

Date

5-19-99

Council File No., Agenda Item, or Case No.

19

I wish to speak before the

City Council

Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

Name: Elena Reyes

(X) Against proposal
(X) General comments

Business or Organization Affiliation:

Law Offices

Address:

1440 N. Harbor Blvd., #900, Fullerton, CA 92835

Business phone:

Street
(714) 449-3327

City

State

Zip

Representing:

Utility Audit Company

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

☐

Client Name:

Phone #:

Client Address:

Street

City

State

Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

CITY OF LOS ANGELES SPEAKER CARD

Item 2

Date

1-11-99

Council File No., Agenda Item, or Case No.

98-2333

I wish to speak before the

E G & W M Committee

Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

() Against proposal
(X) General comments

Name: Elena Reyes

Business or Organization Affiliation: Attorney for Utility Audit Corporation

Address: 1440 W. Harbor Blvd., Fullerton CA 92835

Street

City

State

Zip

Business phone: 714 449-3327 Representing:

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

☐

Client Name: Phone #:

Client Address:

Street

City

State

Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

CITY OF LOS ANGELES SPEAKER CARD

Date

4-13-99

Council File No., Agenda Item, or Case No.

(2)

I wish to speak before the

Budget & Finance Committee

Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

() Against proposal

Name:

Elena Reyes

() General comments

Business or Organization Affiliation:

Law Offices of Elena Reyes

Address:

1440 N. Harbor Blvd. #900, Fullerton, CA 92835

Street

City

State

Zip

Business phone:

(714) 444-3327

Representing:

Utility Audit Company for appellants
to sewer service funds.

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

☐

Client Name:

Phone #:

Client Address:

Street

City

State

Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

NOTICE OF LOBBYING REGISTRATION

If you are receiving compensation to make this appearance, the City's municipal lobbying ordinance (L.A.M.C. Section 48.01 et seq., as amended) may require you to register and report your lobbying activity. For more information about the City's lobbying law, contact the City Ethics Commission at (213) 237-0310, by fax at (213) 485-1093 or at 201 N. Los Angeles St., L.A. Mall, Suite 2, Los Angeles, CA 90012.

Information about lobbying the City of Los Angeles may also be found on the Internet by accessing the Ethics Commission site on the City of Los Angeles "home page" located at <http://www.ci.la.ca.us>

CITY OF LOS ANGELES SPEAKER CARD

Date

4-27-99

Council File No., Agenda Item, or Case No.

I wish to speak before the

Budget & Finance Committee
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

Name: Elena Reyes () Against proposal
(X) General comments

Business or Organization Affiliation:

Law Offices of Elena Reyes

Address:

1440 N. Harbor Blvd., Fullerton, CA 92835
Street City State Zip

Business phone:

(714) 449-3327

Representing:

Sewer Service Customers

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

☐

Client Name:

Phone #:

Client Address:

Street

City

State

Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

NOTICE OF LOBBYING REGISTRATION

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BUDGET AND FINANCE COMMITTEE

TUESDAY, APRIL 13, 1999

ROOM 315, CITY HALL - 2 PM
200 North Main Street, Los Angeles, CA 90012

Members: Councilmember Richard Alatorre, Chair
Councilmember Rita Walters
Councilmember Michael Feuer

(Himiko Nishiyama - Legislative Assistant - 213.485.5756)

Note: Assistive listening devices are available at the meeting; upon 72 hour advance notice, other accommodations, such as sign language interpretation, and translation services will be provided. Contact the Legislative Assistant listed above for the needed services. TDD available at (213) 485-4735.

File No.

Subject

(1)
98-0733 Motion (Alatorre - Ferraro) relative to the El Pueblo de Los
CD14 Angeles Historical Monument's 1998-99 Budget and revenues.

Fiscal Impact Statement submitted: No

Disposition _____

(2)
98-2333 Communication from the Board of Public Works and City
Administrative Officer (CAO) to report relative to refund of
sewer charges to customers served by septic tanks and County
district facilities. *EQ cont. heard Jan. '99*

Fiscal Impact Statement submitted: None submitted

Disposition *Contd. 1 wk.* _____

(3)
97-1069 Communication from the Mayor and report from the CAO relative to
advancing Community Policing Grant Award. (Public Safety
Committee approved CAO recommendations.)

Fiscal Impact Statement submitted: Yes, by the CAO

Disposition _____

(4)

99-0330 Communication from the CAO relative to continued staffing for the Emergency Command Control Communications System Expansion Program. (Personnel Committee Chair approved CAO recommendations.)

Fiscal Impact Statement submitted: Yes, by the CAO

Disposition_____

(5)

98-1469 Report from the CAO relative to the Community Development Department's (CDD) request for approval of the department's Technological Improvement Plan to fund staffing for systems-related functions, completion of CDD Network Infrastructure and upgrade of system staff computers. (Personnel Committee waived consideration; Community and Economic Development and Information Technology and General Services Committees amended CAO report.)

Fiscal Impact Statement submitted: Yes, by CAO

Disposition_____

(6)

98-0560 Consideration of report from the CAO relative to Local Law
S5 Enforcement Block Grant Savings. (Public Safety Committee considered this matter on March 29, 1999.)

Fiscal Impact Statement submitted: Yes, by the CAO

Disposition_____

REPORT FROM



CITY ADMINISTRATIVE OFFICER

TO The Budget & Finance Committee	DATE 4-13-99	CAO FILE No. 0610-01876-0214
REFERENCE Report from the Board of Public Works dated December 9, 1998 responding to requests for changes in processing certain refunds of Sewer Service Charges		COUNCIL FILE No.
SUBJECT Various Issues Regarding Sewer Service Charge Refunds		COUNCIL DISTRICT

SUMMARY

This report is in response to your request of January 13, 1999 for a report relative to the refund of certain Sewer Service Charges. Staff in the Bureau of Sanitation has worked on refunding certain charges for which minimal or no service is received. We have reviewed the three issues enumerated in the Board report and concur in the proposed changes. The impact on the Sewer Construction and Maintenance Fund will be approximately \$500,000 in one time costs. There are also ongoing costs of approximately \$200,000 per year. The specifics are described in the Findings to this report.

Recommendation

That the Council adopt the policy proposed by the Board of Public Works regarding refunds of certain Sewer Service Charges as follows:

- a. Provide a complete refund to customers who are connected to septic tanks and receive no sewer service from the City.
- b. Provide a credit on future bills to those customers who are connected to the City's sewers but whose sewage is conveyed to the Los Angeles County Sanitation Districts for treatment.
- c. Continue the current policy of limiting any refunds to actual charges without any interest.

FISCAL IMPACT STATEMENT

These Sewer Service Charge refunds will be paid from the Sewer Construction and Maintenance Fund with a one-time cost of approximately \$500,000 and ongoing costs of approximately \$200,000 per year. There will be no impact on the General Fund.

(Statement of Findings attached)

Acting CITY ADMINISTRATIVE OFFICER



Findings

Several items concerned with refunding Sewer Service Charges (SSCs) are the subject of a Bureau of Sanitation report adopted by the Board of Public Works (Board) on January 11, 1999. Three issues were raised as described below and the Board has recommended adoption of a policy which will allow staff to handle these cases administratively.

One: Refund of SSCs for Department of Water & Power (DWP) customers connected to septic tanks who receive no sewer service from the City.

This issue was addressed in the past when SSCs became a key element of the DWP bill. The City adopted a policy for septic tank households to refund SSCs which had been imposed prior to January 1, 1992. It was assumed that all such customers would be identified by that time. The California Government Code has a six month claim period after that date to take care of any who may have missed the major notification. However, it has come to the attention of Bureau staff that some property continues to be billed for SSC even when the Bureau staff knows they are not users of the City system. This appears to be due to some billing problems at DWP which reinstates the SSC when there is a change of ownership of property served by a septic tank. Thus, the six month cut-off period should be waived to allow any septic tank household to receive full refunds of any SSCs paid. The current backlog of refunds is approximately \$500,000.

Two: Credit for customers connected to the City's sewer system but whose sewerage is conveyed to the Los Angeles County Sanitation Districts for treatment.

There are certain areas in the City which are connected to the City's sewage collection system but the discharge is treated at non-City facilities. The Los Angeles Municipal Code currently provides in Section 64.41.03 that a smaller SSC rate (15 percent of the normal rate) can be collected for use of the City's collection system. A City investigation in 1972, when the SSC began, attempted to identify all such properties, but additional properties have been found since that time and rate corrections have been made pursuant to the Code section above. The annual cost of these refunds is approximately \$200,000.

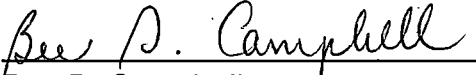
The practice has been to use any overpayment as credit on the DWP bill, inasmuch as the customer continues to use City services. In cases where customers leave the premises before the refunds are fully used, the regular City claims process is available for full payment. The time for such claims is approximately six months. There is no evidence that there needs to be a change to the current City policy on this type of refund.

(Findings continued)

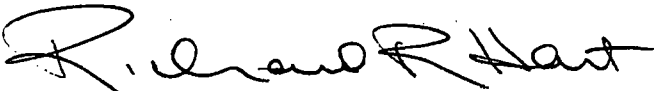


Three: Continue policy to limit refunds to actual overpayments, without interest.

Some critics of the City's system have requested interest on overpayments due to the length of time involved in the refund or crediting process. However, the City prefers to improve its claim processing, rather than pay penalties which would involve additional administrative staff and expense. Inasmuch as the City does not charge interest on overdue SSC bills, we do not believe it is necessary to pay interest on overpayments by customers.


Bee D. Campbell
Principal Administrative Analyst

APPROVED


Assistant City Administrative Officer

BDC:jhl

33510a09

J. MICHAEL CAREY
City Clerk

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

CF 98-2333

January 14, 1999

Mr. Keith Comrie, City Administrative Officer
Office of the City Administrative Officer

Dear Mr. Comrie:

At the request of the Chair of the Budget and Finance Committee, I am transmitting a copy of the Board of Public Works report relative to the refund of sewer service charges to customers served by septic tanks and/or those customers who are directly connected to the county district facilities, to your Office for review and recommendation.

Please transmit your completed report to the Budget and Finance Committee within 30 days, c/o Adrienne Bass, Legislative Assistant, Office of the City Clerk, Room 615, City Hall East.

Very truly yours,

Adrienne Bass
Legislative Assistant
Budget and Finance Committee

J. MICHAEL CAREY
City Clerk

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES

CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

January 13, 1999

C.F. No. 98-2333
(Transmitted w/File)

Council Member Richard Alatorre, Chair
Budget and Finance Committee
Room 504, CHE
Los Angeles, CA 90012

Dear Council Member Alatorre:

On January 11, 1999, the Chair of the Environmental Quality and Waste Management Committee (sitting as a Committee of one), reviewed a Communication from the Board of Public Works regarding the refund of sewer service charge to customers served by septic tanks and/or those customers who are directly connected to the county district facilities.

Staff from the Department of Public Works, Bureau of Sanitation, recommended that Council adopt the following policy:

1. Adopt a new policy to refund sewer service charges to customers whose premises are connected to septic tanks and who receive no sewer service from the City.
2. Continue the present policy of crediting any refunds owed by the City to customers whose premises are connected to the City's sewer system, but whose sewage is conveyed to the Los Angeles County Sanitation Districts for treatment. Credits for these customers fall into the two following categories:
 - a) customers who will receive credit on future Department of Water and Power bills; and
 - b) customers who cancel their service, but have unused credit remaining, and are due a refund. These customers are subject to the normal City claim procedures.
3. Continue the present policy of limiting the amount of any refund to actual overpayments made without interest.

An Attorney for "Utility Audit Corporation" submitted a speaking card on this item and stated that the City's refund process is too slow, and in some cases customers do not receive refunds for as long as twenty years, if at all.



After review of the staff reports and public testimony, the Chair of the Environmental Quality and Waste Management Committee recommended Council approval of the policy as submitted by the Board of Public Works, but instructed the Bureau of Sanitation and the City Attorney to report back to Committee with an enhanced policy which would expedite refunds for closed accounts and credit claims.

As requested by the Chair, the matter is now being forwarded to your Committee for consideration.

Sincerely,



Barbara Greaves
Legislative Assistant
Environmental Quality and Waste
Management Committee

cc: Council Member Cindy Miscikowski, Chair
Environmental Quality and Waste
Management Committee - Attn: Mike Jiminez

Ann Giagni and Shahrar Kharaghani, Bureau of Sanitation

Keith Pritsker, City Attorney

J. MICHAEL CAREY
City Clerk

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES

CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

98-2333

December 15, 1998

**ENVIRONMENTAL QUALITY & WASTE MANAGEMENT COMMITTEE
BUDGET & FINANCE COMMITTEE**

In accordance with Council Rules, communication from the Board of Public Works relative to refund of sewer service charges to customers served by septic tanks and county district facilities, was referred on December 15, 1998, to the ENVIRONMENTAL QUALITY & WASTE MANAGEMENT COMMITTEE and BUDGET & FINANCE COMMITTEE.

J. Michael Carey
City Clerk
amm



CITY OF LOS ANGELES

CALIFORNIA

BOARD OF PUBLIC WORKS MEMBERS

ELLEN STEIN
PRESIDENT
(213) 485-3378

VALERIE LYNNE SHAW
VICE PRESIDENT
(213) 485-3376

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(213) 485-3375

TOD A. BURNETT
(213) 485-3377

MARIBEL MARIN
(213) 485-3379



RICHARD J. RIORDAN
MAYOR

OFFICE OF THE BOARD OF PUBLIC WORKS

ROOM 600
433 S. SPRING STREET
LOS ANGELES, CA 90013

JAMES A. GIBSON
SECRETARY

GENERAL INFORMATION
(213) 485-3381
FAX: (213) 237-1445
TDD: (213) 847-4750

December 9, 1998

#1 SAN
(of 12/7/98)

CITY CLERK

DEC 14 AM 7:09

RECEIVED
CITY CLERK'S OFFICE

City Council
Room 615, City Hall East

Subject: REFUND OF SEWER SERVICE CHARGES TO CUSTOMERS SERVED BY
SEPTIC TANKS AND COUNTY DISTRICT FACILITIES

As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works requests that your Honorable Body endorse the following specific recommendations regarding refunding of sewer service charges:

1. **Adopt a new policy** to refund City sewer service payments back to the customer's water sign-on date to those premises that the City can verify are connected to septic tanks or are directly connected to County Sanitation District Facilities;
2. **Continue the present policy** of crediting any refunds owed by the City to customers served by the County Sanitation Districts against future sewer service charges for use of the City's collection pipes, with any unused credit remaining when a customer cancels water service being subject to the normal City claim procedures;
3. **Continue the present policy** of limiting the amount of any refund to actual overpayments made without interest.

Respectfully submitted,

ENVIRONMENTAL & WASTE MGT

James A. Gibson
for James A. Gibson
Secretary

Board of Public Works

BUDGET AND FINANCE

DEC 15 1998

JAG:GC:cg



DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 1
DECEMBER 7, 1998

AS AMENDED *
ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE CITY COUNCIL
DEC 9 - 1998

[Signature]
Secretary

CD: ALL

REFUND OF SEWER SERVICE CHARGES TO CUSTOMERS SERVED BY SEPTIC TANKS
AND COUNTY SANITATION DISTRICT FACILITIES

RECOMMENDATIONS

1. Adopt this report and forward it to the City Council recommending that the City Council endorse the following recommendations regarding refunding of sewer service charges to: (a) customers whose premises are connected to septic tanks and receive no sewer service from the City, and (b) customers whose premises are connected to the City's sewer system, but whose sewage is conveyed to the Los Angeles County Sanitation Districts for treatment.

The specific recommendations are as follows:

- * (1) **Adopt a new policy** to refund City sewer service payments back to the customer's water sign-on date for those premises that the City can verify are connected to septic tanks or are directly connected to the County Sanitation District Facilities;
- (2) Continue the present policy of crediting any refunds owed by the City to customers served by the County Sanitation Districts against future sewer service charges for use of the City's collection pipes, with any unused credit remaining when a customer cancels water service being subject to the normal City claim procedures;
- (3) Continue the present policy of limiting the amount of any refund to actual overpayments made without interest.

TRANSMITTALS

1. Copy of the State of California Government Code Section 911.2.
2. Copy of the Los Angeles City Charter Section 376.1.
3. Copy of a City Council Motion (Svorinich motion on the County Sanitation District customers).
4. Copy of the State of California Government Code Section 53082.
5. Copy of November 13, 1996 a Council action which nullified all statutes of limitations on refunds for customers whose sewage is treated at the Carson plant, but who paid the full sewer service charges.

Page 2

DISCUSSION

Background and Statement of Facts

Customers of the Los Angeles sewage system pay sewer service charges to finance the costs of constructing, operating and maintaining the City's system. However, approximately twenty-five thousand residences and businesses have their own private disposal systems, usually septic tanks, and do not receive sewer service from the City.

The Bureau's past and present policy has been to refund sewer service charges paid by septic tank users in strict adherence to California Government Code Section 53082 (e). This section requires full refunds for sewer service charges paid before January 1, 1992, but limits refunds after that date to 180-days after the date of claim.

On June 6, 1998, the appellant Mr. John McDonald, a utility consultant, represented by his attorney, Ms. Elena Reyes, met with the Board of Public Works SSC hearing officer, Commissioner Todd Burnett. Other attendees included Assistant City Attorney Chris Westhoff and Deputy City Attorney Michael Claessens, and Messrs. Shahram Kharaghani and Candelario Eguia from the Financial Management Division (FMD) of the Bureau of Sanitation.

Appellant Claims:

Appellant claims that the City's policies regarding refunding sewer service charges paid by customers who did not receive sewer service are not consistent with the intent of the legislation requiring the refunds. Specifically that:

1. The City should refund sewer service charges paid by residences and businesses whose sewage is disposed of by septic tanks back to their water sign-on dates without considering any statute of limitations, despite Government Code Section 53082 (e) that allows a six-month refund limitation for claims filed after January 1, 1992.
2. The City should refund all excess sewer service charges paid by those customers that use the City's collection system but whose sewage is treated by the County Sanitation Districts' Carson plant in cash. The City currently credits the customers' future Department of Water and Power (DWP) bills, as required by Council member Svorinich's motion introduced and adopted by the City Council in December 1996.
3. The City should include interest in the above refunds. The City currently excludes interest.

Proposed New Refund Policy for Customers on Septic Tanks

Messrs. Westhoff and Claessens of the City Attorney's Office have advised that refunds to customers who have not received any services should be made back to the individual customer's water sign-on dates, with no gaps in the periods covered by refunds. They also advised that this new policy should be adopted by

BUREAU OF SANITATION
BOARD REPORT NO. 1
DECEMBER 7, 1998

Page 3

the Board with the Board administering this new policy as the cases are brought before it for consideration. Their reasons are as follows:

- (1) As the time between January 1, 1992 and the present increases, the current policy does not seem fair to those customers who, for whatever reasons, applied late for their refunds.
- (2) The current policy seems inconsistent with the intent of the State Legislature, as evidenced by its passage of SB 1821 that added Section 53082 to the Government Code. This section nullified all statutes of limitations for refunds of charges paid by residences and businesses who did not receive sewer service. This legislation did limit the refunds to 180-days of charges for those claims filed after January 1, 1992. However, because these residences and businesses did not receive any sewer services from the City, a full refund, without consideration of the claim deadline, seems consistent with the state statutory mandate that local agencies refund any sewer service fees collected for which no services were delivered.
- (3) The amount of the overpayment is substantial in many cases as the time from January 1, 1992 to the present increases, resulting in significant inequity if refunds are restricted to six months.
- (4) Government Code Section 53082 does not prohibit the City Council from establishing a policy for the refund of sewer service charges which is consistent with at least the minimum requirements set forth in this section.

Affirm a Policy of Strictly following the Intent of the City Council Motion Regarding County Sanitation District Customers That Receive Partial Sewer Service.

The sewage generated within small parts of the City is collected in City local sewers but flows to a trunk sewer owned by the County Sanitation Districts and is treated at the Districts' Carson treatment plant. The affected portions of the City include part of Watts, Harbor Gateway, part of Harbor City, and a small area next to the City of Inglewood. The County Sanitation Districts bill these customers for sewage service on their property tax bill.

Los Angeles Municipal Code (LAMC) Section 64.41.03 provides that, where sewage enters the City's sewage system but is treated in the County Sanitation Districts' plant, the SSC rate is 15 percent of the standard rate. When the Sewer Service Charge was started in 1972, the Bureau of Engineering made an extensive effort to identify properties served by the Carson treatment plant and to grant the 15 percent rate without requiring applications. However, some properties were inadvertently missed and a few such rate corrections have been granted each year by application.

BUREAU OF SANITATION
BOARD REPORT NO. 1
DECEMBER 7, 1998

Page 4

On November 13, 1996, a Council action nullified all statutes of limitations on refunds for customers whose sewage is treated at the Carson plant, but who paid the full rate sewer service charge. However, the Council action intended to provide these refunds as credits against future DWP bills, not as cash. The council could take this action because these refunds are not covered by the Government Code Section 53082.

The advantage of crediting refunds to future bills is that the impact on the Sewer Construction and Maintenance Fund is spread over several years. The disadvantage is the additional administrative effort required, including:

- (1) DWP must reprogram its computers and then bill its costs to the SCMF. Alternatively, the City Clerk could track these accounts until the credit is used and prepare a final reconciliation billing.
- (2) A customer who relinquishes a property (for example, by selling it or by canceling a lease) before the entire overpayment has been credited must file a claim against the City for the remaining amount. This would require that reports be prepared for the Board and Council.

Messrs. Westhoff and Claessens recommended that refunds be made to customers whose sewage is treated at the Carson plant based upon the current policy which credits the customer's account until it is totally used up as opposed to a one time cash refund.

Affirm a Policy of Strict Adherence to the Exclusion of Interest When Calculating Customers SSC Refunds

Since interest is mentioned neither in Government Code Section 53082 for residences and businesses with septic tanks nor in the 1996 Council action for County Sanitation District customers, including interest in refunds is outside the intent of both. Furthermore, governmental entities usually do not include interest when back-billing a customer.

The Bureau of Sanitation concurs with Messrs. Westhoff and Claessens' recommendations on the SSC issues described above.

FISCAL IMPACT STATEMENT

Based on the refund requests received so far, it is estimated that recommendation No. 1 will cost the Sewer Construction and Maintenance Fund (SCMF) \$500,000 in additional refunds.

(AG JTC)

Respectfully submitted,

Prepared by:
Shahram Kharaghani, FMD
(213) 847-8748

120798-1


JUDITH A. WILSON, Director
Bureau of Sanitation

Law Revision Commission Comment

This section is the same as Government Code [former] Section 713, which applies to local public entities. No comparable statutory provision now exists with respect to claims against the State.

Historical Note

Applicability of Stats.1963, c. 1715, p. 3369, see Historical Note under § 900.

Derivation: Former § 713, added by Stats.1959, c. 1724, p. 4136, § 1.

Notes of Decisions

1. In general

Where claim form furnished by county and filled out by medical malpractice claimant did not require that claimant specify when malpractice was discovered, claim omitting such information nonetheless complied with requirements of this section and §§ 910 to 910.6 and 911.2 and, by not giving notice of insufficiency of claim as required by § 910.8, county waived any defect in claim founded on claimant's failure to specify when malpractice was discovered. *Martinez v. Los Angeles County* (1978) 144 Cal.Rptr. 123, 78 C.A.3d 242.

Letter, which was sent by claimant's attorney to sanitary district and its employee and which stated that attorney was representing claimant, requested that letter be forwarded to insurance carrier and

requested that attorney be contacted in absence of insurance, performed function of claim and district board was required to comply with § 910.8 requiring giving of particularized notice of claim's insufficiencies. *Foster v. McFadden* (1973) 106 Cal.Rptr. 685, 30 C.A.3d 943.

Contractor's filing of first complaint for declaratory relief and service of complaint upon flood control district was not substantial compliance with § 910.8 so as to permit contractor to maintain second action for declaratory relief and damages for district's alleged delay of construction of storm drain, furnishing of inaccurate plans and specifications and failure to compensate contractor for extra work. *Stromberg, Inc. v. Los Angeles County Flood Control Dist.* (1969) 76 Cal.Rptr. 183, 270 C.A.2d 759.

§ 911.2. Time of or presentation of claims

A claim relating to a cause of action for death or for injury to person or to personal property or growing crops shall be presented as provided in Article 2 (commencing with Section 915) of this chapter not later than the 100th day after the accrual of the cause of action. A claim relating to any other cause of action shall be presented as provided in Article 2 (commencing with Section 915) of this chapter not later than one year after the accrual of the cause of action.

(Added by Stats.1963, c. 1715, p. 3372, § 1.)

Law Revision Commission Comment

This section is substantially the same as the first paragraph of Government Code [former] Section 715, which applies to local public entities. It will provide a shorter period of time for presenting a claim against the State than the existing law (Government Code [former] Sections 643 and 644), which provides that a claim arising under Sections 17000 to 17003, inclusive, of the Vehicle Code

Sec. 376.1.

Notwithstanding the six-month period for the presentation of claims as provided for in Section 376, from and after January 1, 1962, the period for presenting claims as provided for in Section 376 shall be one year, and Section 376 shall be construed and applied in accordance with this section, except that this section shall have no retrospective effect as to claims and demands as to which the period for presentation thereof has expired prior to January 1, 1962. (Added, 1961.)

Sec. 377.

The Council, by ordinance, may provide for and prescribe limitations upon and the mode and manner of making refunds and allowances of credits for the overpayment of license, sales, use, occupation and other privilege taxes made to the City. Upon the adoption of such an ordinance, the six months' limitation in Section 376 contained shall not apply to claims or demands based upon the overpayment of such taxes, but the presentation and payment of such claims and demands shall be controlled by the terms of such ordinance so long as it remains in effect. (Added, 1951.)

Sec. 378.

At the end of each fiscal year, the Council shall require the income and expenditures of each department of the City to be audited by one or more certified public accountants, who are not connected with the department to be audited. Such accountant or accountants shall make his or their report direct to the Council. The Council shall determine the extent of such audit as to each of the several departments, and may provide for the taking of the same by resolution. (Added, 1941.)

NOV 06 1996

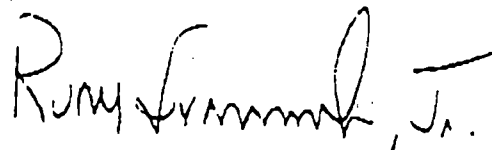
MOTION

The Bureau of Sanitation has recently learned that approximately seventy-one businesses and residents located in the Harbor Gateway area of the City have been inadvertently double-billed for sewer service charges. These properties were billed at 100% of the City's sewer service charge rates even though their sewage was being treated by the Los Angeles County Sanitation District's Carson Plant because of the topography of that portion of the City. These properties utilized City sewer lines to partially transport the sewage but County facilities were used for final sewage processing. The City should have billed these properties at 15% of the established rates.

The Bureau has calculated that a credit of approximately \$1.5 million is required to correct the error. The refund could best be accomplished by crediting each customer's monthly or bi-monthly Department of Water and Power bill until the full amount of the over-payment is reached.

I THEREFORE MOVE that the Bureau of Sanitation, Wastewater Engineering Services Division be directed to work with the Department of Water and Power to credit the appropriate amounts to the accounts of those residents and businesses which were inadvertently double-billed by both the City and County Sanitation District for sewer related services.

PRESENTED BY



Rudy Svorinich, Jr.

Councilman, 15th District

SECONDED BY _____

MO.

ADOPTED

NOV 13 1996

LOS ANGELES CITY COUNCIL

FORTHWITH

TRANSMITTAL #3

the district, which bonds may be payable from and secured by those fees in whole or in part. For this purpose, participating school districts may pledge and assign all or any part of those fees to the authority, and the fees so pledged and assigned to the authority, and any income thereon, may be pledged and assigned by the authority to the payment of bonds issued by the authority to finance projects for those participating school districts. While it is the intent of the Legislature that the amount of financing provided to a participating school district pursuant to this section shall be reasonably related, in the judgment of the authority, to the amount of fees on construction expected by the authority to be derived from or attributable to that participating school district, nothing in this section or any other provision of law shall be deemed to require a proportionate or other relationship between the amount of the financing actually provided to a participating school district pursuant to this section and the amount of fees on construction actually derived from or attributable to that participating school district pursuant to this section or used by the authority to secure or pay any bonds of the authority issued pursuant to this section.

(Added by Stats.1986, c. 887, § 2.)

Operative Effect

Operative effect of Stats.1986, c. 887, see Historical Note following Education Code § 17703.5.

§ 53082. Sewer service fees; refund when no service provided; claims

(a) By July 1, 1991, local agencies shall refund any sewer service fees collected for which no services were delivered.

(b) Any sewer service fees collected by a local agency from any person for which no service has been provided shall be refunded in accordance with subdivisions (c) and (d).

(c) In cases where a person paid fees as described in subdivision (a) and is still residing at the same location, it shall be the responsibility of the local agency, upon determination that the premises is not connected to the sewer system, to return fees in their entirety, regardless of the amount of time the fees were wrongly collected. For the purposes of this section, if the exact amount of the refund is not readily available, the amount of the refund may be calculated by averaging the rates paid by payers in the same classification during the time period in which the fees were collected.

(d) In cases where a person paid fees as described in subdivision (a) but is not still residing at the same location, the payer of the fees may make a claim for a refund to the agency collecting the fees.

(e) No statute of limitations shall apply to claims for fees paid before January 1, 1992. For fees paid on or after January 1, 1992, claims shall be filed within 180 days of the date of payment.

(f) As used in this section, "sewer service fees" means periodic fees, tolls, rates, rentals, or other charges imposed by local agencies for the purpose of covering the cost to provide sewer service or to operate, maintain, repair, and replace sewer systems and facilities, but do not include any of the following:

(1) Sewer standby or availability charges or assessments.

(2) Special assessments levied in accordance with one or a combination of the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code), the Municipal Improvement Act of 1918 (Division 18 (commencing with Section 10000) of the Streets and Highways Code), or the Improvement Bond Act of 1916 (Division 10 (commencing with Section 8600) of the Streets and Highways Code).

(3) Sewer connection charges or sewer capacity charges paid in conjunction with or as a condition of approving an application for sewer service.

(Added by Stats.1990, c. 1558 (S.B.1821), § 8. Amended by Stats.1991, c. 1226 (S.B.767), § 8.)

Historical and Statutory Notes

1990 Legislation

The Assembly Journal of Aug. 15, 1990 contained the following letter from Richard Kair regarding the legislative intent of S.B.1821 (Stats.1990, c. 1558):

"Amendments I have proposed to SB 1821 (Bergman), as amended July 7, 1990, creates a new Section 53082 of the Government Code, requiring local agencies to refund sewer service fees collected for which no such services were delivered.

"A concern has been raised that this section could be construed to require refund of reasonable standby or avail-

ability charges for sewer services. If the payer of the reasonable standby or availability charge is not yet connected onto a sewer.

"The provisions of Section 53082 of the Government Code are intended to apply to fees collected for which no actual sewer services were rendered, and are not intended to apply to reasonable standby or availability charges."

"The Senate Daily Journal of Aug. 31, 1990, contains the following letter from Marian Bergman to Darryl White regarding legislative intent of S.B.1821 (Stats.1990, c. 1558):

"Dear Darryl: Earlier today the Senate passed and sent to the Governor my Senate Bill 1821. Among other things,

Additions or changes indicated by underline; deletions by asterisks * * *

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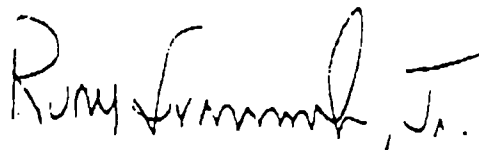
MOTION

The Bureau of Sanitation has recently learned that approximately seventy-one businesses and residents located in the Harbor Gateway area of the City have been inadvertently double-billed for sewer service charges. These properties were billed at 100% of the City's sewer service charge rates even though their sewage was being treated by the Los Angeles County Sanitation District's Carson Plant because of the topography of that portion of the City. These properties utilized City sewer lines to partially transport the sewage but County facilities were used for final sewage processing. The City should have billed these properties at 15% of the established rates.

The Bureau has calculated that a credit of approximately \$1.5 million is required to correct the error. The refund could best be accomplished by crediting each customer's monthly or bi-monthly Department of Water and Power bill until the full amount of the over-payment is reached.

I THEREFORE MOVE that the Bureau of Sanitation, Wastewater Engineering Services Division be directed to work with the Department of Water and Power to credit the appropriate amounts to the accounts of those residents and businesses which were inadvertently double-billed by both the City and County Sanitation District for sewer related services.

PRESENTED BY



Rudy Svorinich, Jr.

Councilman, 15th District

SECONDDED BY _____

TR.Svo81

MO.
ADOPTED

NOV 13 1996

LOS ANGELES CITY COUNCIL

FORTHWITH

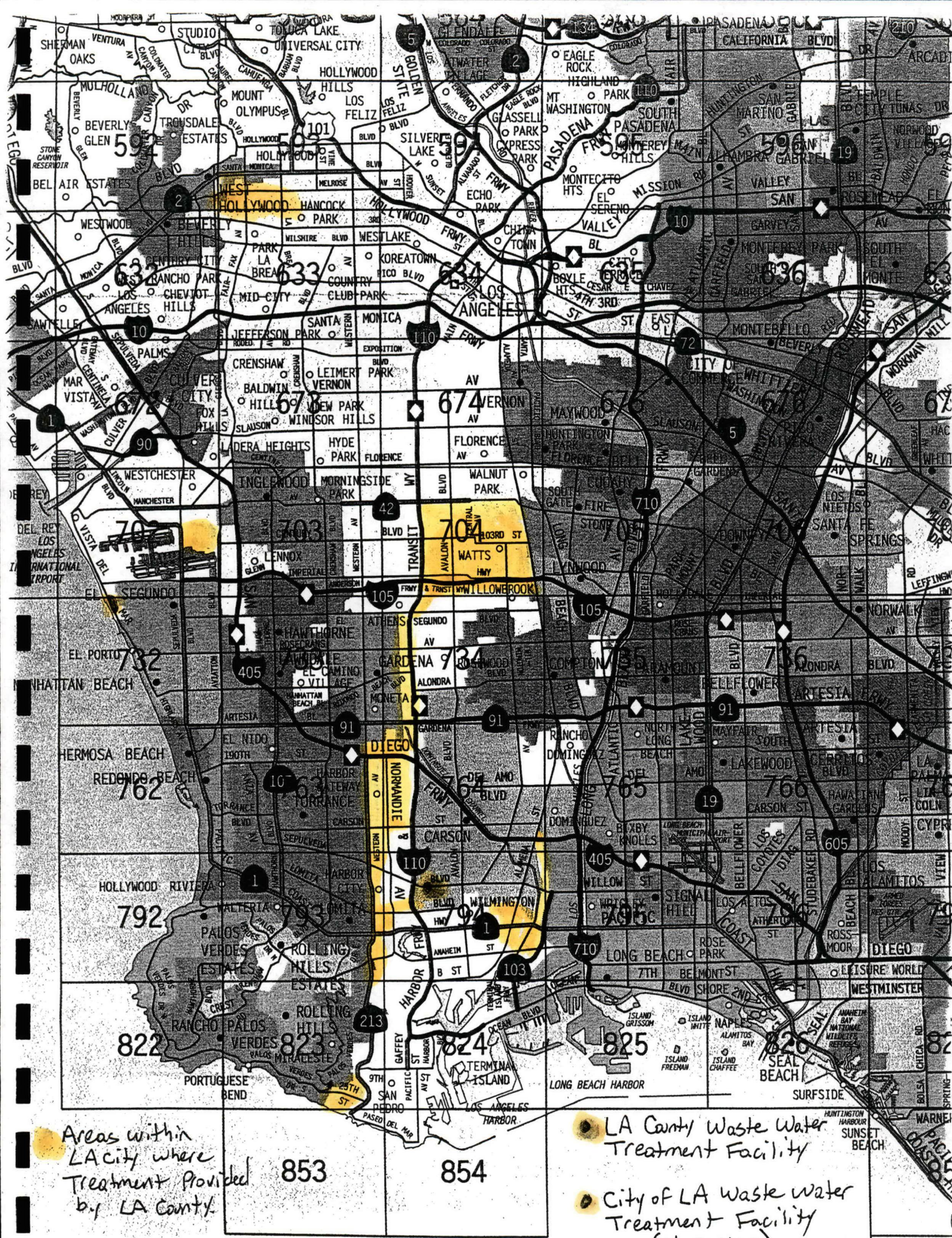
TRANSMITTAL #5

**UTILITY AUDIT COMPANY, INC.
ON BEHALF OF CLAIMANTS FOR REFUND OF WRONGLY
ASSESSED SEWER SERVICE CHARGES**

APPEAL TO CITY OF LOS ANGELES

PRESENTATION TO THE BOARD OF PUBLIC WORKS ON

DECEMBER 9, 1998



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3 Fullerton, CA 92635

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5 Attorney for
6 UTILITY AUDIT COMPANY, INC.

7
8 CITY OF LOS ANGELES

9 UTILITY AUDIT COMPANY, INC.
10 ON BEHALF OF CLAIMANTS FOR
11 REFUND OF WRONGLY ASSESSED
12 SEWER SERVICE CHARGES

POINTS AND AUTHORITIES IN
SUPPORT OF CLAIMS FOR FULL
REFUND OF MONIES PAID FOR
UNDELIVERED SEWER
SERVICES

13 APPEAL TO

14 CITY OF LOS ANGELES

15 UTILITY AUDIT COMPANY, INC., on behalf of the claimants identified in Exhibits
16 hereto, who have been denied a full refund of wrongfully assessed and paid sewer service
17 charges, submits the following Points and Authorities in support of claims for full refund of
18 monies paid, and interest thereon, for undelivered sewer services.

19 FACTS.

20 1. Since 1972, the City of Los Angeles, pursuant to the Los Angeles Municipal Code has
21 been assessing sewer service charges ("SSC") against properties in or contiguous to the City of
22 Los Angeles. The areas subject to SSC include all property within the Corporate Limits of the
23 City of Los Angeles plus the City of West Hollywood. These areas are reflected on "Exhibit A",
24 attached hereto. As stated in the Fact Sheet dated 3/95, from the Bureau of Engineering:

25 SSC RATE STRUCTURE

26 The Sewer Service Charge (SSC) is a charge applied to metered water consumption
27 to derive revenue for constructing sewers and sewage treatment plants and for
28 treating that portion of delivered water which is discharged into the sewer system.
.....

SCC EXEMPTIONS

Properties not connected to a City sewer qualify for exemption from the SSC and a refund of all previous SSC paid. Such properties are served by cesspool and septic tank or are entirely undeveloped and have a water service for irrigation only.

2. Billing for SSC is done through the City of Los Angeles Municipal Services, formerly the Department of Water and Power ("DWP"). The SSC is calculated based on the amount of water consumed by each customer of the DWP. As required by Federal and State laws, the SSC are to be used only for "operation and maintenance and replacement, and capital improvements of the City's sewage system."

3. Not all water customers of the City are users of the City sewer facilities. A portion of the water customers are on septic system or cesspools, a portion are fully serviced by County sanitation facilities, and a portion of water customers only use the City sewer lines to partially transport their sewage to County sanitation facilities, which facilities completely treat this sewage.

These customers have been wrongfully billed for SSC as follows:

- a. The group of water customers for whom no agency treats their sewage have none the less paid for sewer treatment services by an assessment in their DWP water bill. They are not claimants herein.
- b. The group of water customers who use only County sewer lines and receive full County sewer treatment services, receive no sewer services from the City of Los Angeles. They have been billed for services by both the County and the City. A majority of claimants herein are in this category.
- c. The group of water customers who have their sewage partially transported through City sewer lines, have all of their sewage treated at County facilities. They do not get any sewage treatment service from the City. They are billed for the County services. Pursuant to a service value determined by the City of Los Angeles, they should have been assessed a fee equivalent to 15% of the normal fee for the "transport services." They have instead been assessed a full SSC fee. This group was assessed and paid a fee equal to 6.7 times the appropriate assessment. They are the remainder of the claimants represented herein.

1 4. All of the claimants herein have their sewage treated by the County and are billed for
2 services on their County property tax bill. The line item on the County bill, (which is one of
3 many), is exemplified as follows: "DIRECT ASSESSMENTS . . . SD-SAN DIST 8." The City
4 also bills the claimants for SSC on their DWP bill. In small type on the DWP bills, is a line item
5 "Sewer Service Charge." Nothing in these line items would cause a reasonable person, assuming
6 the same person reviews both bills, to question whether the charges by either entity are proper and
7 correct. The City has no method established by which a reasonable person would question or
8 would know whether the SSC fees are properly assessed.

9 5. In 1989, a group of residents of Pacoima found out that they had been paying a SSC
10 when they received no City services for sewage treatment, as they all had septic systems. The
11 Pacoima residents sought and were refused a refund by the City of Los Angeles. As a result of
12 threatened litigation:

13 a. The City and assemblyman Richard Katz, then an assemblyman for the San
14 Fernando Valley, entered into an Agreement. It appears that the Agreement was
15 not placed in any formal writing. Pursuant to the Agreement, the City would make
16 refunds, after a study identified those water customers who unknowingly paid city
17 sewer fees even though they were on private systems.

18 Reference is made to this Agreement in a Los Angeles Times article published in 1990. (L.A. to
19 Pay Millions in Sewer Bill Refunds, August 9, 1990), The article states:

20 "The city had said . . . , that billing only those who use the sewers was impractical
21 because it did not know which properties are connected to sewers.

22

23 But members of Katz's staff and city officials have determined that they can obtain
24 the information by conducting a study to identify water customers who have
25 permits for sewer connections

26 The city had asked for two years to conduct the survey.

27

28 Residents who mistakenly paid sewer fees but have since moved will be reimbursed
only if they request repayment, the amendment (?Agreement) states.

 b. Legislation, Senate Bill 1821, was introduced by Senator Berguson and
Assemblyman Katz, and passed in January 1990, which added Government Code

1 §53082. This legislation was directly prompted by the City of Los Angeles
2 situation.

3 6. Govt. Code §53082 reads as follows, with the changes made by a 1991 amendment
4 reflected by the underlining:

5 **Sewer service fees; refund when no service provided; claims.**

6 (a) By July 1, 1991, local agencies shall refund any sewer service fees collected for
7 which no services were delivered.

8 (b) Any sewer service fees collected by a local agency from any person for which
9 no service has been provided shall be refunded in accordance with subdivisions (c)
10 and (d).

11 (c) In cases where a person paid fees as described in subdivision (a) and is still
12 residing at the same location, it shall be the responsibility of the local agency, upon
13 determination that the premises is not connected to the sewer system, to return fees
14 in their entirety, regardless of the amount of time the fees were wrongly collected.
15 For the purposes of this section, if the exact amount of the charges is not readily
16 available, the amount of the refund may be calculated by averaging the rates paid by
17 payers in the same classification during the time period in which the fees were
18 collected.

19 (d) In cases where a person paid fees as described in subdivision (a) but is not still
20 residing at the same location, the payer of the fees may make a claim for a refund to
21 the agency collecting the fees.

22 (e) No statute of limitations shall apply to claims for fees paid before January 1,
23 1992. For fees paid on or after January 1, 1992, claims shall be filed within 180
24 days of the date of payment.

25 (f) As used in this section, "sewer service fees" means periodic fees, tolls, rates,
26 rentals, or other charges imposed by local agencies for the purpose of covering the
27 cost to provide sewer service or to operate, maintain, repair, and replace sewer
28 systems and facilities, but do not include any of the following:

 (1) Sewer standby or availability charges or assessments.

 (2) Special assessments levied in accordance with one or a combination of the
 Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the
 Streets and Highways Code), the Municipal Improvement Act of 1913 (Division 12
 (commencing with Section 10000) of the Streets and Highways Code), or the
 Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of
 the Streets and Highways Code).

 (3) Sewer connection charges or sewer capacity charges paid in conjunction with or
 as a condition of approving an application for sewer service.

 It appears that the granting of time, to July 1, 1991, in subparagraph (a), relates to the two years
 the city requested to conduct its survey.

 7. In the background sheet for Senate Bill 1821, which adopted Govt. Code §53082, the
 purposes for this code section were described as follows:

"LOCAL GOVERNMENT CLEAN-UP BILL
 SENATE BILL 1821 (BERGUSON)
 CHAPTER 1558, STATUTES OF 1990

1
2
3

4 **Refunding Sewer Service Fees.**

5 3. The City of Los Angeles collects money for sewer service on its water bills,
6 regardless if the property has sewer service. Pacoima residents who still use septic
7 tanks discovered that the City bills them for sewer services even though their
8 houses are not connected to the sewer. The City refuses to refund the erroneous
9 charges. Senate Bill 1821 requires local agencies (specifically intending the City of
10 Los Angeles) to refund sewer service charges where services were not delivered.
11 SB 1821 spells out these procedures.”
12

13 8. In the Digest to the hearing on SB 1821 adopting Govt. Code §53082, comment was as
14 follows:
15

16 **Existing law** prohibits a local agency from imposing charges for water or sewer
17 connections or capacity fees which exceed the cost of providing the service, unless
18 the fee or charge is approved by 2/3 of the voters.
19 **This bill** prohibits a local agency from imposing sewer charges unless it actually
20 delivers sewer service. It also requires a local agency which has charged sewer fees
21 in the absence of sewer service to return the entire amount of the fees which were
22 inappropriately collected.
23

24 9. Shortly after Govt. Code § 53082 was passed, questions arose by local officials as to its
25 application to “standby charges.” (“Standby Charges” are a fee assessed for the availability but not
26 necessarily use of “sewer service facilities.”) In Senate Bill 767 of 1991, the comment to the
27 reason for amending Govt. Code §53082 stated:
28

29 **SENATE LOCAL GOVERNMENT COMMITTEE**
30 **SENATOR MARIAN BERGUSON, CHAIRMAN**

31
32 **VI. Sewer service fees.** Reacting to billing practices in the City of Los Angeles,
33 the Legislature has required local agencies to refund sewer service charges where
34 services were not delivered (SB 1821, Berguson, 1990). When some local officials
35 feared that this language might interfere with the collection of legitimate standby
36 charges, both Senator Berguson and Assemblyman Katz placed clarifying letters in
37 their respective Daily Journals. Local officials want the Legislature to clarify this
38 point. SB 767 places this clarification into statute, specifically exempting standby
39 charges, assessments, connection fees, and capacity charges from reimbursement.
40 [§6.]

41 10. In the Ways and Means Committee Analysis of SB767, and in the Assembly
42 Committee on Local Government Analysis for proposal, the bill was explained as follows:
43

44 **Government Code Section 53082**

45 **Existing law** requires local agencies to refund sewer service fees where services
46 were not delivered. There is no deadline for filing claims.

47 **This bill** provides that fees can be paid “upon determination that the premises is not
48 connected to the sewer system,” and provides that there is no deadline for filing

1 claims for fees paid before January 1, 1992, and a 180 day-statute of limitations for
2 claims filed after that date. "Sewer service fees" is defined and does not include
3 sewer standby or availability charges or assessments, certain special assessments,
4 and sewer connection charges or sewer capacity charges.

5 **Comments**

6 Current law responded to billing practices in the City of Los Angeles. This bill
7 places a deadline for filing claims and defines "sewer service fees" for purposes of
8 reimbursement that is reportedly consistent with the intent of the authors of the
9 original legislation: Senator Berguson and Assembly Member Katz.

10 This was one of the few places referencing the "deadline for filing claims." The City of
11 Los Angeles has a time limit for filing of SSC refunds, requiring that all claims must be made
12 within 180 days of payment of the fee. Apparently the amendment intended to coincide with this
13 City of Los Angeles limit. There is no evidence in the legislative paperwork that the affects or
14 legality of this limit were ever discussed or reviewed.

15 11. SB767 itself, best summarizes the "non controversial" intent of the amendment:

16 **SENATE BILL 767: "THE LOCAL GOVERNMENT OMNIBUS ACT OF 1991"**
17 **CHAPTER 1226 OF THE STATUTES OF 1991**

18 **SUMMARY:** Senate Bill 767 is the "Local Government Omnibus Act of 1991."
19 The bill corrects 22 minor, noncontroversial problems with the statutes affecting
20 local agencies. . . .

21 **PROBLEM:** Each year local officials discover problems with the state statutes
22 that affect their cities, counties, and special districts. These problems are relatively
23 minor and do not warrant separate (and expensive) bills.
24 For several years, the Chairmen of the Senate and Assembly Local Government
25 Committees have combined these items into annual local government omnibus bills.
26 Although the practice may violate the single-subject and germaneness rules expressed in
27 Harbor v. Deukmejian, it is an expeditious (and relatively inexpensive) way to respond to
28 multiple requests.

SPECIFICS: Authored by the Senate Committee on Local Government, Senate
Bill 767 enacts the "Local government Omnibus Act of 1991" and contains 23
changes:

Specifically as to Govt. Code § 53082 it states

Sewer service fees. Reacting to billing practices in the City of Los Angeles, the
Legislature has required local agencies to refund sewer service charges where
services were not delivered (SB 1821, Berguson, 1990; Government Code
§53082). When some local officials feared that this language might interfere with
the collection of legitimate standby charges, both Senator Berguson and
Assemblyman Katz placed clarifying letters in their respective Daily Journals
(Senate Daily) Journals, pages 8408-8409, 8/31/90, and Assembly Daily Journal,
pages 9326-9327, 8/15/90. Local officials want the Legislature to clarify this point

1 (Conni Barker, Association of California Water Agencies, 441-4545). There is no
2 deadline for filing these claims.

3 **Senate Bill 767** places this clarification into statute, specifically exempting standby
4 charges, assessments, connection fees, and capacity charges from reimbursement.
The bill also sets a 180-day deadline for filing claims for fees paid on or after
January 1, 1992. There is still no deadline to file claims for fees paid before the
bill's effective date.[§8.]

5 The time limit was included as a "minor, noncontroversial" item, at the request of "local officials."

6 12. Although instigated by the situation of the Pacoima residents, Govt. Code §53082 is
7 not limited in application to the City of Los Angeles or septic/cesspool/private sewage system
8 users. Govt. Code §53082 applies to all persons "for which no service has been provided,"
9 including those water customers who receive no service from the City of Los Angeles due to their
10 connection to County facilities. City officials knew who this group of customers was when Govt.
11 Code §53082 was adopted. The engineering requirements in establishing sewer lines involves
12 substantial involvement by the City and results in the existence of numerous records which show
13 the development and existence of sewer lines. The City of Los Angeles agencies have always had
14 the records necessary to determine which of its residents were having their sewage treated by the
15 sanitation facilities of the County of Los Angeles. City Public Works engineering records are
16 available which diagram all City and County sewer lines within the City.

17 13. Records received from the City of Los Angeles, Department of Public Works, Bureau
18 of Sanitation, indicate that the only notification done by the City of Los Angeles to its water
19 customers, remotely related to the SSC wrongful overcharge was as follows:

20 An insert in the regular DWP bill titled, **The Sewer Service Charge in the City of Los**
21 **Angeles**, was sent out with water bills in September of 1988, again in July of 1989, and in
22 July of 1989, which includes a paragraph that reads:

23 **What if My Premises is Not Connected to the Sewer?** Then you should apply
24 for an exemption from the SSC if you have not done so (this also applies if you are
connected directly to a County Sanitation District sewer.)

25 Another billing insert titled, **NOTICE OF INCREASED SEWER SERVICE AND**
26 **SANITATION EQUIPMENT CHARGES IN THE CITY OF LOS ANGELES**, which
27 includes the same paragraph as quoted above, was sent out in July of 1990, and again in
28 July of 1991.

1 A revised insert titled, **An Explanation of the Sewer Service Charge Rate Increase in**
2 **the City of Los Angeles and Its benefits to the Environment**, was sent out with the
3 DWP bills in December of 1991, June of 1992, and again in December of 1993. This insert
4 includes a paragraph revised to read:

5 **WHAT IF MY PROPERTY IS NOT CONNECTED TO THE SEWER?**
6 Then you should apply for an exemption from the SSC (if you have not already
7 done so) by calling 1-800-540-0952. This also applies if you are connected directly
8 to a County Sanitation District Sewer.

9 A more detailed, six page, three paper printout was enclosed with the water bills in August
10 of 1997. The document is titled, **CITY OF LOS ANGELES DEPARTMENT OF**
11 **PUBLIC WORKS BUREAU OF SANITATION SEWER SERVICE CHARGE**
12 **INFORMATION**, and includes the following paragraphs.

13 **SSC Exemptions**

14 Properties not connected to a city sewer qualify for exemption from the SSC and a
15 refund of all SSC which the customer has paid before January 1, 1992. For SSC
16 paid on or after January 1, 1992, credit will be given for SSC paid within 180 days
17 of filing a claim. Such properties are served by septic tank and cesspool or are
18 entirely undeveloped and have water service for irrigation only.

19 **Properties within a Los Angeles County Sanitation District**
20 Properties whose sewage enters a city sewer but is treated in County Sanitation
21 District treatment facilities pay an SSC at a reduced rate of 15 percent of the
22 otherwise applicable amount. This situation occurs in portions of the "Watts,"
23 Harbor Gateway," and "Harbor City" communities and a small area adjoining the
24 city of Inglewood. Customers who believe that they qualify should review their
25 property tax bill to see if they are paying fees to a County Sanitation District. The
26 reduced rate is retroactive to the customer's water sign-on date. Credit for any
27 past paid SSCs will be applied to the customers' open DWP accounts. No cash
28 refund will be given under any circumstance.

29 Copies of all of these inserts are included as "Exhibit B", attached hereto.

30 14. No notice was sent to water customers notifying them of the City's wrongful billing.
31 There was no apparent effort, either to review existing records or to conduct a survey by the City
32 of Los Angeles or its agencies, to ascertain those customers who were wrongfully charged and
33 who paid for undelivered sewer services.

34 15. Utility Audit Company, Inc., a utility audit/reviewing company, has filed claims for
35 City water customers for refunds of SSC charges. Claims were filed for the claimants who are the
36 subject of this action, and these claimants are identified in "Exhibits C and D" attached hereto.

1 Exhibit C lists claimants whose sewage is completely transported through and treated by
2 the County of Los Angeles sanitation facilities, and who, in addition to the wrongful SSC included
3 on their DWP bill, were also assessed sewer services charges on their Los Angeles County tax
4 bills. The Exhibit C claimants have received refunds for SSC services rendered before 1-1-92. For
5 periods thereafter, they have only been refunded monies paid for SSC within 180 days of the filed
6 claim. The City has refused to refund monies paid between 1-1-92 to 180 days of the filed claim,
7 by asserting that a "Statute of Limitations (per Gov't Code. §53082)" applies thereto.

8 Exhibit D lists claimants whose sewage travels partially through City lines, but whose
9 sewage is completely treated by County facilities. By motion adopted on November 13, 1996, the
10 Los Angeles City Council adopted a resolution to refund 100% of the amounts overcharged to this
11 type of claimant. The refund was to be done by way of a credit to the DWP accounts. A copy of
12 the motion is attached hereto as "Exhibit E." The City Council's motion states that "the refund
13 could best be accomplished by crediting each customer's monthly or bimonthly Department of
14 Water and Power bill until the full amount of the overpayment is reached." As was the historical
15 practice of the DWP, when a customer had a credit to their account, initially the DWP granted this
16 type of claimant's request for a cash refund of a credit balance. However, on May 8, 1997, the
17 City of Los Angeles issued an "INTER-DEPARTMENTAL CORRESPONDENCE" to the DWP,
18 which prohibited the giving of "any cash refund" to this type of customer. A copy of this
19 correspondence is attached hereto as "Exhibit F."

20 The Exhibit D-1 claimants have received a credit, and have a remaining credit balance, to
21 be applied forward on future DWP bills. Exhibit D-2 claimants have closed accounts, to which no
22 credit can be applied under this policy. Many customers may never receive repayment of the
23 wrongful assessment. DWP customers with small monthly bills can take up to twenty years to
24 absorb the DWP credit. Those that are too elderly will not survive the credit period. If a customer
25 with a credit closes the account before the full credit has been utilized, the customer will forfeit
26 their rightfully due monies. The City has not incorporated any interest into the credit process,
27 regardless of the potentially lengthy payback period.

1 16. A full cash refund has been demanded in all cases for each of the claimants represented
2 by this action. These Points and Authorities are in support of the claimants appeals to the refund
3 denials.

4 **EACH CLAIMANT REPRESENTED HEREIN, IS ENTITLED TO A FULL REFUND**
5 **PLUS INTEREST FOR MONIES PAID FOR WRONGFULLY ASSESSED SEWER**
6 **SERVICE CHARGES.**

7 The California Constitution and California laws as it existed prior to enactment of Govt.
8 Code §53082, and as they continue to exist, prohibit the assessing of any fees against taxpayers
9 except for services rendered, or unless otherwise approved by a vote of the people. The laws,
10 following the tenets of fair play, also require that in the event of any overcharges that actual notice
11 be given and that a payee be given reasonable time to make a claim for monies.

12 The intent of Govt. Code §53082 was a directive, a legal obligation to actually refund
13 monies. Had the City complied with the requirements of Govt. Code §53082, City of Los Angeles
14 records would have been corrected, water customers would have received a refund, and they
15 would have become aware and been on notice as to the problem and would have been able to file
16 any necessary claims in a timely manner. This did not occur. No notice of the wrongful assessment
17 was ever issued in any manner to water customers. The claimants were not given a reasonable
18 opportunity to take action.

19 The City of Los Angeles has not only NOT complied with its legal and constitutional
20 obligation or the directive of Govt. Code §53082, it now attempts to limit its obligations by either
21 applying an unconstitutional and illegal time limitation which could properly and was apparently
22 intended to apply only to claims arising after the City of Los Angeles had complied with its legally
23 mandated obligation. If further attempts to limit its obligations by denying cash refunds and
24 allowing the monies due and owing to only be credited against future City water bills of the
25 customers.

LEGAL ANALYSIS

I.

NEITHER THE CITY OF LOS ANGELES NOR ANY OF ITS AGENCIES,
HAD AUTHORITY TO ASSESS ANY CHARGES AGAINST RESIDENTS
FOR SEWER SERVICES NOT PROVIDED. SUCH ASSESSMENT IS AN
UNCONSTITUTIONAL TAX.

1. The California Constitution at Art. 13, §24 - Taxation for local purposes, grants the legislature power to authorize local government to impose taxes.

Local government has no inherent power to impose taxes, except as derived by legislature and constitution. Santa Clara County Local Transp. Authority v. Guardino, (1995), 11C.4th 220; 45 CalRptr 2d 207; 902 P2d 225.

Imposing of a tax requires a vote by 2/3 of the electorate. (Cal. Const. Art 13A, §4.)

2. G. C. § 50077. Ordinance or resolution; election; collection. Authorizes a city to propose by ordinance or resolution the adoption of a special tax. . . . The proposition shall be submitted to the voters of the city, county, or district, or a portion thereof, and, upon the approval of two-thirds of the votes cast by voters voting upon the proposition, the city, county, or district may levy the tax.

3. Govt. Code §50076. defines "special tax" to

not include any fee which does not exceed the reasonable cost of providing the service or regulatory activity for which the fee is charged and which is not levied for general revenue purposes.

4. The California Supreme Court in Knox v. City of Orland, (1992), 4 Cal4 132; 14 CalRptr2 159; 841 P2 144, at pg. 142, discusses a "special assessment" as distinguished from a special tax.

The rational of special assessment is that the assessed property has received a special benefit over and above that received by the general public.

The same court confirms at page 146, prior existing law that such assessment must be "proportional to the benefits to be bestowed to the properties assessed," and that Govt. Code §50076 is a

1 legislative exemption to section 4 for fees which are not levied for general revenue
2 purposes and do not exceed the "reasonable cost" of providing a service or
regulatory activity for which such fees are charged. (Emphasis added.)

3 5. The legislature, by way of Health and Safety Code §5471 grants local entities power to
4 prescribe and collect fees, for sewer services **rendered**. The fees must be used only for "the
5 acquisition, construction, reconstruction, maintenance, and operation of water systems and
6 sanitation, storm drainage, or sewer facilities,"

7 **Unless the fees assessed by the City were a voter approved tax, the City of Los**
8 **Angeles has no authority to assess a charge for sewer services that were not, and could not**
9 **be received by water customers. To do so is a violation of the law.**

10 II.

11 **CALIFORNIA LAW REQUIRED THE CITY OF LOS ANGELES TO SEND** 12 **OUT A NOTICE OF OVERPAYMENT TO ALL OVER ASSESSED** 13 **WATER CUSTOMERS OF THE DWP.**

14 6. Health and Safety Code §5473.8 makes the laws governing levy, collections, and
15 enforcement of general taxes, applicable to collection of sewer service charges imposed under
16 §5471. Revenue and Taxation Code §2635, which is applicable here by way of §5473.8, requires
17 the tax collector to notify the payer of overpayment.

18 When the amount of taxes paid exceeds the amount due by more than ten dollars
19 (\$10), **the tax collector shall send notice of the overpayment to the taxpayer.**
20 The notice shall be mailed to the taxpayer's last known address and shall state the
amount of overpayment and that a refund claim may be filed pursuant to Chapter
21 5(commencing with Section 5096) of Part 9. (Emphasis added.)

22 **The City of Los Angeles, or its agency, the DWP, was obligated to send a notice of**
23 **overpayment, including the amount overpaid, to each water customer who overpaid due to**
24 **wrongful assessment of SSC. No such notice was ever sent to any potential claimant.**

25 III.

26 **THE TIME LIMITATION FOR FILING OF CLAIMS FOR REFUNDS OF** 27 **IMPROPERLY ASSESSED SEWER SERVICE CHARGES IS THE LATER** 28 **OF FOUR YEARS AFTER PAYMENT IS MADE OR THE YEAR AFTER** **THE MAILING OF PROPER NOTICE BY THE CITY OF LOS ANGELES.**

7. Revenue and Taxation Code, Article 21, beginning with §5140, describes the process for a refund action. Revenue and Taxation Code §5097 makes the claim period limit the later of four years after the making of the payment sought to be refunded or within one year after the mailing of notice as prescribed in §2635.

The time limit for filing of claims against the City of Los Angeles, for the claims at issue, has not begun to run, as no notice, in compliance with Revenue and Taxation Code §2635 has been sent. The claim period asserted by the City of Los Angeles of 180 days from date of payment, is contrary to the law.

IV.

THE CITY'S TIME LIMIT FOR FILING A CLAIM, OF 180 DAYS FROM PAYMENT, IS CONTRARY TO LEGISLATIVE SECTIONS WHICH REQUIRE A STATUTE OF LIMITATIONS FOR FILING OF CLAIMS AGAINST LOCAL ENTITIES TO NOT BE LESS THAN ONE YEAR FROM THE ACCRUAL OF THE CAUSE OF ACTION.

8. The City of Los Angeles has authority to develop its own claims process, pursuant to CLAIMS PROCEDURES AGAINST PUBLIC ENTITIES, as set out in Title 1., Division 3.6, Part 3. of the Government Code. Govt. Code §911.2 requires that a claim of this sort be presented not later than one year after the accrual of the cause of action. Govt. Code §935 grants authority to local entities to establish procedures by Charter for §905 cases, making claims against the local public entity. Such procedures cannot have a shorter time period for presentation than as stated in Govt. Code §911.2.

9. The Charter of the City of Los Angeles was amended in 1961, to extend its claims period to comply with state law:

Section 376.1. Notwithstanding the six-month period for the presentation of claims as provided for in Section 376, from and after January 1, 1962, the period for presenting claims as provided for in Section 376, shall be one year, and Section 376 shall be construed and applied in accordance with this section. . . .

10. Although Revenue and Taxation Code § 5097 should be the applicable time period, even under Government Code §935, the claims herein must be allowed. All claims were filed within one year of the “accrual of the cause of action.”

The claims herein were all filed within days after the accrual of the cause of action, in compliance with Government Code §935 and the Charter of the City of Los Angeles.

V.

**A CLAIM FILING LIMIT CANNOT BE TIED TO THE DATE OF PAYMENT. IT MUST
BE TIED TO THE CAUSE OF ACTION, WHICH ACCRUES WHEN WATER
CUSTOMERS ARE NOTIFIED OF THE CITY'S ERROR IN ASSESSING THE
WRONGFUL FEE.**

11. Claim periods relate to date of the accrual of a cause of action, and not payment of a wrongfully assessed fee.

Govt. Code §901. For the purpose of computing the time limits prescribed by Section 911.2, 911.4, 912, and 945.6, the date of the accrual of a cause of action to which a claim relates is the date upon which the cause of action would be deemed to have accrued within the meaning of the statute of limitations which would be applicable thereto if there were no requirement that a claim be presented to and be acted upon by the public entity before an action could be commenced thereon.

Under California law, a cause of action in cases of misrepresentation, fraud, or mistake, arises when the party injured knows or should have known of the misrepresentation, mistake, or fraud.

12. The assessment of the SSC was a mistake by the City. Any statement implying that the claimants were receiving sewer service treatment services by the City of Los Angeles was a misrepresentation. Civil Code §§337 and 338, relating to a Statute of Limitation of four years and three years respectively, state that in a case as this, of misrepresentation and/or mistake, the time does not begin to run or accrue until discovery by the aggrieved party of the facts constituting the fraud or mistake."

§337. Within four years:

An action based upon the rescission of a contract in writing. The time begins to run from the date upon which the facts that entitle the aggrieved party to rescind occurred. Where the ground for rescission is fraud or mistake, **the time does not begin to run until the discovery by the aggrieved party of the facts constituting the fraud or mistake.** (Emphasis added.)

1 §338. Within three years:

2 (d) An action for relief on the ground of fraud or mistake. **The cause of action in**
3 **that case is not to be deemed to have accrued until the discovery, by the**
4 **aggrieved party, of the facts constituting the fraud or mistake.** (Emphasis
5 added.)

6 The claimants herein did not discover the mistakes and misrepresentations related to the SSC
7 charges, until just prior to their filing of the claims.

8 **The cause of action for the claimants did not begin to run until discovery of the**
9 **wrongful assessment. A water customer, under reasonable circumstances, would not**
10 **discover the City's mistake, unless they were notified by the City.**

11 VI.

12 **RATHER THAN COMPLY WITH THE MANDATES OF GOVERNMENT CODE** 13 **§53082, THE CITY OF LOS ANGELES HAS USED CODE §53082 TO LIMIT ITS** 14 **OBLIGATIONS.**

15 13. When SB1821 was passed, the City of Los Angeles was required to refund to its water
16 customers, sewer service charges collected for undelivered services. The only reference to a claim
17 process being required to be filed by a customer, was as to those customers who had moved. The
18 code section, when adopted in January of 1990, required that the refund be accomplished by July
19 1, 1991. Subsection (b) of the § makes the requirement of refund a continuing obligation beyond
20 1991, that all the fees are to be returned per the intent of the legislation

21 "in their entirety, regardless of the amount of time the fees were wrongly collected."

22 The Code § is operative without the filing of a claim. Water customers are not required to take any
23 action. However, as the City did not comply with its obligation, as water customers become aware
24 of the City's wrongful assessment, their only choice is to file a claim. The city would not
25 otherwise act. The City of Los Angeles has attempted to change the intent of Govt. Code §53082,
26 by claiming a time limitation on their legal obligation, pursuant to the amendment of Govt. Code
27 §53082 in 1991. This limitation is not applicable.

28 14. The amendment of Govt. Code §53082, in 1991 was intended primarily to clarify that
it did not apply to "standby services." Without review by the legislature and at the request of
officials of the City of Los Angeles, language was added to coordinate the claim process

1 (applicable only to those customers who have moved) with the time limitation practice of the City
2 of Los Angeles. Initially the legislature, recognizing the City's responsibility, put no statute of
3 limitations on claims to be made. A process for refund of known claims already existed. Careful
4 reading of the Code §, subsection (d), indicates that claims for refunds only needed to be filed by
5 those customers who had moved. The claim time limit in subsection (e) could only logically apply
6 to subsection (d) claimants. The purpose of G. C. §53082, is not to impose a statute of limitations
7 for refund of the wrongfully assessed and collected SSC fees.

8 **The City's improper use of the code section to limit its obligation to refund monies**
9 **wrongly collected is contrary to the purpose of the law.**

10 **VII.**

11 **THE CITY HAS NOT COMPLIED WITH THE REQUIREMENTS OF THE**
12 **U.S. CONSTITUTION, 5th AMENDMENT OF DUE PROCESS, IN THAT IT**
13 **HAS NOT PROPERLY NOTIFIED WATER CUSTOMERS OF THE**
14 **WRONGFUL ASSESSMENT BEFORE IMPOSING A TIME LIMIT TO A**
15 **CLAIM OF REFUND OF MONEY PAID BECAUSE OF A WRONGFUL**
16 **ASSESSMENT.**

17 15. The Fifth Amendment to the United States Constitution states that no person shall be
18 deprived of "property without due process of law: nor shall private property be taken for public
19 use, without just compensation." The City first violated the requirement of this amendment, when
20 it wrongfully assessed and collected the SSC fees. By this same amendment the City of Los
21 Angeles was obligated to allow each claimant reasonable notice and time to take action, before the
22 City could deny them their right to a refund of money paid under the wrongful assessment.

23 16. The California Supreme Court in Furey v. City of Sacramento 24 Cal3 869; 157 Cal
24 Rptr. 684; 598 P2d 844 (1979), addressed the unfairness of placing a time limit on filing a claim,
25 when the claimant had no knowledge of the right to file a claim. The Court cited the case of
26 Smoke Rise, Inc. v. Washington Suburban San Com'n. to support its decision to hold such a time
27 limit unconstitutional.
28

1 A similar situation arose in the case of Smoke Rise, Inc. v
2 Washington Suburban San. Com'n (D.Md. 1975) 400 F.Supp. 1369.
3 There certain real estate developers sought to challenge the
4 constitutional and statutory validity of various sewer hookup
5 moratoria. It was held that the moratoria, which resulted from an
6 order of the state department of health, were constitutional in all
7 respects but that the developers, who were subject to a front foot
8 benefit assessment for the construction of sewer lines and facilities,
9 were deprived of due process by a requirement that any application
10 for exemption from the assessment be made contemporaneously
11 with the notice of assessment. "In the view of this Court," it was
12 held, "it is inconsistent with basic notions of fair play and due
13 process to say that a person whose property was assessed... in 1968,
14 cannot apply for and receive in 1972 an exemption from the front
15 foot benefit charge as a result of the Secretary's 1970 moratoria
16 orders, which orders could not reasonably have been anticipated in
17 1968." (400 F.Supp.at p.1394.)

18 It is unfair and without due process for the City of Los Angeles to limit claims to within 180 days
19 of payment, when the claimants, at the time payment is made, have no reason to know that the
20 SSC assessments, as made by the City of Los Angeles, are wrong.

21 17. The City, in its water bills, a number of times placed inserts entitled in a manner similar
22 to **An Explanation of the Sewer Service Charge Rate Increase in the City of Los Angeles**
23 and its benefits to the Environment. Within such brochures were, among many other unrelated
24 informational paragraphs, one similar to the following:

25 **What If My Property Is Not Connected To The Sewer?**

26 Then you should apply for an exemption from the SSC (if you have not already done so) by
27 calling 1-800-540-0952. This also applies if you are connected directly to a County
28 Sanitation District Sewer.

29 These were not equivalent to a NOTICE OF WRONGFUL ASSESSMENT. It is a violation of
30 the requirement of Due Process to not notify the water customers of the City of Los Angeles, of
31 the wrongful assessment. It is a further wrong to then limit the time within which to make a claim
32 to a time period within which most of the customers are unaware of their right to make a claim.

33 The City never complied with the constitutional requirement of "fair play and due
34 process." It failed to refund the wrongfully assessed monies and then failed to give any
35 kind of notice of the wrongful assessment to potential claimants. It even failed to determine
36 (if it did not already know) who all of the potential claimants were. The City of Los

1 Angeles cannot deny a refund or refuse to fully refund monies based on an unconstitutional
2 time limit .

3 VIII.

4 STATE LAW REQUIRES A FULL REFUND PLUS INTEREST ON THE
5 REFUND AMOUNT, TO ALL PERSONS WHO HAVE ERRONEOUSLY
6 PAID A SEWER SERVICE CHARGE WRONGFULLY ASSESSED.

7 18. Authority to make claims against the City of Los Angeles, comes from the
8 Constitution through the Legislature.

9 Cal. Const. Art 11 § 12. Claims. The Legislature may prescribe procedure for
10 presentation, consideration, and enforcement of claims against counties, cities, their
offices, agents or employees.

11 As discussed above in II, the rules in the Revenue and Taxation Code, apply to levy, collection,
12 and enforcement of sewer service charges. The Legislature has provided in Revenue and Taxation
13 Code § 5151, for interest on refunds.

14 5151. (a) Interest at the greater of 3 percent per annum or the county pool
15 apportioned rate shall be paid, when that interest is ten dollars (\$10) or more, on
16 any amount refunded under Section 5096.7, or refunded to a taxpayer for any
reason whatsoever. However, no interest shall be paid under the provisions of this
17 section if the taxpayer has been given the notice required by Section 2635 and has
failed to apply for the refund within 30 days after the mailing of that notice. . . .

18 (c) (1) The interest computation period shall commence with the date of payment of
the tax when any of the following apply: . . .

19 (C) The refund results from a **correction to the assessment** roll pursuant to
Section 4831 or 4876. . . . (Emphasis added.)

20 (3) In all other cases the interest computation period shall commence on the date of
filing a claim for refund or payment of the tax, whichever is later. . . .

21 Since the refunds to which the claimants are entitled are due to a "correction of an assessment,"
22 interest is due to them from the date of payment.

23 19. The California Constitution directly recognizes a right to a refund and interest on over
24 collected taxes.

25 Cal. Const. Art 13 §32. Process to prevent, or enjoin collection of tax; action to
26 recover tax paid. . . . After payment of a tax claimed to be illegal, an action may
27 be maintained to recover the tax paid, with interest in such manner as maybe
28 provided by the Legislature.

Each claimant is entitled to interest which has accrued on the payments made to the City for the wrongfully assessed sewer charges.

IX.

**NO LAW EXISTS WHICH AUTHORIZED REFUNDS BE GIVEN ONLY BY WAY OF
LIMITED CREDIT.**

20. Authority by which a City processes claims is given by the Constitution through the legislature. (See discussion in IV above.) There is no authority in existence, allowing refund of amounts owing by an entity in the form of credits, or of withholding refunds because a claimant is no longer a customer of the billing district. The City of Los Angeles has no authority to decide to not refund monies owing for overcharges or to deny a refund of any kind because a claimant is no longer a customer of the billing district. The adoption by the City of Los Angeles of the motion to this effect was without legal authority and contrary to constitutional and legislative authority.

21. At a minimum a City is obligated to establish claims methods by way of its charter. (See Govt. Code §935) The Charter for the City of Los Angeles does not provide, and could not, legally provide for refunds on wrongfully collected monies to be in the form of prolonged credits, not does it allow claims to be denied because of the lack of current customer status. Limiting the refund to a credit only, is contrary to the local laws of the City of Los Angeles.

Each claimant is entitled to a full monetary refund, plus interest, on the wrongfully assessed and paid SSC charges.

CONCLUSION

I.

Even without the existence of Government Code §53082, each claimant has a cause of action and claim of right for full refund, plus interest, of all monies charged and paid for Sewer Services not rendered by the City of Los Angeles. Govt. Code § 53082 required the City of Los Angeles to take active effort to refund erroneously assessed and collected money. The City has acted contrary to the U.S. Constitution, the California Constitution, and California legislation in refusing to actively and promptly refund all monies of the claimants.

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II.

The time limit on claims made for full refunds is contrary to the United States and California Constitutions. It is contrary to prior and continuing legislation and contrary to the intent of Govt. Code § 53082.

DATED: February 9, 1998

Respectfully submitted,

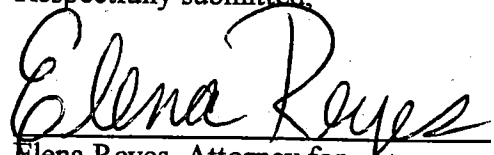

Elena Reyes, Attorney for
Utility Audit Company, Inc

EXHIBIT A

AREAS SUBJECT TO LOS ANGELES CITY SSC.

EXHIBIT B

WATER CUSTOMER BILLING INSERTS

EXHIBIT C

CLAIMANTS WHO RECEIVE 100% SERVICES FROM THE COUNTY

EXHIBIT D-1

CLAIMANTS WHO USED CITY "TRANSPORT" LINES AND HAVE RECEIVED ONLY PARTIAL CREDIT

EXHIBIT D-2

CLAIMANTS WHO USED CITY "TRANSPORT" LINES AND HAVE RECEIVED NO CREDIT

EXHIBIT E

LOS ANGELES CITY COUNCIL MOTION FOR CREDIT TO WATER CUSTOMERS USING "TRANSPORT" LINES

EXHIBIT F

INTERDEPARTMENTAL CORRESPONDENCE OF 5-8-97

THE FOLLOWING COMMUNITIES (AND PORTIONS OF COMMUNITIES WHERE INDICATED) ARE LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF LOS ANGELES:

Arleta	Garvanza	North Hollywood	*Terminal Island
*Athens	Glassell Park	Northridge	*Toluca Lake
Atwater	Granada Hills	Olive View	*Topanga
Bel Air	Hansen Heights	Pacific Palisades	*Torrance (Between Wester & Normandie)
Bel Air Estates	Harbor City	Pacoima	Tujunga
Beverly Glen	*Hidden Hills	Palisades Highlands	Valley Plaza
Boyle Heights	Highland Park	Palms	Valley Village
Brentwood	Hollywood	Panorama City	Van Nuys
Cahuenga Park	Hyde Park	Playa del Rey	Venice
*Calabasas	*Inglewood	Porter Ranch	*Vernon
Canoga Park	Lakeside Park	Rancho Park	*View Park
*Carson	Lakeview Terrace	Reseda	Warner Center
Castellamare	Larchmont District	San Pedro •	Watts
Century City	*La Tijera	*San Fernando	Westchester
Chatsworth	Laurel Canyon	*Sawtelle	*West Hollywood
Crenshaw District	Leimert Park	Sepulveda	West Los Angeles
*Culver City	Lincoln Heights	Sherman Oaks	Westwood
Eagle Rock	Los Feliz	Silver Lake	Wilmington
*East Los Angeles (West of Indiana St.)	Mar Vista	Studio City	*Wilshire Distri
East San Pedro	Mission Hills	Sunland	*Windsor Hills
El Sereno	Montecito Heights	Sun Valley	Winnetka
Elysian Park	Monterey Hills	Sylmar	Woodland Hills
Encino	Mt. Olympus	Sylmar Square	
*Gardena (Between Figueroa & Vermont)	Mt. Washington	Tarzana	

*Portions in Los Angeles - Check a map for actual boundaries.

Form 502.4 (Rev. 9-81)

EXHIBIT A
AREAS SUBJECT TO LOS
ANGELES CITY SSC.

BOARD OF
PUBLIC WORKS

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DEPARTMENT OF
PUBLIC WORKS

BUREAU OF SANITATION

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ASSISTANT DIRECTORS

FINANCIAL MANAGEMENT DIVISION
433 SOUTH SPRING ST., 4th FLOOR
LOS ANGELES, CA 90013
FAX: (213) 847-8693

Elena Reyes
Attorney at Law
1440 North Harbor Boulevard
Fullerton, CA 92835

Dear Ms. Reyes

SEWER SERVICE CHARGE (SSC) BROCHURES AND APPEAL CASES

This is in response to your letter dated November 3, 1997.

Enclosed you will find copies of the brochures that were sent to customers in the early '90's and copies of others sent previously.

The cases you are concerned with are being reviewed and Mr. McDonald will be notified of any hearing that will be held or decisions that will be made.

If you have any questions, please call Candelario Eguia, of my staff at 213 847-8607.

Sincerely,

Judith A. Wilson, Director
Bureau of Sanitation

By: *Candelario Eguia*
for Ann Giagni, Division Manager
Financial Management Division

JAW/AG/CE:ce

enc.

cc: John McDonald
8205 Santa Monica Bl #1288
Los Angeles, CA 90046

er4jm.wpd
12/4/97

EXHIBIT B (PAGE 1 OF 20)
WATER CUSTOMER BILLING
INSERTS

**What if I don't use my sewer? Water
Isn't Discharged to the Sewer?**

The premise of the SSC system is that the typical residential customer returns more than 40% and the commercial/Industrial customer more than 61.6% of delivered water to the sewer annually, and the full SSC rate applies in this case. The City annually estimates each residential customer's return through analysis of his or her water consumption record and applies a reduction, termed an "adjustment," to the SSC if the return calculates to 40% or less.

Your premises may also qualify for adjustment:

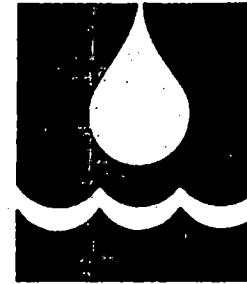
1. If it is residential (four dwelling units or less on a single water meter) with 1/2 acre or more of irrigated landscaping, or an extensive planted area of succulents or semi-succulents which require winter irrigation;
2. If it is a multiple dwelling of more than four units on a single water meter and there is an extensive irrigated landscaped area (generally more than 700 sq. ft. per bedroom);
3. If it is commercial or industrial and water is incorporated in a product, evaporated, or there is an extensive irrigated area;
4. If it is within a County Sanitation District.

Who can Answer Further Questions?

For detailed information about the Sewer Service Charge, including exemption and adjustment, please call the City's Bureau of Engineering at the "Sewer Service Charge" telephone numbers listed on the back of your Department of Water and Power bill.

1.5 million Rev. 9/88

**The
Sewer Service Charge
in the
City of Los Angeles**



Why it's needed

Why it has increased

How you may be eligible for exemption or adjustment

Sewer Service Charge Rate Change

Ordinance No. 163794 effective August 1, 1988
Increases the Sewer Service Charge (SSC) by 34%.
Rates per billing unit of water (100 cubic feet)
are revised as follows.

	Old Rate	New Rate
Residential	33.2¢	44.6¢
Commercial	51.1¢	68.6¢

How Much Will the SSC Increase Affect Your Water Bill?

The average residential water bill is increased by \$2.10 monthly (\$4.20 bi-monthly). Individual water bills will increase more or less than this, depending on the amount of water used.

Why a Rate Change?

During the 1970's the City began a long term program to construct new sewers, pumping plants, and treatment plants. Beside the recent \$500 million in bonds authorized by the voters, completion of this program by 1998 will require \$2.9 billion from other sources including the SSC.

Why is New Construction Necessary?

Since the City's Hyperion Treatment Plant at Playa del Rey was constructed in the early 1950's, and enlarged in the early 1960's, environmental standards have been greatly strengthened requiring increased levels of treatment and more sophisticated disposal methods. Some of our major interceptor sewers, constructed as long as 50 years ago, have deteriorated, and replacement is required.

What Has Been Done Already?

Much has been done over the past 13 years. The city has replaced its Terminal Island Treatment Plant with a modern, full secondary facility. We have constructed two modern new water reclamation plants, one in the Sepulveda Flood Control Basin and one adjacent to the City of Glendale which provide advanced secondary treatment. We are in the final start-up phase of construction of the Hyperion Energy Recovery System, a state-of-the-art facility for turning sewage solids into energy at our main Hyperion Treatment Plant, and since November 1987 the City has stopped discharging sludge into Santa Monica Bay. In addition to these major improvements, many smaller projects have been constructed.

What is Left to Be Done?

The City has committed itself to provide full secondary treatment at its Hyperion Treatment Plant and a major reconstruction of the existing treatment and collection system. Some of the major projects are to expand the capacity of the Tillman Water Reclamation Plant in Sepulveda Basin, to add 12 miles of new large diameter interceptor sewer to supplement the 50 year old North Outfall Sewer, and to refurbish the North Outfall Sewer.

What if My Premises is Not Connected to the Sewer?

Then you should apply for an exemption from the SSC if you have not already done so (this also applies if you are connected directly to a County Sanitation District sewer).

What if Most of My Delivered Water Isn't Discharged to the Sewer?

Studies have shown that the typical residential customer returns more than 40% and the commercial/Industrial customer more than 61.6% of delivered water to the sewer annually, and the full SSC rate applies in this case. The City annually estimates each residential customer's return through analysis of his or her water consumption record and applies a reduction, termed an "adjustment," to the SSC if the return calculates to 40% or less.

Your premises may also qualify for adjustment:

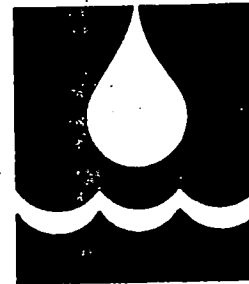
1. If it is residential (four dwelling units or less on a single water meter) with 1/2 acre or more of irrigated landscaping, or an extensive planted area of succulents or semi-succulents which require winter irrigation;
2. If it is a multiple dwelling of more than four units on a single water meter and there is an extensive irrigated landscaped area (generally more than 700 sq. ft. per bedroom);
3. If it is commercial or industrial and water is incorporated in a product, evaporated, or there is an extensive irrigated area;
- 4. If it is within a County Sanitation District.

Who can Answer Further Questions?

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Rev. 7/89 1.15 mil.

Sewer Service Charge in the City of Los Angeles



Why it's needed

**Why it has
increased**

**How you may be eligible
for exemption or
adjustment**

Sewer Service Charge Rate Change

Ordinance No. 164894 effective June 26, 1989, increases the Sewer Service Charge (SSC) by 27%. Rates per billing unit of water (100 cubic feet) are revised as follows.

	Old Rate	New Rate
Residential	44.6¢	56.4¢
Commercial	68.6¢	86.8¢

How Much Will the SSC Increase Affect Your Water Bill?

The average residential water bill is increased by \$2.19 monthly (\$4.38 bi-monthly). Individual water bills will increase more or less than this, depending on the amount of water used.

Why a Rate Change?

During the 1970's the City began a long term program to construct new sewers, pumping plants, and treatment plants. Beside the current \$2 billion in bonds authorized by the voters, completion of this program by 1998 will require \$1.4 billion from other sources including the SSC.

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Since the City's Hyperion Treatment Plant at Playa del Rey was constructed in the early 1950's, and enlarged in the early 1960's, environmental standards have been greatly strengthened requiring increased levels of treatment and more sophisticated disposal methods. Some of our major Interceptor sewers, constructed as long as 50 years ago, have deteriorated, and replacement is required.

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The City has committed itself to provide full secondary treatment at its Hyperion Treatment Plant and a major reconstruction of the existing treatment and collection system. Some of the major projects are to expand the capacity of the Tillman Water Reclamation Plant in Sepulveda Basin, to add 12 miles of new large diameter Interceptor sewer to supplement the 50 year old North Outfall Sewer, and to refurbish the North Outfall Sewer.

What if My Premises is Not Connected to the Sewer?

Then you should apply for an exemption from the SSC if you have not already done so (this also applies if you are connected directly to a County Sanitation District sewer).

Multiple-Unit Dwelling
(Apartments, condominiums
& master-metered duplexes
with three or more units)

\$1.00 \$2.00

SEC charges for multiple-unit dwellings are calculated for each unit within a multiple dwelling from which household refuse is collected by the City. No charge will be imposed for any multiple dwelling not serviced by the City of Los Angeles.

HOW MUCH WILL THE SEC INCREASE AFFECT YOUR BILL?

The average residential electric bill is increased by \$1.50 monthly (\$3.00 bimonthly). The multiple-unit dwelling charge increase will vary for master-metered units.

WHY A RATE CHANGE?

The City's modification of the sanitation equipment charge is required to obtain funds to meet operation expenses for the collection and disposal of household refuse. The increase will also provide funds for the acquisition and repair of sanitation equipment including refuse containers and vehicles used in collection and disposal of household refuse.

WHO QUALIFIES FOR AN EXEMPTION?

No charge will be imposed for any multiple-unit dwelling serviced by a private collection company. Disabled persons or low income senior citizens receiving Lifeline utility rates may also apply for an exemption from the Bureau of Sanitation.

WHO CAN ANSWER QUESTIONS?

For more information about the Sanitation Equipment Charge or applying for an exemption please call the City's Refuse Collection Office at (213) 485-4922.

PREPARED FOR THE DEPARTMENT OF PUBLIC WORKS

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NOTICE OF INCREASED SEWER SERVICE & SANITATION EQUIPMENT CHARGES IN THE CITY OF LOS ANGELES

disposal methods. Some of our major interceptor sewers, constructed as long as 50 years ago, have deteriorated and replacement is required.

What if My Premises is Not Connected to the Sewer?

Then you should apply for an exemption from the SSC (if you have not already done so). This also applies if you are connected directly to a County Sanitation District sewer.

What if Most of My Delivered Water Isn't Discharged to the Sewer?

Residential Customers: (Four-Dwelling Units or Less on One Water Meter)

The city annually estimates each customer's return to the sewer through analysis of water consumption data. Water usage during the winter rainy season when irrigation can be minimized is used to approximate discharge to the sewer. A customer's SSC rate is adjusted (reduced) automatically if the return calculates to 44% or less of delivered water. A customer with an irrigated, planted area of 1/2 acre or more should apply for a special adjustment.

Commercial and Industrial Customers (Including Multiple Dwellings With More Than Four Units on One Water Meter)

You should apply for adjustment documenting a return to the sewer of 68% or less of delivered water and citing the specific justification for the adjustment (for example, water incorporated in a product, used for irrigation, or evaporated during a manufacturing process).

Who Can Answer Questions?

For detailed information about the Sewer Service Charge, including exemption and adjustment, please call the city's Bureau of Engineering at the "Sewer Service Charge" telephone numbers listed on the back of your Department of Water and Power bill.

Bureau of Engineering
Department of Public Works

14M-791

NOTICE OF INCREASED SEWER SERVICE CHARGE IN THE CITY OF LOS ANGELES

Sewer Service Charge Rate Change

The Los Angeles City Council approved Ordinance No. 166979 increasing the Sewer Service Charge (SSC) rate by about 37.5 percent effective July 6, 1991. Rates per billing unit of water (100 cubic feet) are revised as follows:

	Old Rate	New Rate
Residential	75.3¢	\$1.036
Commercial	\$1.164	\$1.601

The rate for residential users who have received a low income reduction on the first 1,800 cubic feet (HCF) of water will be 85% of the above rates. The rate for all others will include a 0.84% surcharge.

How Much Will the SSC Increase Affect My Water Bill?

The average residential water bill is increased by \$3.31 monthly (\$6.62 bimonthly) for customers who reduce water usage by 15% from 1986 usage levels for conservation; otherwise the increase is \$4.72 monthly (\$9.44 bimonthly). Individual bills, of course, may increase more or less than this.

Why a Rate Change?

Each year the planned 10 year program to construct, operate, and maintain sewers, pumping plants, and sewage treatment plants is analyzed. The annual cost is estimated and apportioned to the various revenue sources, including the SSC. The 1991-92 program, together with interest and redemption payments on voter authorized bonds, requires an SSC rate increase.

Why is New Construction Needed?

Since the city's Hyperion Treatment Plant at Playa del Rey was constructed in the early 1950s, and enlarged in the early 1960s, environmental standards have been greatly expanded requiring increased levels of treatment and more sophisticated

The Los Angeles City Council approved Ordinance No. 165922, increasing the Sewer Service Charge (SSC) by about 34 percent effective July 1, 1990. Rates per billing unit of water (100 cubic feet) are revised as follows:

	Old Rate	New Rate
Residential	56.4¢	75.3¢
Commercial	86.8¢	\$1.164

HOW MUCH WILL THE SSC INCREASE AFFECT MY WATER BILL?

The average residential water bill is increased by \$2.11 monthly (\$4.22 bimonthly) for customers who reduce water usage by 10% for conservation; otherwise the increase is \$3.40 monthly (\$6.80 bimonthly). Individual bills, of course, may increase more or less than this.

WHY A RATE CHANGE?

The City is in the midst of a long-term program to construct new sewers, pumping plants, and treatment plants. Although the voters have authorized \$2 billion in bonds, an additional \$1.4 billion will be required from other sources, including the SSC, over the next ten years.

WHY IS NEW CONSTRUCTION NEEDED?

Since the City's Hyperion Treatment Plant at Playa del Rey was constructed in the early-1950s, and enlarged in the early-1960s, environmental standards have been greatly expanded requiring increased levels of treatment and more sophisticated disposal methods. Some of our major interceptor sewers, constructed as long as 50 years ago, have deteriorated and replacement is required.

WHAT IF MY PREMISES IS NOT CONNECTED TO THE SEWER?

Then you should apply for an exemption from the SSC (if you have not already done so). This also applies if you are connected directly to a County Sanitation District sewer.

ISN'T DISCHARGED TO THE SEWER?

Residential Customers: (Four-Dwelling Units or Less on One Water Meter)

The City annually estimates each customer's return to the sewer through analysis of water consumption data. Water usage during the winter rainy season when irrigation can be minimized is used to approximate discharge to the sewer. A customer's SSC rate is adjusted (reduced) automatically if the return calculates to 44% or less of delivered water. A customer with an irrigated, planted area of 1/2 acre or more should apply for a special adjustment.

Commercial and Industrial Customers (Including Multiple Dwellings With More Than Four Units on One Water Meter)

You should apply for adjustment documenting a return to the sewer of 68% or less of delivered water and citing the specific circumstance for the adjustment (for example: water incorporated in a product, used for irrigation, or evaporates during the manufacturing process).

WHO CAN ANSWER QUESTIONS?

For detailed information about the Sewer Service Charge, including exemption and adjustment, please call the City's Bureau of Engineering at the "Sewer Service Charge" telephone numbers listed on the back of your Department of Water and Power bill.

SANITATION EQUIPMENT CHARGE RATE CHANGE

Ordinance No. 165950, approved by the City Council, increases the Sanitation Equipment Charge (SEC) effective with bills issued on July 5, 1990 and thereafter. Rates for each dwelling unit are revised as follows per month:

	Old Rate	New Rate
Single-Family Dwelling & Duplexes	\$1.50	\$3.00

en un total de \$1.139 por 100 pies cúbicos de agua. Después de un examen cuidadoso de las necesidades absolutamente esenciales, restrasamos ciertos proyectos de construcción hasta el año siguiente para que nuestro ingreso necesario del 7 de diciembre al 30 de junio de 1992 se pudiera generar del SSC de \$14.24 por residencia por mes. Esta cantidad, aunque aun esta bajo de lo previamente planeado del nivel necesario, representa un aumento de \$1.19/mes en las facturas de una residencia familiar promedio. La nueva tarifa que aumentará esta cantidad es \$1.139 por 100 pies cúbicos de agua.

Los Pagadores de las Tarifas del SSC Tienen Muchas Razones para Sentir Orgullo

Los fondos que usted ha proporcionado por medio del SSC han permitido a la ciudad de mejorar mayormente el transporte de desague y el sistema de tratamiento para eliminar un derrame de desague y para dar realce al ambiente de la Bahía de Santa Monica.

- En reconocimiento de nuestro progreso y el resultado de realce de la Bahía de Santa Monica, la Planta de Tratamiento Hyperion recibió el premio de logro magnifico de 1990 por la Federación de Control de Contaminación de Agua.
- La ciudad ha suspendido la descarga de sólidos de desague tratado (fango de alcantarillado) a la Bahía de Santa Monica. El fango de alcantarillado se está volviendo a usar beneficiosamente para la producción de energía, abono, enmendador de tierra, y para material que cubre los desechos de desechos.
- La ciudad ha empezado un programa para construir nuevas líneas centrales de alcantarillados para reemplazar alcantarillados que están seriamente deteriorados que se construyeron en los principios de los 1900s.
- La ciudad ha empezado a reconstruir su Planta de Tratamiento Hyperion. Esto mejorara aun más el grado de tratamiento el cual recibe el desague. Este programa tendrá que estar completo para 1998 de acuerdo al consentimiento decreto federal.
- La ciudad ha extendido su Planta de Reclamación de Agua Tillman para evitar derrames de desague al arroyo Ballona por otro mandato de orden judicial.

Preguntas

Si quiere mas detalles sobre el cambio en las tarifas o otras preguntas sobre el Programa Residual, por favor de hablar al City's Bureau of Engineering al 1-800-540-0952.

12/91

**A Message from the
Department of Public Works
Bureau of Engineering**

An Explanation of the Sewer Service Charge Rate Increase in the City of Los Angeles and Its Benefits to the Environment



Una Explicación del Aumento en La Tarifa del Recargo del Servicio de Alcantarillado en la Ciudad de Los Angeles y Sus Beneficios Para El Medio Ambiente

Recyclable and made from recycled waste.



The Los Angeles City Council and Mayor approved Ordinance No. 167377 increasing the Sewer Service Charge (SSC) rate effective December 7, 1991. Rates per billing unit of delivered water (100 cubic feet) are revised as follows:

	Residential	Commercial
Old standard rate	\$1.045	\$1.614
New standard rate	\$1.139	\$1.709
Old low income rate	\$0.881*	Not Applicable
New low income rate	\$0.961*	Not Applicable

*Rate applies only to first 900 cubic feet of water per month.

Why is the charge needed? How much will my bill increase?

In setting each year's wastewater budget, we first estimate the total dollars required to properly operate and maintain our City's wastewater treatment and collection system and to construct essential projects. We then allocate this amount among the various sources of revenue, the major one of which is the SSC. This process led to an average requirement of \$15.85 per residence per month. Our adopted rate of \$1.045 per 100 cubic feet of delivered water would have produced this average residential bill if our water consumption projection of 15.3 billing units per month per residence, which is a 15 percent water use reduction from 1986 levels, had been realized.

Your great success in conserving water, however, produced a 30 percent reduction in water use from 1986 levels. Receipts have averaged only \$13.05 per residence per month, resulting in a total revenue substantially below reasonable system requirements. After careful examination of the absolutely essential needs, we delayed certain construction projects until next year so that our required revenue from December 7 to June 30, 1992, could be generated from an SSC of \$14.24 per residence per month. This amount, although still below our previously planned needs level, represents a \$1.19/month increase in bills for the average household. The new rate which will raise this amount is \$1.139 per 100 cubic feet of water.

SSC Ratepayers Have Many Reasons for Pride

The funds which you have provided through the SSC have enabled the City to greatly improve its sewage conveyance and treatment system to eliminate sewage overflows and to enhance the environment of Santa Monica Bay.

- In recognition of our progress and the resulting enhancement of Santa Monica Bay, the Hyperion Treatment Plant was awarded the 1990 Outstanding Achievement Award by the Water Pollution Control Federation.
- The City has ceased the discharge of treated sewage solids ("sludge") to Santa Monica Bay. The sludge is now beneficially reused for energy production, compost, soil amendments, and landfill cover material.

- The City has begun reconstruction of its Hyperion Treatment Plant. This will further improve the degree of treatment of the sewage received. This program must be completed by 1998 in compliance with a federal consent decree.
- The City has expanded its Tillman Water Reclamation Plant to avoid overflows of sewage to Ballona Creek per another mandate of the court order.

Further Questions

If you want further details about the rate or have other questions about the Wastewater Program, please call the Bureau of Engineering at 1-800-540-0952.

Cambio en la Tarifa del Recargo del Servicio de Alcantarillado

El Consejo Municipal de la Ciudad de Los Angeles y el Alcalde aprobaron la ordenanza No. 167377 aumentando la tarifa del Recargo del Servicio de Alcantarillado (SSC) que entrara en vigor el 7 de diciembre de 1991. Las tarifas por unidad del agua entregada (100 pies cúbicos) son modificadas a lo siguiente:

	Residencial	Comercial
Tarifa fija antigua	\$1.045	\$1.614
Tarifa fija nueva	\$1.139	\$1.709
Tarifa de bajo recursos antigua	\$0.881*	No Es Aplicable
Tarifa de bajo recursos nueva	\$0.961*	No Es Aplicable

*La tarifa solo aplica en los primeros 900 pies cúbicos de agua por mes.

**¿Porque es este cobro necesario?
¿Cuanto Aumentara mi factura?**

Cada año al establecer el presupuesto residual, primero calculamos la cantidad de dinero total que es necesario para debidamente operar y mantener el tratamiento residual de nuestra ciudad y el sistema de colección y para construir proyectos esenciales. Después distribuimos esta cantidad entre las diferentes fuentes de ingreso, la mayor siendo la del SSC. Este procedimiento nos condujo a un promedio necesario de \$15.85 por residencia por mes. Nuestra tarifa adoptada de \$1.045 por 100 pies cúbicos de agua entregada hubiera producido el promedio de una factura residencial si nuestra proyección de conservación de agua de 15.3 unidades por mes por residencia, la cual es una reducción de 15 por ciento de los niveles de 1986, se hubiera realizado.

Su gran éxito en la conservación de agua, sin embargo, produjo una reducción de 30 por ciento en el usuario de agua de los niveles de 1986. Las facturas han tenido un promedio solamente de \$13.05 por residencia por mes, resultando

con el aumento de los ap... es en...
diferentes fuentes de ingreso, la mayor siendo la del SSC.

Los pagadores de las tarifas del SSC tienen muchas razones para sentir orgullo. Los fondos que usted ha proporcionado han permitido a la ciudad mejorar mayormente su colección de desagüe y el sistema de tratamiento y para realzar el medio ambiente de la Bahía de Santa Monica. Esta programa se a ganado numerosos premios nacionales.

¿ Si mi propiedad no esta conectada al sistema del alcantarillado?

Usted debe de aplicar para una exención de el Servicio de Alcantarillado (si usted no ha aplicado) llame al numero 1-800-540-0952. Este tambien aplica si usted esta directamente conectado a un alcantarillado al Distrito de Sanidad del Condado.

¿ Y si la mayoría de la aguna consumida no se regresa al alcantarillado?

Clientes Residenciales: (4 unidades residenciales o menos conectados a un solo medidor de aguna).

La ciudad hace un presupuesto anual de lo que cada cliente regresa al alcantarillado, basado en un analisis de datos de la consuncion de agua. El uso de agua durante la temporada del invierno, cuando el uso de riego se puede reducir, se usa para calcular la descarga del agua al alcantarillado. La tarifa de Recargo por Servicio de Alcantarillado de un cliente esta automaticamente reducida si la agua que se descarga al alcantarillado es un 48% o menos de la agua usada. Un cliente que tenga terreno de irrigacion que sea ¼ acre o mas, debería de aplicar para recibir un descuento.

Clientes Comerciales e Industriales (incluye residencias multiples con mas de 4 unidades en un medidor de agua).

Usted debe de aplicar para un arreglo documentando que la descarga de agua al alcantarillado es de un 72% o menos de la agua usada y dando una explicacion especifica del porque usted merece un descuento (por ejemplo: la agua se incorpora en un producto, se usa para irrigacion, o se evapora).

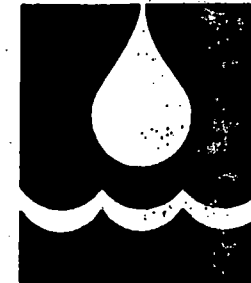
Preguntas

Si quiere mas detalles sobre el cambio en las tarifas o tiene otras preguntas sobre el Programa Residual, por favor de hablar al City Bureau of Engineering al (213) 485-5308. Si usted no esta en la area (213), por favor refierase atras de su factura del Departamento de Agua y para numeros en su area.

6/92

**A Message from the
Department of Public Works
Bureau of Engineering**

**An Explanation
of the Sewer Service Charge Rate Increase
in the City of Los Angeles
and Its Benefits to the Environment**



**Una Explicación
del Aumento en La Tarifa
del Recargo del Servicio de Alcantarillado
en la Ciudad de Los Angeles
y Sus Beneficios Para El Medio Ambiente**

Recyclable and made from recycled waste.



The Los Angeles City Council and Mayor approved Ordinance No. 167990 increasing the Sewer Service Charge (SSC) rate effective July 11, 1992. Rates per billing unit of delivered water (100 cubic feet) are revised as follows:

	Residential	Commercial
Old standard rate	\$1.139	\$1.710
New standard rate	\$1.387	\$2.050
Old low income rate	\$0.98*	Not Applicable
New low income rate	\$1.153*	Not Applicable

*Rate applies only to first 900 cubic feet of water per month.

The average residential water bill is increased from \$14.35, based on 12.6 hcf/month of water consumption, to \$18.45, based on a projected 13.5 hcf/month of water consumption.

Why is the charge needed?

In setting each year's wastewater budget, we first estimate the total dollars required to properly operate and maintain our City's wastewater treatment and collection system and to construct essential projects. The projects are required to replace deteriorated facilities and to meet stringent state and federal discharge standards by the 1998 deadline imposed by the federal court under a consent decree. We then allocate these costs among the various sources of revenue, the major one of which is the SSC.

SSC ratepayers have many reasons for pride. The funds which you have provided have enabled the City to greatly improve its sewage collection and treatment system and to enhance the environment of Santa Monica Bay. This program has won numerous national awards.

What If My Property Is Not Connected to the Sewer?

Then you should apply for an exemption from the SSC (if you have not already done so) by calling 1-800-540-0952. This also applies if you are connected directly to a County Sanitation District Sewer.

What If Most of My Delivered Water Isn't Discharged to the Sewer?

Residential Customers: (Four Dwelling Units or Less on One Water Meter)

The City annually estimates each customer's sewage discharge through analysis of water consumption data. Water usage during the winter rainy season, when irrigation can be minimized, is used to approximate discharge to the sewer. A customer's SSC rate is

less of delivered water. A customer with an irrigated, planted area of 1/2 acre or more should apply for a special adjustment.

Commercial and Industrial Customers (including Multiple Dwellings With More Than Four Units on One Water Meter)

You should apply for adjustment documenting a sewage discharge of 72% or less of delivered water and citing the specific justification for the adjustment (for example: water incorporated in a product, used for irrigation, or evaporated during a manufacturing process).

Further Questions

If you want further details about the rate change or have other questions about the Wastewater Program, please call the City's Bureau of Engineering at (213) 485-5308. If you are not in the (213) area code, please refer to the reverse side of your DWP water bill for phone numbers in your area code.

Cambio en la Tarifa del Recargo del Servicio de Alcantarillado

El Consejo Municipal de la Ciudad de Los Angeles y el Alcalde aprobaron la ordenanza No. 167990 aumentando la tarifa del Recargo de Servicio de Alcantarillado (SSC) que entrara en vigor el 11 de Julio de 1992. Las tarifas por unidad del agua entregada (100 pies por cada cubico) son modificadas a lo siguiente:

	Residencial	Comercial
Tarifa fija antigua	\$1.139	\$1.710
Tarifa fija nueva	\$1.387	\$2.050
Tarifa de bajo recursos antigua	\$0.98*	No Es Aplicable
Tarifa de bajo recursos nueva	\$1.153*	No Es Aplicable

*La tarifa solo aplica en los primeros 900 pies cubicos de agua por mes.

El promedio de agua residencial aumento de \$14.35, basados en un 12.6 cien cubicos de agua mensual, a \$18.45, basados en un proyeccion 13.5 cien cubicos de agua mensual.

¿Porque es este cobro necesario?

Cada año al estelecer el presupuesto residual, primero calculamos la cantidad de dinero total que es necesario para debidamente operar y mantener el tratamiento residual de nuestro ciudad y sistema de coleccion y para construir proyectos esenciales. Los proyectos estan requeridos para reemplazar facilidades deterioradas y satisfacer los requisitos estrictos del estado y federal por la fecha 1998 impondido por la corte federal bajo un decrito de

que cada cliente registra el alcantarillado, basado en un análisis de datos de consumo de agua. El consumo de agua durante el tiempo de lluvia en invierno es la base para aproximar el descargo al alcantarillado. La tarifa del Servicio de Alcantarillado de un cliente está automáticamente reducida al el presupuesto del agua que se descarga al alcantarillado es un 48% o menos del agua consumida.

- **Ajuste de irrigación:** Si su terreno de irrigación es $\frac{1}{4}$ acre ó más, y usted no riega menos durante el invierno, deberá de aplicar para recibir un descuento permanente.
- **Ajuste suplemental:** Si los resultados del ajuste automático no reflejan precisamente las condiciones de su propiedad usted puede aplicar por un ajuste temporal (solamente una vez) basado sobre el tamaño de su familia.
- **Residencia vacante:** Si su residencia permanecerá vacía por un plazo de cobro completo o más, usted debe de aplicar para un ajuste adelantado ó dentro de treinta (30) días después del fin del plazo de cobro.

Clientes Comerciales e Industriales (incluyendo residencias múltiples con más de cuatro (4) unidades en un medidor de agua):

Si usted puede documentar que el descargo de agua al alcantarillado es de un 72% o menos de agua (por ejemplo: el agua se incorpora en un producto, que se usa para irrigación, o se evapora durante un proceso de fabricar, usted debe de aplicar para un ajuste.

¿ Que pasa si mi propiedad esta dentro del Distrito de Sanidad del Condado (County Sanitation District (CSD)) de Los Angeles?

Esta situación sólo aplica principalmente en la parte del sur de la ciudad. Si usted está directamente conectado a un alcantarillado del Distrito de Sanidad del Condado su propiedad debe ser exenta del SSC. Si su propiedad esta conectada a un alcantarillado de la ciudad pero las aguas residuales se descargan a la planta de tratamiento (CSD), usted debería estar pagando el quince por ciento (15%) del costo total de la Tarifa del Servicio de Alcantarillado. Usted deberá de aplicar para un ajuste si usted esta pagando más del quince por ciento.

Más Información

Si desea más detalles, incluyendo el cambio en las tarifas, por favor hable al City Bureau of Engineering al (213) 486-6308. Si usted esta fuera del área (213), por favor fíjese detrás de su factura del Departamento de Agua y Luz para números de teléfono en su área.

12/93

**A Message from the
Department of Public Works
Bureau of Engineering**

An Explanation of the Sewer Service Charge in the City of Los Angeles and Its Benefits to the Environment



Una Explicación del Recargo del Servicio de Alcantarillado en la Ciudad de Los Angeles y Sus Beneficios Para El Medio Ambiente

Recyclable and made from recycled waste.



Sewer Service Charge (SSC) Rate

The Sewer Service Charge (SSC) rate for fiscal year 1993-94, per billing unit of delivered water (100 cubic feet, or one hcf) remains unchanged:

	Residential	Commercial
Standard rate	\$1.356	\$2.033
Low Income surcharge	\$0.011	\$0.017
Low Income rate	\$1.153*	Not Applicable

*Rate applies only to first 900 cubic feet of water per month. The average monthly single family residential bill is \$20.75 based on a projected 15.3 hcf/month water consumption.

Why Is The Charge Needed?

The City is in the midst of a massive construction program to replace seriously deteriorated sewers and treatment plant components and to meet stringent state and federal discharge standards by the 1998 deadline imposed by the federal court under a consent decree. SSC ratepayers have many reasons to take pride in this program which is enhancing the environment of Santa Monica Bay and has won numerous national awards.

What If I Pay SSC but My Property Isn't Sewered?

You should apply for exemption from the SSC and a refund of all past payments by calling 1 (800) 640-0952.

What If Most of My Delivered Water Isn't Discharged to the Sewer?

Residential Customers: (Four Dwelling Units or Less on One Water Meter):

- Automated adjustment: The City annually estimates your sewage discharge by analysis of your water consumption data. Water usage during the winter rainy season is used to approximate discharge to the sewer. Your SSC rate is adjusted (reduced) automatically if the discharge calculates to 48% or less of delivered water.
- Irrigated area adjustment: If your irrigated area is ½ acre or more and you do not minimize winter irrigation, you should apply for this permanent adjustment.
- Supplemental adjustment: If the results of the automated adjustment do not accurately reflect conditions on your property, you may apply in writing for this one-time, temporary, adjustment based on family size within thirty (30) days of the end of the billing period.
- Vacant residence: If your residence will be vacant for one or more full billing periods, you should apply in writing for an adjustment in advance or within 30 days of the end of the billing period.

Commercial and Industrial Customers (including Multiple Dwellings with More than Four Units on One Water Meter):

If you can document a sewage discharge of 72% or less of delivered water (for example: water incorporated in a product, used for irrigation, or evaporated during a manufacturing

by (30) of the of the period

What If My Property Is Within A County Sanitation District?

This situation applies mainly in the southern portion of the City. If you are connected directly to a County Sanitation District (CSD) sewer, your property should be exempt from the SSC. If it is connected to a City sewer but the sewage flows to the CSD treatment plant, you should be paying 15% of the full SSC rate. You should apply for an adjustment in writing if you are paying more than 15 percent within thirty (30) days of the end of the billing period.

Further Information

To obtain further information on SSC topics including rate adjustments, please call the City's Bureau of Engineering at (213) 485-5308. If you are outside the (213) area code, please refer to the back of your DWP bill for local numbers or write to the SSC section, 860 S. Spring Street, Suite 1100, L.A., CA 90014-1920.

Cambio en la Tarifa del Servicio de Alcantarillado

La Tarifa del Servicio de Alcantarillado (Sewer Service Charge (SSC)) para el año fiscal 1993-94, por unidad de agua entregada (cien pies cúbicos) sigue igual.

	Residencial	Comercial
Tarifa normal	\$1.356	\$2.033
Recargo de bajos recursos	\$0.011	\$0.017
Tarifa de bajos recursos	\$1.153*	no es aplicable

*La tarifa sólo aplica a los primeros 900 pies cúbicos de agua por mes. El promedio mensual de la cuenta residencial es \$20.75 basado en una proyección de consumo de 15.3 cien pies cúbicos de agua mensuales.

¿Por qué es necesaria esta tarifa?

La ciudad está en medio de un programa de construcción masivo para reemplazar alcantarillado deteriorados y las plantas de tratamientos residuales para satisfacer los requisitos estrictos de vertimiento del gobierno estatal y federal para el año 1998 impuesto por la Corte Federal bajo un decreto de consentimiento. Los pagadores de las tarifas tienen muchas razones para sentirse orgullosos de este programa que esta mejorando el medio ambiente de la Bahía de Santa Monica y ha ganado numerosos premios nacionales.

¿Que pasa si yo pago tarifas por el Servicio de Alcantarillado, pero mi propiedad no está conectada a un alcantarillado?

Usted debe de aplicar para una exención un reembolso de todos los pagos que ha hecho. Llame al número 1-800-640-0952.

¿Que pasa si la mayoría del agua consumida no regresa al alcantarillado?

Clientes Residenciales: Cuatro (4) unidades o menos conectadas a un solo medidor de agua.

**CITY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS
BUREAU OF SANITATION
SEWER SERVICE CHARGE INFORMATION**

General

The Sewer Service Charge (SSC) is applied to metered water consumption to derive revenue for constructing and maintaining sewers and sewage treatment plants, and for treating that portion of delivered water which is discharged into the sewer system. This fact sheet responds to the most frequently asked questions about the charge. However, because we have tried to simplify explanations, some details may not be fully addressed. The officially adopted ordinances, rules, and regulations shall prevail in case of any conflicts.

SSC Exemptions

Properties not connected to a City sewer qualify for exemption from the SSC and a refund of all SSC which the customer has paid before January 1, 1992. For SSC paid on or after January 1, 1992, credit will be given for SSC paid within 180 days of filing a claim. Such properties are served by septic tank and cesspool or are entirely undeveloped and have water service for irrigation only.

Properties within a Los Angeles County Sanitation District

Properties whose sewage enters a City sewer but is treated in County Sanitation District treatment facilities pay an SSC at a reduced rate of 15 percent of the otherwise applicable amount. This situation occurs in portions of the "Watts," Harbor Gateway," and "Harbor City" communities and a small area adjoining the City of Inglewood. Customers who believe that they may qualify should review their property tax bill to see if they are paying fees to a County Sanitation District. The reduced rate is retroactive to the customer's water sign-on date. Credit for any past paid SSCs will be applied to the customers' open DWP accounts. No cash refund will be given under any circumstance.

Low-income Customers

The City has implemented a 31 percent discount on the SSC for the first 18 hcf (hundred cubic feet) billing units of water delivered during a two-month billing period to low-income customers. Charges to all other customers are surcharged by 0.84 percent to offset this discount as required by state and federal regulations. The discount program applies only to single family dwellings. It is not feasible to extend it to duplexes, triplexes, quadriplexes, and multiple dwellings.

Basic Rate

The City's basic SSC rate (ordinance 171,531) is \$2.26 per hcf (hundred cubic feet) of discharged sewage at "domestic strength" for all customers of the City of Los Angeles wastewater system. With the low-income surcharge, this becomes \$2.28 per hcf. "Domestic strength" applies where the waste originates from normal living processes.

The discussions which follow concern the authorized means by which the volume of sewage discharged may be determined or estimated.

Private Metering of Sewage

The metering of sewage is feasible only for large industrial and commercial dischargers with continuous flow. Plans for any proposed installation must be approved and a permit obtained in advance.

Private Submetering of Water

The most accurate means of determining most customers' volume of sewage discharged is by his or her installation of a private submeter to measure the volume of water used which is tributary to the sewer. Under this procedure it is necessary to:

1. Obtain a plumbing permit from the Department of Building and Safety (DBS).
2. Segregate the water system plumbing which serves interior uses tributary to the sewer from that serving irrigation or other uses not tributary to the sewer.
3. Purchase a water meter from the Department of Water and Power (DWP) and install it either on the water line serving the tributary uses or on that serving the nontributary uses.
4. Have DBS inspect the installation.

Owners of single family dwellings may do the work themselves; otherwise, the services of a licensed plumber are required. Literature explaining the procedure in detail is available and should be carefully studied before proceeding.

Estimation of Sewage Volume

As of July 1, 1997 (ordinance 171,531), the methodology applicable to the determination of sewage volumes for properties defined as "residential" has been changed and differs substantially from that applicable to other properties. Definitions of properties for SSC purposes are as follows:

"Residential" premises: A property with four or fewer dwelling units on one water meter.

"Multiple dwelling" premises: A property with five or more dwelling units on one water meter.

"Commercial" premises: All properties not included in one of the previous categories including stores, manufacturing plants, and office buildings.

Customers without approved private submeters will have their sewage volume estimated by one of the following procedures.

- **Residential premises**

Estimates of sewage volumes for residential premises are based on a method called "winter water use" (WWU). The DWP computer annually on July 1 searches each customer's water consumption record during the previous winter's rainy season. It chooses the billing period with the lowest average daily water consumption and multiplies this water use by a "dry winter compensation factor" (DWCF). The DWCF is a number equaling 1.0 or less (usually about 0.9) which has been selected after a study of the pattern of rainfall that occurred during the particular rainy season. For example, a DWCF of 0.9 means that an average customer discharged approximately 90 percent of his or her delivered water to the sewer during this rainy season. The result of this multiplication is called the "average daily sewage volume" (ADSV). ADSV for each customer is then multiplied by (1) the number of days in the billing period, and (2) \$2.26 per hundred cubic feet (hcf) of water delivered to calculate the customer's SSC for each billing period until the following July 1. See page 6 for a detailed example of the preceding calculation.

The DWP computer defaults to a minimum ADSV of four (4) hcf divided by 60 days if the calculated ADSV is lower. This could occur for example, if the property is vacant during the rainy season.

If an occurrence during the rainy season such as a plumbing leak or the filling of a swimming pool distorts a customer's ADSV, it will be corrected upon written application. However, no correction is available if the ADSV is distorted because of temporary additional residents. The reason is that over a period of years such inequities will tend to

offset each other. For example, during some years a normal resident of the premises may vacate during the winter low period, or temporary additional residents may be present during the summer period who were not there the previous winter.

Approved adjustments to a customer's ADSV are retroactive to the billing period that was in effect 30 days before filing the application.

A customer's SSC bill will probably change slightly from year to year, based upon changed interior water use during the rainy season, but otherwise a customer's SSC amount billed will be almost constant each billing period.

- **Commercial and Multiple Dwelling Customers**

Studies have indicated that the average commercial and multiple dwelling customer discharges 90 percent of delivered to the sewer over the period of a year. Thus, these customers sewage volumes are estimated by multiplying 0.90 x total purchased water for each billing period.

Adjustments in the volume of sewage discharge are available for customers who discharge 72.0 percent or less of their delivered water to the sewer. Reduced discharge may result from water incorporated in a product, irrigation of extensive landscaped areas, evaporation in cooling towers and boilers, or water conveyed offsite. The adjusted sewage volume is then determined by dividing the customer's calculated percentage discharge by the total purchased water for each billing period. Adjusted sewage volumes are subject to periodic review for changed conditions on the property.

Customers seeking to qualify for such adjustments must submit detailed data on their water use which justifies the adjustment. In the case of multiple dwellings with extensive landscaping, any eligibility for adjustment will normally be due to water used for irrigation. However, because of the relatively large number of residents compared to the irrigated area, few multiple dwellings will qualify. Literature describing the calculation procedure for irrigation adjustments is available.

Approved adjustments are retroactive to the billing period that was in effect 30 days before filing the application.

Sewage of Strength Higher or Lower than Domestic

Industrial and certain commercial dischargers (primarily restaurants) the strength of whose waste exceeds domestic strength (previously defined) pay a "quality surcharge fee" (QSF) in addition to their SSC. Those whose waste is below domestic strength (usually because of cooling water discharge) may qualify for a reduced SSC rate in combination with a

"zero-based QSF." Literature describing the QSF in detail is available.

Vacant Premises

If the premises is unoccupied throughout a billing period, the customer's sewage volume will be reduced to 15 percent of the otherwise applicable volume, for purposes of calculating his or her SSC. A written application is required within one year of the end of the billing period during which the property was vacant.

Additional Information

Additional information on the SSC may be obtained by calling (800) 540-0952 or writing to the Bureau of Sanitation, 433 South Spring Street, 4th Floor, Los Angeles, CA 90013, attention: SSC Residential or Commercial Sections.

SK:dk
[www.fcsht.]
8/14/97

1997-98 WINTER WATER USE(WWU) CALCULATIONS

Rainy Season Review Period = November 10, 1996 - March 25, 1997

Dry Winter Compensation Factor(DWCF)=0.83

Read Date	Days	Consumption	Average per Day
03/31/97 - 05/29/97	59	98	1.66
01/30/97 - 03/31/97	60	82	1.37
11/27/96 - 01/30/97	64	42	0.66
09/26/97 - 11/27/97	62	100	1.61
07/29/96 - 09/26/96	59	128	2.17
05/29/96 - 07/29/96	61	168	2.75

The WWU is the lowest average per day of purchased water during a billing period which entirely lies within the rainy season review period. For the example above, there is one period that is in the rainy season review period. The period November 27, 1996 through January 30, 1997 yields the lowest average daily purchased water. Thus,

WWU=0.66 hcf per day

Average Daily Sewage Volume(ADSV)=WWU*DWCF

ADSV=(0.66)X(0.83)=0.548 hcf per day

Number of days in the billing period=59

Bimonthly SSC bill=(0.548 X 59) X \$2.28*/hcf = \$73.72

* The rate includes a low-income surcharge of 0.84%.

SEWER ACCOUNT- 100% COUNTY LINES AND SERVICE

<u>Client Name</u>	<u>Service address</u>	<u>Claim Period Paid</u>	<u>Unpaid claim period</u>	<u>Amount of Unpaid Claim</u>
Bekhor Lanudries	7958 Santa Monica Blvd.	5/11/82 to 1/1/92 9/26/95 to 6/27/96	1/1/92 to 9/26/95	\$54,406.80
Gardner Apts.	916 N. Gardner	7/6/91 to 1/1/92 1/3/96 to 8/29/96	1/1/92 to 1/3/96	\$ 9,126.72
Holiday Inn	19800 S. Vermont Ave.	10/29/87 to 1/1/92 5/1/95 to 11/30/95	1/1/92 to 5/1/95	\$156,327.20
1124 N. Kings Rd. Assoc.	1124 N. Kings Rd.	1/30/80 to 1/1/92 9/26/95 to 5/29/96	1/1/92 to 9/26/95	\$ 37, 349.55
Ernest Holt	1233 N. Detroit Ave.	2/3/91 to 1/1/92 4/3/95 to 9/30/96	1/1/92 to 4/3/95	\$ 2, 686.32
Larrabee Cono HOA	1129 Larrabee St.	6/6/85 to 1/1/92 9/25/95 to 5/28/96	1/1/92 to 9/25/95	\$10,829.60
Nakamichi America	19701 Vermont Ave.	12/15/93 to 11/14/96	1/1/92 to 6/2/94	\$11,499.54
Hratch Sarkis	1121 N. La Cienega Blvd.	6/11/90 to 1/1/92 9/26/95 to 5/29/96	1/1/92 to 9/26/95	\$24,677.10
Oscar Wendriger	1217 Havenhurst Dr.	7/1/79 to 1/1/92 11/29/95 to 9/26/96	1/1/92 to 11/29/95	\$ 7,958.92
Westbourne Regency	935 Westbourne Dr.	7/29/85 to 1/1/92 9/26/95 to 5/29/96	1/1/92 to 9/26/94	\$7,500.15
Vista Larrabee HOA	1201 Larrabee St.	3/29/95 to 9/25/96	3/1/88 to 1/1/1/92 1/1/92 to 3/29/95	unknown \$21,006.96
W.L.C.A.C.	10342 Grandee St.	7/27/82 to 1/1/92 9/13/95 to 7/16/96	1/1/92 to 9/13/95	\$96,207.32
Vista Towers	1037 N. Vista	unknown	unknown	unknown

EXHIBIT C
CLAIMANTS WHO RECEIVE 100%
SERVICES FROM THE COUNTY

SEWER ACCOUNTS - CREDIT ONLY as of February 6, 1998

<u>Client Name</u>	<u>Service Address</u>	<u>credit recieved</u>	<u>remaining credit</u>
Joseph Chartier	1520 W. 224th St.	\$6,630.92	\$3,289.25
Dennis Klein	1653 W. 209th St.	\$1,507.17	\$225.33
Jack Liu	25224 S. Normandie	\$20,727.54	\$18,031.76
Pacific Motel	1404 W. Pacific Coast Hwy	\$10,071.97	\$5,318.84
Yee Family Trust	25004 Frampton Ave.	\$40,435.19	\$29,120.16
Sepulveda Industrial Ctr.	1645 W. Sepulveda Blvd.	\$11,825.90	\$8,085.14
Don Vigil	1679 & 1644 W. 257th St.	\$13,807.29	\$13,560.88
Sam Schoenberg	16201 S. Figueroa St.	\$30,505.78	\$8,278.73
Harbor Terrace HOA	1436 W. 257th St.	\$22,069.30	\$18,771.37
George Fujimoto	1635 W. 206th St.	\$12,886.42	\$11,039.13
Norma Jean Veta	21922 S. Western Ave.	\$5,106.19	\$3,057.72
Jay Patrick	5216 W. 98th St.	\$3,484.34	\$2,279.18
Raymond Kolby	5412 Arbor Vitae St.	\$5,328.21	\$648.83
Raymond Kolby	5418 W. 93rd St.	\$1,596.21	\$484.58
Clarion Corp of America	661 W. Redondo Beach Blvd.	\$35,949.26	\$1,937.62
Horizon Motel	1645 W. Pacific Coast Hwy	\$5,267.24	\$3,240.01
Robert Paulson	25507 S. Western Ave.	\$6,408.76	\$6,147.35
Robert Paulson	25521 S. Western Ave.	\$4,923.42	\$4,489.14
Robert Paulson	25110 S. Western Ave.	\$11,308.99	\$10,615.30
Dongkuk International	19750 Magellen Dr.	\$5,802.43	\$2,429.15
EG Richardson	1651 W. 206th St.	\$1,916.18	\$1,243.27
Pacific Presidente Center	1601 W. Pacific Coast Hwy	\$10,641.49	\$8,555.68
Crestec - LA	1010 Knox St.	\$13,099.23	\$13,020.31
Normandie PCH Partners	1111 W. Pacific Coast Hwy	\$8,323.96	\$590.45
Normandie PCH Partners	1141 W. Pacific Coast Hwy	\$11,206.91	\$590.45
TOTALS		\$300,830.30	\$175,049.63

EXHIBIT D-1
CLAIMANTS WHO USED CITY
"TRANSPORT" LINES AND HAVE
RECEIVED ONLY PARTIAL
CREDIT

CLOSED ACCOUNTS - REFUNDS DENIED

<u>client name</u>	<u>service address</u>	<u>claim period</u>	<u>amount of refund</u>
Ames Construction	26113 Belle Porte Ave.	6/74 to 4/89	unkown
Ames Construction	26127 Belle Porte Ave.	6/74 to 4/89	unkown
Ames Construction	1550 W. 261st St.	6/74 to 4/89	unkown
Bay Cities Nat'l Bk	5306 W. 93rd St.	10/31/95 to 5/2/96	unkown
Mitsubishi Electronics	1010 Knox Ave.	1982 to 11/93	unkown
Jose Rodriguez	254 E. 120 St.	5/14/87 to 1/23/95	\$9,403.81
Jose Rodriguez	12011 S. San Pedro St.	5/15/87 to 1/23/95	\$8,131.70
Jose Rodriguez	12009 S. San Pedro St.	5/15/87 to 1/23/95	\$8,934.44

EXHIBIT D-2
CLAIMANTS WHO USED CITY
"TRANSPORT" LINES AND HAVE
RECEIVED NO CREDIT

23

PRESENTMENT ON NEXT DECEMBER 10, 1996 TO BE POSTED	#54
---	-----

NOV 06 1996

MOTION

The Bureau of Sanitation has recently learned that approximately seventy-one businesses and residents located in the Harbor Gateway area of the City have been inadvertently double-billed for sewer service charges. These properties were billed at 100% of the City's sewer service charge rates even though their sewage was being treated by the Los Angeles County Sanitation District's Carson Plant because of the topography of that portion of the City. These properties utilized City sewer lines to partially transport the sewage but County facilities were used for final sewage processing. The City should have billed these properties at 15% of the established rates.

The Bureau has calculated that a credit of approximately \$1.5 million is required to correct the error. The refund could best be accomplished by crediting each customer's monthly or bi-monthly Department of Water and Power bill until the full amount of the over-payment is reached.

I THEREFORE MOVE that the Bureau of Sanitation, Wastewater Engineering Services Division be directed to work with the Department of Water and Power to credit the appropriate amounts to the accounts of those residents and businesses which were inadvertently double-billed by both the City and County Sanitation District for sewer related services.

PRESENTED BY

Rudy Svorinich, Jr.
Councilman, 15th District

SECONDDED BY

TR:Svo81

Mo.
ADOPTED

NOV 13 1996

LOS ANGELES CITY COUNCIL
FORTHWITH

EXHIBIT E

LOS ANGELES CITY COUNCIL
MOTION FOR CREDIT TO WATER
CUSTOMERS USING
"TRANSPORT" LINES

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

MAY 8 1997

TO: Commercial Service Manager
Department of Water and Power
Anthony Office Building: Room 2H-101
P.O. Box 10210
Van Nuys, CA 91410-0210

Attention: Stuart McKenzie
Mail Stop 800

FROM: *Candelario Egula*
Ann Giagni, Division Manager
Financial Management Division

SEWER SERVICE CHARGE (SSC) COUNTY SANITATION DISTRICT ADJUSTMENT

Attached is the list of customer's where the sewage is conveyed through the City of Los Angeles sewer system to a County Sanitation District and treated at County Sanitation Facilities. The customer should have been paying 15 percent of the amount actually billed and paid. The Los Angeles City Council, on November 13, 1996, authorized these overcharges to be applied as a credit to the applicant's DWP current active account.

Please also find enclosed a copy of the City Council adopted motion which authorized for a credit. Customers must not be given any cash refund under this program under any circumstances. Closed account balances can be transferred to other open DWP accounts in the same name but even credit balances in those accounts that are part of the transferred credit must not be returned to customers in cash.

For further information please contact Candelario Egula of my staff at (213) 847-8607.

AGIA:ia

cc:

Sandra Tucker
Melanie Kauf
Ray Paulstre

2023

EXHIBIT F
INTERDEPARTMENTAL
CORRESPONDENCE OF 5-8-97

1 ELENA REYES, ESQ. #77879
1440 N. Harbor Blvd., Ste.900
2 Fullerton, CA 92635

3 (714) 449-3327
Attorney for
4 UTILITY AUDIT COMPANY, INC.

5
6 CITY OF LOS ANGELES
7

8
9 UTILITY AUDIT COMPANY, INC.
ON BEHALF OF CLAIMANTS FOR
10 REFUND OF WRONGLY ASSESSED
SEWER SERVICE CHARGES

SUPPLEMENTAL POINTS AND
AUTHORITIES IN SUPPORT OF
CLAIMS FOR FULL REFUND OF
MONIES PAID FOR
UNDELIVERED SEWER
SERVICES

11 APPEAL TO

12 CITY OF LOS ANGELES
13
14

15 On June 16, 1998, an informal meeting was held with Commissioner Tod Burnett
16 regarding the claims for refunds at issue. During such meeting further legal issues were addressed
17 regarding the appropriateness of the actions by the City of Los Angeles. Commissioner Burnett
18 was sent a copy of the 1st Points and Authorities, as prepared by attorney for Utility Audit
19 Company, Elena Reyes.

20 The following is supplemental to such Points and Authorities.

21 I

22 THE MINIMUM TIME LIMIT WHICH A CITY'S CLAIM PROCEDURES
23 CAN APPLY IS ONE YEAR FROM THE CAUSE OF ACTION.

24 In the case of Pasadena Hotel Development Venture v. City of Pasadena (1981) 119 Cal
25 App 3d.412, 174 Cal Rptr 52, the court specifically recognizes that a charter city's charter cannot
26 limit the time for presentation of claims to less than that stated in California Government Code §
27 911.2, of one year after accrual of the cause of action.
28

1 The period within which a tax refund claim must be filed under the charter and the
2 applicable ordinance of the City meets the requirement of section 935, subdivision
3 (c), that such period may not be shorter than one year after the accrual of the cause
4 of action (See § 911.2.)

5 The "180 day from payment" requirement for refund of over assessed sewer charges as
6 used by the City of Los Angeles, is invalid and contrary to California and local Los Angeles
7 City laws.

8 II

9 THE POLICING POWERS OF A CITY DO NOT PERMIT A CHARTER CITY TO 10 OVERRIDE THE PROVISIONS OF HEALTH AND SAFETY CODE § 5471.

11 Article XI, section 7, of the California Constitution.... provides for a limited
12 delegation of the police power to cities", and does not enable a municipality to
13 ignore a specific governing statute dealing with a particular subject... (cite) Nor
14 does Government Code section 38900 relieve City of its obligation to comply with
15 the procedural requirements of the Health and Safety Code. That section merely
16 provides. A city legislative body may construct, establish and maintain drains and
17 sewers." It makes no reference to establishing or revising sewer fees, and must be
18 read in conjunction with Health and Safety Code section 5471.

19 ...
20 It is a settled rule of statutory construction that a special statute dealing with a
21 particular subject controls and take priority over a general statute (cite). Health
22 and Safety Code section 5471 is the specific statute and takes priority over the
23 general authorization of Government Code section 38900 and is in no way
24 contrary to article XI, section 7 of the California Constitution. (1981) Pinewood
25 Investors v. City of Oxnard, 133 Cal. App. 3d 1030; 184 Cal Rptr 417.

26 In the cited case, the Charter City of Oxnard attempted to avoid the requirements of
27 §5471, by action taken by resolution of its city council. The court ruled that the city council
28 action had no effect, for purposes of §5471. Allowed actions under §5471 cannot be done by a
resolution. The resolution by the City Council of Los Angeles, in this case at issue, limiting the
due refund by way of "credit only" was not authorized by, nor permissible, under Health and
Safety Code §5471.

29 The City of Los Angeles is bound by the provisions of Health and Safety code §5471 and its
30 related sections. The resolution by the City Council of Los Angeles, has no effect, as
31 contrary to binding State laws.

III

HEALTH AND SAFETY CODE §5473.8 IS THE AUTHORIZATION FOR THE
MANNER OF REFUNDING OF CHARGES AUTHORIZED BY HEALTH AND SAFETY
CODE § 5471.

§5473.8. Application of laws governing levy, collection and enforcement of general taxes; exception.

All laws applicable to the levy, collection and enforcement of general taxes of the entity, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund and redemption, are applicable to such charges, except that if any real property to which such charges relate has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of such taxes would become delinquent, then the lien which would otherwise be imposed by Section 5473.5 shall not attach to such real property and the charges relating to such property shall be transferred to the unsecured roll of collection.

The 1st Points and Authorities discussed the state laws applicable to refund of over assessed taxes, which would be applicable to the case at issue here. However, if "the entity" rules/ordinances are to apply, then Chapter II, Article 1, and Article 2 of the Los Angeles Municipal Code would apply.

Each section within such articles addressing over assessment of city taxes, authorizes a **REFUND** and not a credit. The generally deferred to section is §21.07 "Refunds of Overpayments" Such section allows for a **REFUND** after complying with its provisions.

A credit, in lieu of refund, is not a legally authorized method to return a wrongfully assessed sewer service fee.

IV

A "CREDIT ONLY" METHOD OF CORRECTING THE CITY'S ERROR IS A FURTHER
VIOLATION OF CLAIMANTS' RIGHTS OF DUE PROCESS.

A Credit Only method of allocating erroneous and wrongfully assessed charges is a violation of "Due Process" laws, where the credit is not immediately applicable and is speculative as to future charges to which the credit would apply. Under the Fifth Amendment of the U.S. Constitution, discussed in the 1st Points and Authorities, a government cannot take property, or

1 retain property of another, without proper compensation. The statutes discussed in the 1st Points
2 and Authorities all require for refunds and interest for overassessments, as would be necessary to
3 properly compensate a party for a wrongful taking.

4 Until the present set of claimants made demand, it had been the rightful policy of the
5 Department of Water and Power of the City of Los Angeles to refund any credit on a customer's
6 account at their request. Utility Audit had used such process without interference until an
7 "Interoffice Memorandum" stopped such process. The direct refund is proper, since in addition
8 to being the Constitutionally correct process, the Sewer Construction and Maintenance Fund was
9 established, in part, in order to pay for refunds.

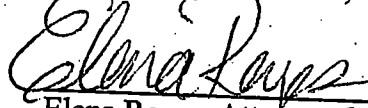
10 City of Los Angeles Municipal Code,
11 Chapter VI, Article 4.1, §64.41.09. DISPOSITION OF FUNDS.

12 All sewer service charge moneys collected for the City shall be placed and
13 deposited into the Sewer Construction and Maintenance Fund established by
14 Section 64.19.2 of the Code, such moneys to be expended for the purposes set
15 forth in Section 64.41.03(a), of this Code to pay for any refunds, billing, collection
16 and administration.

17 **All credits to claimants for wrongful and over assessed sewer charges must be paid**
18 **out directly to claimants.**

19 DATED: August 19, 1998

20 Respectfully submitted,

21 

22 Elena Reyes, Attorney for
23 Utility Audit Company, Inc.

DEPARTMENT OF PUBLIC WORKS

COMMISSIONER VALERIE LYNN SHAW
REPORT NO. 1
MAY 20, 1998

CD: 10

Post-It™ brand fax transmittal memo 7671		# of pages = 2	
To	J. McDONALD	From	C. EGUIA
Co.		Co.	SANITATION
Dept.		Phone #	
Fax #	(213) 936-5708	Fax #	(213) 847-8593

2302 WEST 20TH STREET - APPEAL OF CITY ENGINEER'S DETERMINATION OF
SEWER SERVICE CHARGE (SSC) REFUND AMOUNT (W.O. E2000391)

RECOMMENDATIONS

1. Grant Mr. Russell Lipeles's appeal for an additional \$565.31 refund from that of the Director's determination that approved his request for an SSC refund. My determination was based on the interpretation of the "California Government Code (GC) Section 53082 (a)."
2. Instruct the Director of the Bureau of Sanitation (attn.: Ann Giagni, Division Manager, Financial Management Division) to implement the adopted refund.

TRANSMITTAL

Communication No. 114409 from Mr. Russell A. Lipeles, 2302 W. 20th Street, Los Angeles, CA 90018.

DISCUSSION

Mr. Lipeles applied for a refund of Sewer Service Charges (SSCs) in September 1996, for a period covering the February 7, 1986 through the filing of his application. The Bureau of Sanitation Director granted his request and refunded his SSCs for the periods of February 7, 1986 - January 1, 1992 and August 23, 1995 - August 23, 1996. Subsequently, the City Controller's Office issued a check to Mr. Lipeles in the amount of \$2706.23. Mr. Lipeles filed an appeal on this decision requesting additional SSC refunds for the period covering January 1, 1992 - August 23, 1995. Mr. Lipeles had a telephone hearing with me on November 17, 1997 and argued that he qualifies for an additional refund.

Mr. Lipeles filed his SSC refund application under the Government Code Section 53082 for the service address of 2302 W. 20th Street, Los Angeles, CA 90018. Both the Government Code and Senate Bill (SB) 1821 nullify all statutes of limitation relative to refunds of SSC's collected by a local agency from any person, for which no sewer services were delivered prior to January 1, 1992, and . . . for fees paid on or after January 1, 1992, claims shall be filed with 180 days of the date of payment. Mr. Lipeles indicated on his application that his premises was on septic tank and therefore did not discharge any sewage to the City sewer system.

809.49

REPORT NO. 1
MAY 20, 1998

Page 2

FMD staff verified that the service address of 2302 W. 20th Street, Los Angeles, CA. 90018 was on a septic tank. Therefore, his application for SSC refund was approved for the periods stated above. The first period covers the water sign-on date of Mr. Lipeles to the "statute of limitations" and the second period covers the one year's retroactivity from the date of filing granted under the GC. This determination was based upon an interpretation of an California GC Section 53082 (a). However, based upon my understanding and interpretation of the California GC Section 53082 (a), I have determined that he is entitled to receive all SSC's paid during the "statute of limitations" time period, which I recommend herein.

Calculations were performed by FMD staff for the period inclusive within the "statute of limitations" and determined the amount as an additional \$565.31 for SSC's paid during this time.

The appellant has been advised of the recommendation contained herein and the date and time this matter will be considered by this Board. The appellant was also advised that this meeting is open to the public and the appellant may be present if he so wishes. Furthermore, if the appellant disagrees with the decision of the Board, he may file a Notice of Appeal with the City Clerk within ten days of the date of the mailing of the Board's written determination to have the matter referred to the City Council and will be able to express his concerns to the Council's Public Works Committee.

Respectfully submitted,


VALERIE LYNN SHAW
Commissioner
Board of Public Works

VLS/AG/CDW:cdw

cc: Russell A. Lipeles
2302 West 20th Street
Los Angeles, CA. 90018

br-107042
SSC-6-1

DRAFT

Department of Public Works
Bureau of Engineering
Bureau of Accounting

Joint Report No. _____

C.D.'s: All

DRAFT

**SEWER SERVICE CHARGE (SSC) - CUSTOMERS SERVED BY THE COUNTY
SANITATION DISTRICT FACILITIES: OVERPAYMENT BY NAKAMICHI U.S.A.
CORPORATION OF \$11,499.54.**

RECOMMENDATION

Recommend to the City Council that Council direct the Bureau of Accounting to refund \$11,499.54 in overpaid Sewer Service Charge (SSC) to Nakamichi U.S.A. Corporation.

TRANSMITTAL

1. Copy of the refund claim dated November 14, 1995 from John McDonald of Utility Audit Company, a Utility Service Consultant.
2. A letter of Authorization by Nakamichi America Corporation dated September 22, 1995.

FISCAL IMPACT STATEMENT

This action will cause \$11,499.54 to be withdrawn from the Sewer Construction and Maintenance (SCM) fund. There is no impact on the general fund.

DISCUSSION

Nakamichi U.S.A. Corporation has requested a refund of the overpaid Sewer Service Charge (SSC) at 19701 South Vermont Avenue. The basis of the claim is that this premises is located within an area of the City where the sewage is conveyed through County sewers and is treated within the Los Angeles County Sanitation District (CSD) treatment plant. Los Angeles Municipal Code (LAMC), Section 64.41.03, provides that, where no sewage enters the City's sewage system, the premises should be exempt from SSC's.

When the SSC was first instituted in 1972, the Bureau made an extensive effort to identify properties directly connected to County sewers and to grant the exemption without requiring an application. However, some properties were inadvertently missed and a few such rate corrections are granted each year by application.

Nakamichi U.S.A. Corporation had been paying SSC's at the full rate for this premises

DRAFT**DRAFT**

Report No. _____

Page 2

during their water sign-on period, December 15, 1983 to June 2, 1994. The Bureau's standard past policy was to refund the SSC's retroactive to one year from the date of application, and also the period from the water sign-on date (if prior to January 1, 1992) to January 1, 1992 for customers directly connected to County sewers. This policy conforms with the City Charter which requires claims to be filed within one year of accrual of the cause of action and the California Government Code Section 53082 which allows full refund of SSC's prior to January 1, 1992 for premises where no sewage enters the City sewer system. Nakamichi U.S.A. Corporation is requesting that the period of refund be extended for the entire period from December 15, 1983 (water sign-on date) to June 2, 1994 (water sign-off date).

*County
sewer*

The City Attorney's office has recently advised that customers within the City of Los Angeles and directly connected to County sewers with sewage treated by the CSD should receive refunds of all SSC paid back to the date of the commencement of the SSC, which for commercial customers was July 3, 1972. The City Attorney has reasoned as follows:

1. Customers are unlikely to associate the City's SSC on the water bill with the CSD sewer charge on the property tax bill and realize that they are being overcharged.
2. The exemption in this case is a permanent right and not a function of on-site conditions or practices.
3. It would be consistent with intent of the state legislature as evidenced by its passage of SB 1821 which added Section 53082 to the Government Code. This section nullified all statutes of limitations prior to January 1, 1992 for refunds of sewer charges where no sewage service was rendered to the premises.

A review of the SSC that Nakamichi U.S.A. Corporation has paid on its water bills reveals a total of \$11,499.54 (the total SSC's which Nakamichi U.S.A. Corporation paid during the subject period) to be refunded.

(WMS) (BMS) (BHR) (EPT)

Report prepared by:

Respectfully submitted,

Program Management Division

Wayne M. Savaria
Division EngineerRobert S. Horii
City Engineer
Bureau of Engineering

DRAFT

DRAFT

Department of Public Works
Bureau of Engineering
Bureau of Accounting

Joint Report No. _____

page 3

Craig Bloomquist
Director
Bureau of Accounting

RSH/WMS/SK:eb

[initials]

4/18/96

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

MAY 8 1997

TO: Commercial Service Manager
Department of Water and Power
Anthony Office Building: Room 2H-101
P.O. Box 10210
Van Nuys, CA 91410-0210

Attention: Stuart McKenzie
Mail Stop 800

Candelario Egula
FROM: Ann Giagni, Division Manager
Financial Management Division

SEWER SERVICE CHARGE (SSC) COUNTY SANITATION DISTRICT ADJUSTMENT

Attached is the list of customer's where the sewage is conveyed through the City of Los Angeles sewer system to a County Sanitation District and treated at County Sanitation Facilities. The customer should have been paying 15 percent of the amount actually billed and paid. The Los Angeles City Council, on November 13, 1996, authorized these overcharges to be applied as a credit to the applicant's DWP current active account.

Please also find enclosed a copy of the City Council adopted motion which authorized for a credit. Customers must not be given any cash refund under this program under any circumstances. Closed account balances can be transferred to other open DWP accounts in the same name but even credit balances in those accounts that are part of the transferred credit must not be returned to customers in cash.

For further information please contact Candelario Egula of my staff at (213) 847-8607.

AG/A:ia

cc:

Sandra Tucker
Melanie Kauf
Ray Paulstre

Des

EXHIBIT F
INTERDEPARTMENTAL
CORRESPONDENCE OF 5-8-97

CLOSED ACCOUNTS - REFUNDS DENIED

<u>client name</u>	<u>service address</u>	<u>claim period</u>	<u>amount of refund</u>
Ames Construction Mr. L.S. Ames P.O. Box 515 Lomita, CA 90717	26113 Belle Porte Ave. 26127 Belle Porte Ave. 1550 W. 261st St.	6/74 to 4/89 6/74 to 4/89 6/74 to 4/89	unkown unkown unkown
Bay Cities Nat'l Bk Mr. Ron Schmidt 1333 S. Pacific Coast Hwy. Redondo Beach, CA 90277	5306 W. 93rd St.	10/31/95 to 5/2/96	unkown
Mitsubishi Electronics Mr. Leland Holter 5665 Plaza Dr. Cypress, CA 90630-0007	1010 Knox Ave.	1982 to 11/93	unkown
Jose Rodriguez attn: Isidoro Jimenez EZ Jimenez Realty 3915 Tweedy Blvd. South Gate, CA 90208	234 E. 120 St. 12011 S. San Pedro St. 12009 S. San Pedro St.	5/14/87 to 1/23/95 5/15/87 to 1/23/95 5/15/87 to 1/23/95	\$9,403.81 \$8,131.70 \$8,934.44
Hapsmith-Praxis Airport Frederick M. Nichols c/o Larry Carr 9300 Wilshire Blvd., Suite 200 Beverly Hills, CA 90212	5220 W. Century Blvd.	date of serv. to 12/96	unkown

SEWER ACCOUNTS - CREDIT ONLY - CREDIT REMAINING - prepared May 13, 1998 - page 1 of 3

<u>Client Name</u>	<u>Service Address</u>	<u>credit recieved</u>	<u>remaining credit</u>	As of 7/2/98 MONTHS TO USE CREDIT
Joseph Chartier 2132 Mt. Shasta Dr. San Pedro, CA 90732	1520 W. 224th St.	\$6,630.92	\$3,703.21 @ 4/4/98	
Jack Liu 27544 Elmbridge Dr. Rancho Palos Verdes, CA 90275	25224 S. Normandie	\$20,727.54	\$17,497.05 @ 3/5/98	56 months
Pacific Motel Mr. Wen Liou 1404 W. Pacific Coast Hwy Harbor City, CA 90701	1404 W. Pacific Coast Hwy	\$10,071.97	\$4,315.61 @ 4/9/98	
Yee Family Trust c/o Franklin Yee 41 Moccasin Lane Rolling Hills Estates, CA 90274	25004 Frampton Ave.	\$40,435.19	\$27,805.39 @ 4/7/98	
Sepulveda Industrial Ctr. Mr. Allan Alfrick 1901 Ave of the Stars Los Angeles, CA 90067	1645 W. Sepulveda Blvd.	\$11,825.90	\$6,806.89 @ 4/9/98	
Don Vigil 4762 W. 137th St., Unit B Hawthorne, CA 90250	1679 & 1644 W. 257th St.	\$13,807.29	\$13,472.60 @ 5/13/98	241 months
Sam Schoenberg P.O. Box 3367 Palos Verdes Penns., CA 90274	16201 S. Figueroa St.	\$30,505.78	\$20,442.97 @ 4/9/98	
Harbor Terrace HOA c/o Merle Garrett P.O. Box 4565 Carson, CA 90745	1436 W. 257th St.	\$22,069.30	\$17,779.51 @ 4/10/98	
George Fujimoto 2513 Ruhland Ave., #1 Redondo Beach, CA 90278	1635 W. 206th St.	\$12,886.42	\$10,239.33 @ 5/13/98	46 months
Norma Jean Veta 1638 Elm Ave. Torrance, CA 90503	21922 S. Western Ave.	\$5,106.19	\$2,329.56 @ 5/13/98	
Jay Patrick P.O. Box 998 Manhattan Beach, CA 90266	5216 W. 98th St.	\$3,484.34	\$1,746.09 @ 4/9/98	

SEWER ACCOUNTS - CREDIT ONLY - CREDIT REMAINING - prepared May 13, 1998 - page 2 of 3AS OF 7/2/98
MONTHS TO
USE CREDIT

<u>Client Name</u>	<u>Service Address</u>	<u>credit recieved</u>	<u>remaining credit</u>	
Raymond Kolby c/o Ted Kolby 413 Manchester Blvd. Inglewood, CA 90301	5412 Arbor Vitae St. 5418 W. 93rd St.	\$5,328.21 \$1,596.21	\$0.00 @ 4/9/98 \$121.97 @ 4/9/98	
Horizon Motel Amir Mahida 1645 W. Pacific Coast Hwy Harbor City, CA 90710	1645 W. Pacific Coast Hwy	\$5,267.24	\$74.50 @ 5/13/98	
Robert Paulson Gary Paulson 1918 W. 252nd St. Lomita, CA 90717	25507 S. Western Ave. 25521 S. Western Ave. 25110 S. Western Ave.	\$6,408.76 \$4,923.42 \$11,308.99	\$5,969.63 @ 4/9/98 \$4,185.71 @ 4/9/98 \$10,308.05 @ 4/9/98	54 months
EG Richardson c/o deMiranda Mgmt. 18039 Crenshaw Blvd., #300 Torrance, CA 90504	1651 W. 206th St.	\$1,916.18	\$903.96 @ 4/9/98	
Pacific Presidente Center Shelley Berg 22801 Ventura Blvd. #200 Woodland Hills, CA 90364	1601 W. Pacific Coast Hwy	\$10,641.49	\$8,140.30 @ 4/9/98	
Normandie PCH Partners Mr. James Hong 4311 Wilshire Blvd., #508 Los Angeles, CA 90010	1111 W. Pacific Coast Hwy 1141 W. Pacific Coast Hwy	\$8,323.96 \$11,206.91	\$0.00 @ 5/13/98 \$1,975.87 @ 5/13/98	
Bay Pointe Condos c/o Classic Property Mgmt. 950 Aviation Blvd., 'E' Hermosa Beach, CA 90254	1530 W. 261st St.	\$19,666.53	\$18,556.71 @ 5/13/98	
Victory Plaza c/o Unified Property Mgmt. Sandra Marshall 21718 S. Vermont Ave., #203 Torrance, CA 90502	1585 W. Sepulveda Blvd. 1555 W. Sepulveda Blvd.	\$2,712.11 \$1,792.67	\$2,712.11 @ 5/13/98 \$1,792.67 @ 5/13/98	
Evan Beedle c/o Empire Realty Christine Fernandes 23620 Crenshaw Blvd. Torrance, CA 90505	25206 Frampton Ave.	\$9,974.66	\$9,750.02 @ 5/13/98	77 months

SEWER ACCOUNTS - CREDIT ONLY - CREDIT REMAINING - prepared May 13, 1998 - page 3 of 3As of 7/2/98
MONTHS TO
USE CREDIT

<u>Client Name</u>	<u>Service Address</u>	<u>credit recieved</u>	<u>remaining credit</u>	
Paul Straub Attn: Jim Ashford Ashford Apts. P.O. Box 158 Agoura Hills, CA 91301	25022 Frampton Ave.	\$18,824.22	\$3,573.64 @ 5/13/98	
AC Realty Steve and Bonnie Corona P.O. Box 24 Harbor City, CA 90248	1500 W. 226th St. 21910 S. Western Ave.	\$18,838.52 \$29,528.16	\$4,975.49 @ 5/13/98 \$9,408.39 @ 5/13/98	
Ken Peterson c/o The Cadman Group Attn: Neil Cadman 302 W. Grand Ave., Suite 10-C El Segundo, CA 90245	5425 W. 93rd St.	\$4,689.66	\$4,689.66 @ 5/13/98	
Premier Apts.-	368 E. Imperial		\$17,044.77	111 months
	370 E. Imperial		\$11,185.32	43 months
	374 E. Imperial		\$13,899.07	44 months
	376 E. Imperial		\$12,151.49	
	378 E. Imperial		\$12,455.06	
Watts Arms II				124 months

SSC Refund Claimants with credit will take more than 36 months to use - a July 2, 1998

client name months to use credit

Don Vigil	241
Jack Liu	56
George Fujimoto	46
Robert & Gary Paulson	54
Evan Beedle	77
Watt Arms II	124
Premier Apts. - 368 E. Imp.	111
Premier Apts. - 370 E. Imp.	43
Premier Apts. - 374 E. Imp.	44

No.	L.A. Claim Ltr. date	Name	Address	Credit Amount	Other Comments
8	June 15, 1998	Watts Comm Housin Corp Watts Arms II	1720 E. Century Blvd.	\$69,903.80	
9	June 30, 1998	State Chemical Mfg.	920 Francisco Street	\$6,228.09	
10	June 30, 1998	Kowa American Cor	20001 S. Vermont Ave.	\$17,219.95	
11	June 30, 1998	Richard W. Horton	25420 Senator Ave.	\$28,590.08	
12	June 18, 1998	Watt High Rise	5400 W. Century Blvd.		\$
13	June 22, 1998	Premier Apartments	376 E. Imperial Hwy.	\$12,151.49	
14	June 22, 1998	Premier Apartments	370 E. Imperial Hwy.	\$11,185.32	
15	June 22, 1998	Premier Apartments	374 E. Imperial Hwy	\$13,899.07	
16	June 22, 1998	Premier Apartments	368 E. Imperial Hwy	\$17,044.77	
17	June 22, 1998	Premier Apartments	378 E. Imperial Hwy	\$12,455.06	
18	June 22, 1998	Robert Patrick Bietz	9621 Glasgow Place	\$4,333.40	
19	June 15, 1998	South Bay Corp Ctr	1411 West 190 St.	\$55,477.33	
20	July 29, 1998	Century Housing Corp	14210 S. Vermont Ave.		\$
21	Aug 13, 1998	Helmut E. Braun	716 W. Redondo Beach Blvd,	\$4,029.81	
22	Aug 13, 1998	Viking Office Suppie	13809 S. Figueroa St.	\$20,297.84	
23	Aug 13, 1998	Boris Ralphs	1115 W. 190 Street	\$5,089.20	
24	Sept. 3, 1998	W.E. Tsukamoto	706 W. Redondo Beach Blvd.	\$9,515.91	
25	Sept. 2, 1998	Fujita Corp. USA	1149 W. 190 Street	\$22,893.69	
26	Sept. 29, 1998	Helmut E. Braun	728 W. Redondo Beach Bl.	\$3,510.99	
27	Sept. 29, 1998	Helmut E. Braun	722 W. Redondo Beach Bl.	\$5,288.92	
28	Aug 13, 1998	Helmut E. Braun	716 W. Redondo Beach Bl.	\$4,029.81	

29	Sept. 29, 1998	Helmut E. Braun	712 W. Redondo Beach Bl.	\$6,599.08
30	Sept. 29, 1998	Dan Ho	1648 W. 208 Street	\$8,118.07
31	Sept. 29, 1998	Dan Ho	1642 W. 209 Street	\$5,519.77
32	Sept. 29, 1998	Don Xuan Ho	1565 W. 208 Street	\$8,005.59
33	Nov. 18, 1998	James W. Gros	1602 W. 259 Street	\$9,336.95
34	Nov. 18, 1998	Lucy Wang	1100 W. 252 Street	\$13,693.89
35	Nov. 18, 1998	W.E. Tsukamoto	702 W. Redondo Beach Blvd.	\$4,493.99
				378911.87

29	Sept. 29, 1998	Helmut E. Braun	712 W. Redondo Beach Bl.	\$6,599.08
30	Sept. 29, 1998	Dan Ho	1648 W. 208 Street	\$8,118.07
31	Sept. 29, 1998	Dan Ho	1642 W. 209 Street	\$5,519.77
32	Sept. 29, 1998	Don Xuan Ho	1565 W. 208 Street	\$8,005.59
33	Nov. 18, 1998	James W. Gros	1602 W. 259 Street	\$9,336.95
34	Nov. 18, 1998	Lucy Wang	1100 W. 252 Street	\$13,693.89
35	Nov. 18, 1998	W.E. Tsukamoto	702 W. Redondo Beach Blvd.	\$4,493.99
				378911.87

UTILITY AUDIT COMPANY INC

February 4, 1997

Ms. Julie Amanti
Refund Processing
City Clerk
200 N. Spring St. - Room 395
Los Angeles, CA 90012

Dear Ms. Amanti,

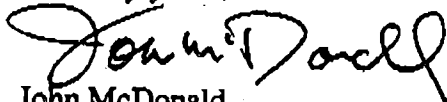
Enclosed are the various claims that we discussed last week. Per our conversation you stated that I would not have to notarize the forms.

On November 13, 1996 the Los Angeles City Council approved a motion (*attached*) to refund all duplicate sewer service charges back to the service turn on date as relates to the claims file herein. By discussion in the Motion, it was decided that the easiest way to pay the refunds, was to apply credits to utility accounts. However there were a few customers whose utility accounts were not currently active. Therefore I have been directed to the City Clerks Office to request refunds for such customers. Mr. Sharam Karagani (ph# 847-8748) with the Department of Public Works office is most knowledgeable and has complete files on the customer accounts referenced in the enclosed claims.

Enclosed for each claim submitted herein is our original refund request and a copy of our letter of agency. We respectfully re-submit these requests to the City for refund of all sewer service charges erroneously imposed by the City of Los Angeles.

Your assistance with this matter is greatly appreciated.

Sincerely yours,



John McDonald
President

DISTRIBUTION:

ORIG.—Dept.
DUP.—Controller
TRIP.—Claimant

CITY OF LOS ANGELES
CLAIM FOR REFUND NOT OVER \$5000

Sec. 22.13 Los Angeles Municipal Code

RESERVE FOR FILING STAMP

CLAIM NO.

NOTE: A Claimant may be required to submit to examination under oath. (Charter Section 63.)
Presentation of a false claim is a felony. (California Penal Code Section 72.)

TO: CITY CLERK, Room 395, City Hall, Los Angeles 90012

1. PRINT NAME OF CLAIMANT (Last) (First) (Middle)		4. PHONE NO.	
Mitsubishi Electronics America		(213) 936-4027	
2. BUSINESS ADDRESS (Street) (City) (State)		7. AMOUNT CLAIMED	
8705 Santa Monica Blvd., #1288 - L.A., CA 90005		all over charges	
3. MAILING ADDRESS (Street) (City) (Zip Code)		6. DATE PAID	
DUP			
8. LICENSE, PERMIT NO. OR OTHER INFORMATION			

59843

9. LOCATION OF JOB

10. STATE THE DETAILS OF THE EVENTS LEADING TO THE FILING OF THIS CLAIM. Eg. date, time, place, name, type of contact, etc. Use supplementary sheets if necessary.

Claimant was erroneously charged for Sewer Services that the city did not provide. For service address 1010 Knox Ave., acct # 243478300101000902401 full refund was approved by city council.

11. I HEREBY CERTIFY THAT THE ABOVE STATEMENTS ARE TRUE	SIGNATURE AND TITLE OF CLAIMANT	DATE
12. SUBSCRIBED AND SWORN TO BEFORE ME		
SIGNATURE OF DEPUTY CITY CLERK OR NOTARY PUBLIC		
this	day of	19

DEPARTMENTAL RECOMMENDATION

☐ APPROVED AS REQUESTED☐ APPROVED AS MODIFIED☐ DISAPPROVED

FUND PAYABLE FROM

AMOUNT APPROVED

\$

REMARKS

NAME AND TITLE OF PERSON MAKING RECOMMENDATION

NAME AND TITLE OF PERSON AUDITING CLAIM

DEPARTMENT HEAD

BY

DATE

DISTRIBUTION:
 ORIG.—Dept.
 DUP.—Controller
 TRIP.—Claimant

CITY OF LOS ANGELES CLAIM FOR REFUND NOT OVER \$5000

Sec. 22.13 Los Angeles Municipal Code

RESERVE FOR FILING STAMP

CLAIM NO.

NOTE: A Claimant may be required to submit to examination under oath. (Charter Section 63.)
 Presentation of a false claim is a felony. (California Penal Code Section 72.)

TO: CITY CLERK, Room 395, City Hall, Los Angeles 90012

1. PRINT NAME OF CLAIMANT (Last) (First) (Middle)

Vigil Donald

2. BUSINESS ADDRESS (Street) (City) (State) 90046

8205 Santa Monica Blvd., #1288-LA, CA 90005

3. MAILING ADDRESS (Street) (City) (Zip Code) 90005

4. PHONE NO. 221-936-4022

5. CITY DEPARTMENT TO WHICH PAYMENT WAS MADE 6. DATE PAID 7. AMOUNT CLAIMED

DWP 8. LICENSE, PERMIT NO. OR OTHER INFORMATION 9. OVERCHARGES

9. LOCATION OF JOB

10. STATE THE DETAILS OF THE EVENTS LEADING TO THE FILING OF THIS CLAIM. Eg. date, time, place, name, type of contact, etc. Use supplementary sheets if necessary.

Claimant was erroneously charged for
 Sewer Services that the city did not provide.
 Fault Service address 1679 W. 257th acct #
 2-07-96256-01679.00.0000.0.01 full refund
 was approved by city Council.

11. I HEREBY CERTIFY THAT THE ABOVE STATEMENTS ARE TRUE

12. SUBSCRIBED AND SWORN TO BEFORE ME

SIGNATURE AND TITLE OF CLAIMANT

DATE

SIGNATURE OF DEPUTY CITY CLERK OR NOTARY PUBLIC

this day of 19

DEPARTMENTAL RECOMMENDATION

☐ APPROVED AS REQUESTED☐ APPROVED AS MODIFIED☐ DISAPPROVED

FUND PAYABLE FROM

AMOUNT APPROVED

\$

REMARKS

NAME AND TITLE OF PERSON MAKING RECOMMENDATION

NAME AND TITLE OF PERSON AUDITING CLAIM

DEPARTMENT HEAD

BY

DATE

DISTRIBUTION:

ORIG.—Dept.
DUP.—Controller
TRIP.—Claimant

CITY OF LOS ANGELES CLAIM FOR REFUND NOT OVER \$5000

Sec. 22.13 Los Angeles Municipal Code

RESERVE FOR FILING STAMP

CLAIM NO. _____

NOTE: A Claimant may be required to submit to examination under oath. (Charter Section 63.)
Presentation of a false claim is a felony. (California Penal Code Section 72.)

TO: CITY CLERK, Room 395, City Hall, Los Angeles 90012

1. PRINT NAME OF CLAIMANT (Last) (First) (Middle)
Sam Schoenberg and Lewis Probitsky

2. BUSINESS ADDRESS (Street) (City) (State)
8205 Santa Monica Blvd. #1288 - L.A. CA 90046

3. MAILING ADDRESS (Street) (City) (Zip Code)
8205 Santa Monica Blvd. #1288 - L.A. CA 90046

4. PHONE NO. (213)
926-4022

5. CITY DEPARTMENT TO WHICH PAYMENT WAS MADE
DWP

6. DATE PAID

7. AMOUNT CLAIMED
25 Overcharges

8. LICENSE, PERMIT NO. OR OTHER INFORMATION

9. LOCATION OF JOB

59846

10. STATE THE DETAILS OF THE EVENTS LEADING TO THE FILING OF THIS CLAIM. Eg. date, time, place, name, type of contact, etc. Use supplementary sheets if necessary.

Claimant was erroneously charged for sewer services that the city did not provide. For service address 16201 S. Figueroa St. acct # 1-16-34103-16201-00-0000-0.01 full refund was approved by City Council.

11. I HEREBY CERTIFY THAT THE ABOVE STATEMENTS ARE TRUE

SIGNATURE AND TITLE OF CLAIMANT

DATE

12. SUBSCRIBED AND SWORN TO BEFORE ME

SIGNATURE OF DEPUTY CITY CLERK OR NOTARY PUBLIC

this day of 19

DEPARTMENTAL RECOMMENDATION

☐ APPROVED AS REQUESTED

☐ APPROVED AS MODIFIED

☐ DISAPPROVED

FUND PAYABLE FROM

AMOUNT APPROVED

REMARKS

\$

NAME AND TITLE OF PERSON MAKING RECOMMENDATION

NAME AND TITLE OF PERSON AUDITING CLAIM

DEPARTMENT HEAD

BY

DATE

TRIBUTION:
 ORIG.—Dept.
 DUP.—Controller
 TRIP.—Claimant

CITY OF LOS ANGELES CLAIM FOR REFUND NOT OVER \$5000

Sec. 22.13 Los Angeles Municipal Code

RESERVE FOR FILING STAMP

CLAIM NO. _____

NOTE: A Claimant may be required to submit to examination under oath. (Charter Section 63.)
 Presentation of a false claim is a felony. (California Penal Code Section 72.)

TO: CITY CLERK, Room 395, City Hall, Los Angeles 90012

PRINT NAME OF CLAIMANT (Last) (First) (Middle)

Greenbriar Associates

BUSINESS ADDRESS (Street) (City) (State)

8705 Santa Monica Blvd., #1288-L.A., CA 90046

MAILING ADDRESS (Street) (City) (Zip Code)

PHONE NO.

930-4072

CITY DEPARTMENT TO WHICH PAYMENT WAS MADE

DATE PAID

AMOUNT CLAIMED

DWP

all overcharges

LICENSE, PERMIT NO. OR OTHER INFORMATION

LOCATION OF JOB

STATE THE DETAILS OF THE EVENTS LEADING TO THE FILING OF THIS CLAIM. Eg. date, time, place, name, type of contact, etc. Use supplementary sheets if necessary.

Claimant was erroneously charged for sewer services that the city did not provide. For service address 23200 S Western Ave., ~~sewer~~ full refund was approved by City Council.

I HEREBY CERTIFY THAT THE ABOVE STATEMENTS ARE TRUE
 SUBSCRIBED AND SWORN TO BEFORE ME

SIGNATURE AND TITLE OF CLAIMANT

DATE

SIGNATURE OF DEPUTY CITY CLERK OR NOTARY PUBLIC

this day of 19

DEPARTMENTAL RECOMMENDATION

☐ APPROVED AS REQUESTED

☐ APPROVED AS MODIFIED

☐ DISAPPROVED

ND PAYABLE FROM

AMOUNT APPROVED

\$

REMARKS

NAME AND TITLE OF PERSON MAKING RECOMMENDATION

NAME AND TITLE OF PERSON AUDITING CLAIM

DEPARTMENT HEAD

BY

DATE

DISTRIBUTION:

ORIG.—Dept.
DUP.—Controller
TRIP.—Claimant

CITY OF LOS ANGELES CLAIM FOR REFUND NOT OVER \$5000

Sec. 22.13 Los Angeles Municipal Code

RESERVE FOR FILING STAMP

CLAIM NO. _____

NOTE: A Claimant may be required to submit to examination under oath. (Charter Section 63.)
Presentation of a false claim is a felony. (California Penal Code Section 72.)

TO: CITY CLERK, Room 395, City Hall, Los Angeles 90012

1. PRINT NAME OF CLAIMANT (Last) (First) (Middle)

Fidelity Federal Bank

2. BUSINESS ADDRESS (Street) (City) (State)

8205 Santa Monica Blvd., #1258 - L.A., CA 90046

3. MAILING ADDRESS (Street) (City) (Zip Code)

4. PHONE NO.

(213)

936-4022

5. CITY DEPARTMENT TO WHICH PAYMENT WAS MADE

DWP

6. DATE PAID

7. AMOUNT CLAIMED

all over charges

8. LICENSE, PERMIT NO. OR OTHER INFORMATION

9. LOCATION OF JOB

10. STATE THE DETAILS OF THE EVENTS LEADING TO THE FILING OF THIS CLAIM. Eg. date, time, place, name, type of contact, etc. Use supplementary sheets if necessary.

Claimant was erroneously charged for
Sewer Services that the city did not
provide for Service address 23200 S. Western Ave.
Acct # 2-46-90643-23200-00-9001-0-01. Full refund
was approved by City Council.

11. I HEREBY CERTIFY THAT THE
ABOVE STATEMENTS ARE TRUE

SIGNATURE AND TITLE OF CLAIMANT

DATE

12. SUBSCRIBED AND SWORN TO BEFORE ME

SIGNATURE OF DEPUTY CITY CLERK OR NOTARY PUBLIC

this day of 19

DEPARTMENTAL RECOMMENDATION

☐ APPROVED AS REQUESTED☐ APPROVED AS MODIFIED☐ DISAPPROVED

FUND PAYABLE FROM

AMOUNT APPROVED

REMARKS

\$

NAME AND TITLE OF PERSON MAKING RECOMMENDATION

NAME AND TITLE OF PERSON AUDITING CLAIM

DEPARTMENT HEAD

BY

DATE

DISTRIBUTION:

ORIG.—Dept.

DUP.—Controller

TRIP.—Claimant

CITY OF LOS ANGELES
CLAIM FOR REFUND NOT OVER \$5000

Sec. 22.13 Los Angeles Municipal Code

RESERVE FOR FILING STAMP

CLAIM NO. _____

NOTE: A Claimant may be required to submit to examination under oath. (Charter Section 63.)
Presentation of a false claim is a felony. (California Penal Code Section 72.)

TO: CITY CLERK, Room 395, City Hall, Los Angeles 90012

1. PRINT NAME OF CLAIMANT (Last) (First) (Middle)

Ames Construction Company

2. BUSINESS ADDRESS (Street) (City) (State)

8705 Santa Monica Blvd. #1288 - L.A. CA 90046

3. MAILING ADDRESS (Street) (City) (Zip Code)

4. PHONE NO.

(215)

926-4077

5. CITY DEPARTMENT TO WHICH PAYMENT WAS MADE

6. DATE PAID

7. AMOUNT CLAIMED

8. LICENSE, PERMIT NO. OR OTHER INFORMATION

9. LOCATION OF JOB

10. STATE THE DETAILS OF THE EVENTS LEADING TO THE FILING OF THIS CLAIM. Eg. date, time, place, name, type of contract, etc. Use supplementary sheets if necessary.

Claimant was erroneously charged for sewer services that the city did not provide. For service address 1550 W. 261 St. acct # 2-60-96358. 01550.00.0000.0.01 full refund was approved by city council.

11. I HEREBY CERTIFY THAT THE ABOVE STATEMENTS ARE TRUE

SIGNATURE AND TITLE OF CLAIMANT

DATE

12. SUBSCRIBED AND SWORN TO BEFORE ME

SIGNATURE OF DEPUTY CITY CLERK OR NOTARY PUBLIC

this day of 19

DEPARTMENTAL RECOMMENDATION

☐ APPROVED AS REQUESTED☐ APPROVED AS MODIFIED☐ DISAPPROVED

FUND PAYABLE FROM

AMOUNT APPROVED

REMARKS

\$

NAME AND TITLE OF PERSON MAKING RECOMMENDATION

NAME AND TITLE OF PERSON AUDITING CLAIM

DEPARTMENT HEAD

BY

DATE

DISTRIBUTION:
 ORIG.—Dept.
 DUP.—Controller
 TRIP.—Claimant

CITY OF LOS ANGELES
CLAIM FOR REFUND NOT OVER \$5000

Sec. 22.13 Los Angeles Municipal Code

RESERVE FOR FILING STAMP

CLAIM NO.

NOTE: A Claimant may be required to submit to examination under oath. (Charter Section 63.)
 Presentation of a false claim is a felony. (California Penal Code Section 72.)

TO: CITY CLERK, Room 395, City Hall, Los Angeles 90012

1. PRINT NAME OF CLAIMANT (Last) (First) (Middle)

Ames Construction Company

2. BUSINESS ADDRESS (Street) (City) (State)

8205 Santa Monica Blvd. #1288-L.A., CA 90046

3. MAILING ADDRESS (Street) (City) (Zip Code)

4. PHONE NO.

(213)
 936-4022

5. CITY DEPARTMENT TO WHICH PAYMENT WAS MADE

DWP

6. DATE PAID

7. AMOUNT CLAIMED

all over charges

8. LICENSE, PERMIT NO. OR OTHER INFORMATION

9. LOCATION OF JOB

10. STATE THE DETAILS OF THE EVENTS LEADING TO THE FILING OF THIS CLAIM. Eg. date, time, place, name, type of contact, etc. Use supplementary sheets if necessary.

Claimant was erroneously charged for Sewer Services
 that the city did not provide for service
 address 26113 Belle Porte Ave. Acct #
 2-50-08745-26113-00-0000-0-01 Full refund was
 approved by City Council.

11. I HEREBY CERTIFY THAT THE
 ABOVE STATEMENTS ARE TRUE

SIGNATURE AND TITLE OF CLAIMANT

DATE

12. SUBSCRIBED AND SWORN TO BEFORE ME

SIGNATURE OF DEPUTY CITY CLERK OR NOTARY PUBLIC

this day of 19

DEPARTMENTAL RECOMMENDATION

☐ APPROVED AS REQUESTED

☐ APPROVED AS MODIFIED

☐ DISAPPROVED

FUND PAYABLE FROM

AMOUNT APPROVED

\$

REMARKS

NAME AND TITLE OF PERSON MAKING RECOMMENDATION

NAME AND TITLE OF PERSON AUDITING CLAIM

DEPARTMENT HEAD

BY

DATE

ref #
 59841

NO active
 acct.

DISTRIBUTION:
 ORIG.—Dept.
 DUP.—Controller
 TRIP.—Claimant

CITY OF LOS ANGELES CLAIM FOR REFUND NOT OVER \$5000

Sec. 22.13 Los Angeles Municipal Code

RESERVE FOR FILING STAMP

CLAIM NO. _____

NOTE: A Claimant may be required to submit to examination under oath. (Charter Section 63.)
 Presentation of a false claim is a felony. (California Penal Code Section 72.)

TO: CITY CLERK, Room 395, City Hall, Los Angeles 90012

PRINT NAME OF CLAIMANT (Last) (First) (Middle)

BUSINESS ADDRESS (Street) (City) (State) 90046

MAILING ADDRESS (Street) (City) (Zip Code) 90005

PHONE NO. (213) 936-4022

CITY DEPARTMENT TO WHICH PAYMENT WAS MADE 6. DATE PAID 7. AMOUNT CLAIMED

LICENSE, PERMIT NO. OR OTHER INFORMATION all over charges

LOCATION OF JOB

STATE THE DETAILS OF THE EVENTS LEADING TO THE FILING OF THIS CLAIM. Eg. date, time, place, name, type of contact, etc. Use supplementary sheets if necessary.

Claimant was erroneously charged for sewer services that the city did not provide. For service address 26127 Belle Porte Ave. acct # 2-50-08785-26127-00-0000-0-01 full refund was approved by city council.

11. I HEREBY CERTIFY THAT THE ABOVE STATEMENTS ARE TRUE

SIGNATURE AND TITLE OF CLAIMANT

DATE

2. SUBSCRIBED AND SWORN TO BEFORE ME

SIGNATURE OF DEPUTY CITY CLERK OR NOTARY PUBLIC

this day of 19

DEPARTMENTAL RECOMMENDATION

☐ APPROVED AS REQUESTED

☐ APPROVED AS MODIFIED

☐ DISAPPROVED

FUND PAYABLE FROM

AMOUNT APPROVED

\$

REMARKS

NAME AND TITLE OF PERSON MAKING RECOMMENDATION

NAME AND TITLE OF PERSON AUDITING CLAIM

DEPARTMENT HEAD

DATE

PAID FOR PROPERTIES WHICH WERE NOT CONNECTED
TO A CITY OF LOS ANGELES SEWER

Read all instructions and the entire claim form before filing.

A. Reason for the Refund Program

The Sewer Service Charge (SSC) is a fee which the City of Los Angeles charges to pay for construction, operation, and maintenance of its sewage system which includes sewers, treatment plants, and pumping plants. The amount of the SSC depends on the amount of water used and it is billed on the water bill.

A property not connected to a City of Los Angeles sewer is eligible for exemption from the SSC. Some people did not realize this and have never applied for exemption. Those who did apply and were exempted received a refund for only one year because, until recently, state law prohibited a greater refund.

A new law of the State of California (SB 1821) provides for full refund of SSC's which you as an owner, renter, or lessee of property may have paid in the past "for which no services were delivered." No services were delivered if the property was not connected to a City of Los Angeles sewer. This right of refund extends back to the inception of the sewer service charge without any time restriction. It applies even if you have already received a partial refund. It applies even if you no longer possess the property.

B. Definitions

A sewer is a pipe owned by the City of Los Angeles or another public agency which carries away liquid waste. This waste flows to a treatment plant owned by a public agency.

A private sewage disposal system (PSDS) is any septic tank, cesspool, seepage pit, leach field, or any other receptacle, or any combination thereof, which receives your sewage. Most commonly such a system would take the form of a septic tank or cesspool on your property.

C. What Properties are Eligible for Exemption?

Eligible properties are not connected to a City of Los Angeles sewer. In addition, they fall into one of the following categories:

(1) They are served by a PSDS (septic tank, cesspool, etc.).

(2) They are undeveloped and the water service is used solely for irrigation.

(3) They are connected directly to a sewer owned by a Los Angeles County Sanitation District. This situation only occurs in small portions of the Watts, Harbor Gateway, and Harbor City communities of the City.

The following special situations exist where properties are ineligible:

West Hollywood

(1) Some properties within the City of Los Angeles but near its boundary line are connected to the sewers of other jurisdictions for convenience but the sewage ultimately returns to the Los Angeles system. Such properties are not eligible for exemption.

(2) Some properties within the City of Los Angeles are connected to a private system of sewers which in turn is connected to the Los Angeles sewage system. Such properties are not eligible for exemption.

D. What Must I Do to Receive a Refund?

You must complete the entire form "Claim for Refund of Sewer Service Charges." The form contains the minimum information that we need to calculate the correct amount of refund. Incomplete forms will not be accepted for processing.

E. INSTRUCTIONS FOR INDIVIDUAL LINE ITEMS ON THE FORM

Line 1. The claimant must be the individual or entity whose name appeared on the water bill and who paid the sewer service charge. Exceptions:

a. If the payer is deceased, the claimant may be the heirs or the estate of the payer. Certified copies of death certificate and appropriate legal documents verifying that you are eligible for the refund must be submitted.

b. If a change of legal status resulting from an action such as a divorce has occurred, certified copies of the appropriate legal documents proving that you, as claimant, are entitled to the refund must be submitted.

Line 2. This address is where we will send all communications.

Line 3. Your telephone number will assist us in contacting you for additional information if necessary.

Line 4. Enter the full street address as it appeared on the billings which you received from the Department of Water and Power. This location will be called THE PROPERTY.

Enter the time period by giving exact dates (month, day, year). This is the time period during which both of the following occurred: (1) You paid a sewer service charge on THE PROPERTY, and (2) THE PROPERTY was not connected to a City of Los Angeles sewer. This time frame will be called THE PERIOD.

sewer service charge on THE PROPERTY, and (2) THE PROPERTY was not connected to a City of Los Angeles sewer. This time frame will be called THE PERIOD.

Beginning Date: This cannot be earlier than the inception of the sewer service charge. For single family dwellings, duplexes, triplexes, and quadruplexes this was August 7, 1978. For other multiple dwellings, commercial, and industrial properties, this was July 3, 1972. If your possession of THE PROPERTY as owner or tenant began after the applicable inception date, enter the date of the beginning of the first billing period for which you paid SSC. If you don't know the date of the billing period, enter the date that you took possession of THE PROPERTY as owner or tenant.

Ending Date:

- (1) If you are currently paying an SSC on THE PROPERTY, and it is not connected to a City sewer, enter "present." Entering "present" will also serve as an application for exemption from future SSC billings.
- (2) If you no longer own, rent, or lease THE PROPERTY but were paying an SSC at the end of your possession of THE PROPERTY and THE PROPERTY was not connected to a City sewer, enter the ending date of the final billing period for which you paid SSC. If you do not know this date, enter the date that you ended possession of THE PROPERTY as owner or tenant.
- (3) If THE PROPERTY became exempt from the SSC during your period of possession, enter the date of the end of the last billing period which had been completed one year before you applied for exemption (to account for the one year retroactive refund already received). If you do not know this date, enter the date one year before the date of your request for exemption.
- (4) If THE PROPERTY now is connected to a City sewer but there was a time when it was not connected and you were paying an SSC at that time, enter the date of sewer connection.

- Line 5. This item contains necessary information for us to verify your claim and to establish your eligibility for refund.
- a. Most items should be self-explanatory. However, if you check the second box which states that you did not pay the SSC but are legally entitled to the refund, you must submit the documentation per instructions for Line 1. If you check this box, lines 5 b., c. and d should be answered as if you were the payer.
 - b. Check the appropriate box. The "beginning date" refers to the beginning date given in line 4.
 - c. Check the appropriate box. The "ending date" refers to the ending date given in line 4.
 - d. Check the appropriate box to indicate whether you took possession of THE PROPERTY as owner or tenant, documented as follows:

If you are or were an owner:

Submit a copy of your grant deed. This is available from the County Recorder's office for a nominal fee. Exception: If you have retained an early water bill from THE PERIOD, preferably for first water bill from THE PERIOD, you may submit that. Ideally, submit both documents. The submitted bill must be the original and not a copy, but you should keep a copy for your records. Submittal of a water bill instead of a copy of a grant deed could delay your refund if it is not from very early in THE PERIOD. Submittal of both could expedite your refund. To receive a copy of grant deed please call the County Recorders Office at (213) 974-6616.

If you are or were a tenant:

Submit a copy of your rental or lease agreement. Exception: If you have retained an early water bill from THE PERIOD, preferably the first water bill from THE PERIOD, you may submit that. Ideally, submit both documents. The submitted bill must be the original and not a copy but you should keep a copy for your records. If you have neither, you may still submit your claim. However, your refund could be delayed. Submittal of both documents could expedite your refund.

e. The SSC rates paid, and hence the amount of refund, will differ among the indicated classes. The Los Angeles Municipal Code defines the residential class as four dwelling units or fewer on a single water meter.

f. Sub-items (1) and (2) request documentation of the fact that THE PROPERTY was served by a PSDS or was within a County Sanitation District. Supplying the documentation is not required, but without it the refund process could will be substantially delayed.

The state legislation authorizes the use of the amount paid by the average residential SSC payer in a given category to calculate the amount of the refund if actual SSC amounts paid are not "readily available."

Residential claimants: Your SSC refund will be calculated using the average SSC paid each year by all residential SSC payers in the City for any portion of "THE PERIOD" for which you do not submit copies of water bills.

Commercial claimants: Categorical averages are not available. Please submit copies of all available water bills to lessen the chance of a substantial delay in processing of your refund.

Enter your name. If you are filing for a corporation, or other entity, enter your title and name of entity. This certification is made under penalty of perjury.

FOR ASSISTANCE WITH CLAIM FORM PLEASE CALL 1-800-540-0952.

CITY OF LOS ANGELES

CALIFORNIA

BOARD OF PUBLIC WORKS MEMBERS

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PRESIDENT
(213) 485-3378

VALERIE LYNNE SHAW
VICE PRESIDENT
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(213) 485-3375

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MARIBEL MARIN
(213) 485-3379



RICHARD J. RIORDAN
MAYOR

OFFICE OF THE BOARD OF PUBLIC WORKS

ROOM 600
433 S. SPRING STREET
LOS ANGELES, CA 90013

JAMES A. GIBSON
SECRETARY

GENERAL INFORMATION
(213) 485-3381
FAX: (213) 237-1445
TDD: (213) 847-4750

December 9, 1998

#1 SAN
(of 12/7/98)

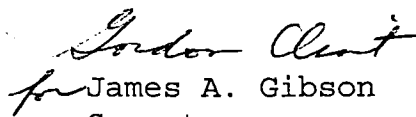
City Council
Room 615, City Hall East

Subject: REFUND OF SEWER SERVICE CHARGES TO CUSTOMERS SERVED BY
SEPTIC TANKS AND COUNTY DISTRICT FACILITIES

As recommended in the accompanying report of the Director of the Bureau of Sanitation, which this Board has adopted, the Board of Public Works requests that your Honorable Body endorse the following specific recommendations regarding refunding of sewer service charges:

1. **Adopt a new policy** to refund City sewer service payments back to the customer's water sign-on date to those premises that the City can verify are connected to septic tanks or are directly connected to County Sanitation District Facilities;
2. **Continue the present policy** of crediting any refunds owed by the City to customers served by the County Sanitation Districts against future sewer service charges for use of the City's collection pipes, with any unused credit remaining when a customer cancels water service being subject to the normal City claim procedures;
3. **Continue the present policy** of limiting the amount of any refund to actual overpayments made without interest.

Respectfully submitted,


for James A. Gibson
Secretary
Board of Public Works

JAG:GC:cg

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

Recyclable and made from recycled waste.



J. MICHAEL CAREY
City Clerk

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



RICHARD J. RIORDAN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 615, City Hall
Los Angeles, CA 90012
Council File Information - (213) 485-5703
General Information - (213) 485-5705

98-2333

May 20, 1999

Environmental Quality and Waste
Management Committee Clerk (with file)
Board of Environmental Affairs
Department of Environmental Affairs
Office of the Mayor
City Administrative Officer
Chief Legislative Analyst
Bureau of Sanitation
Council Member Miscikowski

Controller, Room 1200
Accounting Division, F & A
Disbursement Division
City Attorney
Board of Public Works
City Clerk
Council Member Alatorre

RE: CITY'S POLICY ON SEWER SERVICE CHARGE REFUNDS

At the meeting of the Council held May 19, 1999, the following
action was taken:

Attached report adopted, as amended.....	X
Amending motion (Miscikowski - Alatorre) adopted	X
Attached resolution adopted ().....	
Mayor concurred.....	
FORTHWITH.....	
Ordinance adopted.....	
Motion adopted to approve attached report.....	
Motion adopted to approve communication.....	
To the Mayor FORTHWITH.....	
Ordinance Number.....	
Publication date.....	
Effective date.....	
Mayor vetoed.....	
Mayor approved.....	
Mayor failed to act - deemed approved.....	
Findings adopted.....	
Negative Declaration adopted.....	
Categorically exempt.....	

J. Michael Carey

City Clerk
bs

steno\982333



TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your BUDGET AND FINANCE Committee

reports as follows:

Public Comments Yes No
XX

BUDGET AND FINANCE COMMITTEE REPORT relative to the City's policy on sewer service charge (SSC) refunds.

Recommendations for Council action:

1. ADOPT a new policy to refund SSCs to customers whose premises are connected to septic tanks and who receive no sewer service from the City.
2. ADOPT a new policy to provide cash refunds owed by the City to customers whose premises are connected to the City's sewer system, but whose sewage is conveyed to the Los Angeles County Sanitation Districts for treatment. Cash refunds for these customers fall into following categories:
 - a) Customers who have active Department of Water and Power (DWP) accounts will receive their cash refunds from DWP by check.
 - b) Customers who do not have active DWP accounts will have to follow the normal City procedure of filing claim forms with the City Clerk's office to receive their cash refunds.
3. CONTINUE the present policy of limiting the amount of any refund to actual overpayments made without interest.

Fiscal Impact Statement: The CAO reports that the Sewer Service Charge refunds will be paid from the Sewer Construction and Maintenance Fund with a one-time cost of approximately \$500,000 and ongoing costs of approximately \$200,000 per year. There will be no impact on the General Fund.

Summary:

On April 27, 1999, the Budget and Finance Committee considered the the City Administrative Officer's (CAO) report on the City's policy on refund of sewer service charges (SSCs) to customers served by septic tanks and those customers who are directly connected to the county district facilities.

ADOPTED AS AMENDED by Council action of 5-19-99. *Mosher*

The report from the CAO reviewed three issues stated in a Board of Public Works report dated December 9, 1998 and concurred with the proposed changes in that report.

Refund of SSCs for Department of Water and Power (DWP) customers connected to septic tanks who receive no sewer service from the City. The City adopted a policy for septic tank households to refund SSCs which had been imposed prior to January 1, 1992. As a result of billing problems at the DWP, some properties continue to be billed for SSCs even when the Bureau of Sanitation knows that they are not users of the City system. The CAO is recommending that a the cut-off claim period be waived to allow any septic tank household to receive full refunds of any SSCs paid. The current backlog if refunds is approximately \$500,000.

Credit for customers connected to the City's sewer system but whose sewerage is conveyed to the Los Angeles County Sanitation Districts for treatment. There are certain areas in the City which are connected to the City's sewage collection system but the discharge is treated at a non-City facility. The City charges a smaller SSC rate for use of the City's collection system. The annual cost of these refunds is approximately \$200,000.

Continue policy to limit refunds to actual overpayments, without interest. The City prefers to improve its claim processing rather than pay penalties which would involve additional administrative staff and expense. Inasmuch as the City does not charge interest on overdue SSC bills, the CAO believes it is not necessary to pay interest on overpayments by customers.

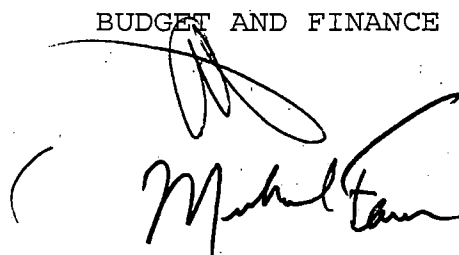
At the Budget and Finance Committee meeting, public comment was made by Ms. Elena Reyes, representing sewer service customers. Ms. Reyes impressed upon the Committee that the City's refund process was too slow and that some of the customers may have to wait as long as twenty years to receive refund. She also stated that the credit method was not equitable as there is no accrued interest.

The Budget and Finance Committee amended the CAO's recommendations and now forwards this matter to the Council for consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE

HN
5/13/99
#982333



Conrad Rot
ADOPTED
RE Amended
MAY 19 1999

LOS ANGELES CITY COUNCIL
See Attached Motion

VERBAL MOTION

I HEREBY MOVE that Council AMEND the Budget and Finance Committee Report on today's agenda (Item No. 19, CF 98-2333) relative to the City's policy on sewer service charge (SSC) refunds to include the following additional recommendation:

REQUEST the City Attorney and INSTRUCT the Department of Public Works, Bureau of Sanitation to report back to the Environmental quality and Waste management Committee, with an enhanced policy which would expedite refunds for closed accounts and credit claims.

PRESENTED BY _____

CINDY MISCIKOWSKI
Councilmember, 11th District

SECONDED BY _____

RICHARD ALATORRE
Councilmember, 14th District

May 19, 1999

CF 98-2333
calagend\98-2333.mot

**motion*
ADOPTED

MAY 19 1999

LOS ANGELES CITY COUNCIL

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BOARD REPORT NO. 1
DECEMBER 7, 1998

AS AMENDED *

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE CITY COUNCIL
DEC 9 - 1998

[Signature]
Secretary

CD: ALL

REFUND OF SEWER SERVICE CHARGES TO CUSTOMERS SERVED BY SEPTIC TANKS
AND COUNTY SANITATION DISTRICT FACILITIES

RECOMMENDATIONS

1. Adopt this report and forward it to the City Council recommending that the City Council endorse the following recommendations regarding refunding of sewer service charges to: (a) customers whose premises are connected to septic tanks and receive no sewer service from the City, and (b) customers whose premises are connected to the City's sewer system, but whose sewage is conveyed to the Los Angeles County Sanitation Districts for treatment.

The specific recommendations are as follows:

- * (1) **Adopt a new policy** to refund City sewer service payments back to the customer's water sign-on date for those premises that the City can verify are connected to septic tanks or are directly connected to the County Sanitation District Facilities;
- (2) Continue the present policy of crediting any refunds owed by the City to customers served by the County Sanitation Districts against future sewer service charges for use of the City's collection pipes, with any unused credit remaining when a customer cancels water service being subject to the normal City claim procedures;
- (3) Continue the present policy of limiting the amount of any refund to actual overpayments made without interest.

TRANSMITTALS

1. Copy of the State of California Government Code Section 911.2.
2. Copy of the Los Angeles City Charter Section 376.1.
3. Copy of a City Council Motion (Svorinich motion on the County Sanitation District customers).
4. Copy of the State of California Government Code Section 53082.
5. Copy of November 13, 1996 a Council action which nullified all statutes of limitations on refunds for customers whose sewage is treated at the Carson plant, but who paid the full sewer service charges.

Page 2

DISCUSSION

Background and Statement of Facts

Customers of the Los Angeles sewage system pay sewer service charges to finance the costs of constructing, operating and maintaining the City's system. However, approximately twenty-five thousand residences and businesses have their own private disposal systems, usually septic tanks, and do not receive sewer service from the City.

The Bureau's past and present policy has been to refund sewer service charges paid by septic tank users in strict adherence to California Government Code Section 53082 (e). This section requires full refunds for sewer service charges paid before January 1, 1992, but limits refunds after that date to 180-days after the date of claim.

On June 6, 1998, the appellant Mr. John McDonald, a utility consultant, represented by his attorney, Ms. Elena Reyes, met with the Board of Public Works SSC hearing officer, Commissioner Todd Burnett. Other attendees included Assistant City Attorney Chris Westhoff and Deputy City Attorney Michael Claessens, and Messrs. Shahram Kharaghani and Candelario Eguia from the Financial Management Division (FMD) of the Bureau of Sanitation.

Appellant Claims:

Appellant claims that the City's policies regarding refunding sewer service charges paid by customers who did not receive sewer service are not consistent with the intent of the legislation requiring the refunds. Specifically that:

1. The City should refund sewer service charges paid by residences and businesses whose sewage is disposed of by septic tanks back to their water sign-on dates without considering any statute of limitations, despite Government Code Section 53082 (e) that allows a six-month refund limitation for claims filed after January 1, 1992.
2. The City should refund all excess sewer service charges paid by those customers that use the City's collection system but whose sewage is treated by the County Sanitation Districts' Carson plant in cash. The City currently credits the customers' future Department of Water and Power (DWP) bills, as required by Council member Svorinich's motion introduced and adopted by the City Council in December 1996.
3. The City should include interest in the above refunds. The City currently excludes interest.

Proposed New Refund Policy for Customers on Septic Tanks

Messrs. Westhoff and Claessens of the City Attorney's Office have advised that refunds to customers who have not received any services should be made back to the individual customer's water sign-on dates, with no gaps in the periods covered by refunds. They also advised that this new policy should be adopted by

BUREAU OF SANITATION
BOARD REPORT NO. 1
DECEMBER 7, 1998

Page 3

the Board with the Board administering this new policy as the cases are brought before it for consideration. Their reasons are as follows:

- (1) As the time between January 1, 1992 and the present increases, the current policy does not seem fair to those customers who, for whatever reasons, applied late for their refunds.
- (2) The current policy seems inconsistent with the intent of the State Legislature, as evidenced by its passage of SB 1821 that added Section 53082 to the Government Code. This section nullified all statutes of limitations for refunds of charges paid by residences and businesses who did not receive sewer service. This legislation did limit the refunds to 180-days of charges for those claims filed after January 1, 1992. However, because these residences and businesses did not receive any sewer services from the City, a full refund, without consideration of the claim deadline, seems consistent with the state statutory mandate that local agencies refund any sewer service fees collected for which no services were delivered.
- (3) The amount of the overpayment is substantial in many cases as the time from January 1, 1992 to the present increases, resulting in significant inequity if refunds are restricted to six months.
- (4) Government Code Section 53082 does not prohibit the City Council from establishing a policy for the refund of sewer service charges which is consistent with at least the minimum requirements set forth in this section.

Affirm a Policy of Strictly following the Intent of the City Council Motion Regarding County Sanitation District Customers That Receive Partial Sewer Service.

The sewage generated within small parts of the City is collected in City local sewers but flows to a trunk sewer owned by the County Sanitation Districts and is treated at the Districts' Carson treatment plant. The affected portions of the City include part of Watts, Harbor Gateway, part of Harbor City, and a small area next to the City of Inglewood. The County Sanitation Districts bill these customers for sewage service on their property tax bill.

Los Angeles Municipal Code (LAMC) Section 64.41.03 provides that, where sewage enters the City's sewage system but is treated in the County Sanitation Districts' plant, the SSC rate is 15 percent of the standard rate. When the Sewer Service Charge was started in 1972, the Bureau of Engineering made an extensive effort to identify properties served by the Carson treatment plant and to grant the 15 percent rate without requiring applications. However, some properties were inadvertently missed and a few such rate corrections have been granted each year by application.

BUREAU OF SANITATION
BOARD REPORT NO. 1
DECEMBER 7, 1998

Page 4

On November 13, 1996, a Council action nullified all statutes of limitations on refunds for customers whose sewage is treated at the Carson plant, but who paid the full rate sewer service charge. However, the Council action intended to provide these refunds as credits against future DWP bills, not as cash. The council could take this action because these refunds are not covered by the Government Code Section 53082.

The advantage of crediting refunds to future bills is that the impact on the Sewer Construction and Maintenance Fund is spread over several years. The disadvantage is the additional administrative effort required, including:

- (1) DWP must reprogram its computers and then bill its costs to the SCMF. Alternatively, the City Clerk could track these accounts until the credit is used and prepare a final reconciliation billing.
- (2) A customer who relinquishes a property (for example, by selling it or by canceling a lease) before the entire overpayment has been credited must file a claim against the City for the remaining amount. This would require that reports be prepared for the Board and Council.

Messrs. Westhoff and Claessens recommended that refunds be made to customers whose sewage is treated at the Carson plant based upon the current policy which credits the customer's account until it is totally used up as opposed to a one time cash refund.

Affirm a Policy of Strict Adherence to the Exclusion of Interest When Calculating Customers SSC Refunds

Since interest is mentioned neither in Government Code Section 53082 for residences and businesses with septic tanks nor in the 1996 Council action for County Sanitation District customers, including interest in refunds is outside the intent of both. Furthermore, governmental entities usually do not include interest when back-billing a customer.

The Bureau of Sanitation concurs with Messrs. Westhoff and Claessens' recommendations on the SSC issues described above.

FISCAL IMPACT STATEMENT

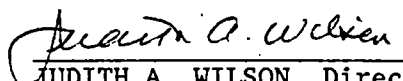
Based on the refund requests received so far, it is estimated that recommendation No. 1 will cost the Sewer Construction and Maintenance Fund (SCMF) \$500,000 in additional refunds.

(AG JTC)

Respectfully submitted,

Prepared by:
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JUDITH A. WILSON, Director
Bureau of Sanitation