

CENTRAL BASIN MUNICIPAL WATER DISTRICT

JULY 24, 2006 - Board Meeting

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Approved by: Art Aguilar

INFORMATION CALENDAR

RECYCLED WATER SALES AUDIT

SUMMARY:

For the past few weeks, staff has been working diligently with the various purveyors to conduct an audit of the existing meter read and billing system. Past inefficiencies have resulted in a significant amount of loss sales to both the District and the purveyors. The audit has served to identify situations where water is sold but not billed for.

Results of the Audit

In partnership with the various purveyors, the audit has identified an estimated \$109,850 of water sales payable to the District and purveyors that would have otherwise "slipped through the cracks."

Purveyor	Revenue Recaptured (\$)*
Bellflower-Somerset	\$150
City of Norwalk	\$14,800
City of Pico Rivera	\$4,400
City of Santa Fe Springs	\$89,000
Golden State Water Company	\$1,500
TOTAL	\$109,850

(* - in District-dollars. Revenue in purveyor-dollars is higher).

Causes for Why Water is Sold but Not Billed for

The general categories why water is sold but not billed for are due to human error, mechanical failure, or miscommunication. Through the Audit Program, new protocol has also been implemented so as to heighten the level of meter read and billing proficiency to significantly reduce future issues.

Other Audit Results

Audits have also been conducted in the Upper San Gabriel Municipal Water District and the Cities of South Gate and Downey service areas with the following results:

Purveyor	Result
Upper San Gabriel Valley MWD	determined Rose Hills was previously incorrectly reported as being connected
City of South Gate	determined a landscape site was disconnected
City of Downey	(in progress)

FISCAL IMPACTS:

Recycled water sales revenue to the District and purveyors is identified that may have otherwise been unrecorded and not billed.

ENVIRONMENTAL COMPLIANCE:

Not required.

COMMITTEE STATUS:

This item was not reviewed by the Water Resources Committee on July 13, 2006 due to the Committee being canceled.

RECOMMENDED MOTION:

This item is for information only.

LIST OF EXHIBITS:

None.