

**Los Cerritos Wetlands Authority**

**Date:** May 5, 2022  
**To:** Governing Board Members  
**From:** Salian Garcia, Fiscal Manager  
**Through:** Mark Stanley, Executive Officer  
**Subject:** Item 9: Consideration of a resolution to write off Prior Year Accounts Receivable

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**RECOMMENDATION:** That the Los Cerritos Wetlands Authority (LCWA) write off prior year accounts receivable of \$11,978.75 from the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC).

**PROJECT DESCRIPTION:** At the recommendation of the LCWA's independent auditor, Fedak & Brown LLP, staff is recommending to write off the accounts receivable of \$11,978.75. The LCWA extends credit to entities in the normal course of operations. When staff deems the accounts uncollectible, LCWA uses the allowance method for the reservation and write off of those accounts. LCWA could maintain collection efforts on the accounts receivable; however, this is not recommended as it is not expected payment will be approved by RMC's authorizing bodies due to the age of the debt. With any public agency, old debts need to be written off and LCWA staff requests the Board to write off this account. Periodically writing off stale balances from accounts receivable follows prudent accounting practices. This is the first write off request that has ever brought to the Board. By agreeing to write off this debt, the LCWA is not forgiving the debt but acknowledging that we do not expect to receive payment.

**BACKGROUND:** In November 2015, LCWA entered into a contract in the amount of \$9,900.00 with the Law Office of Laurie Collins with the intention of LCWA acting as passthrough for legal services. The LCWA would incur the expenditures then be reimbursed by the RMC upon invoice. The contracted services were related to LCWA's due diligence process of the property transfer by and between LCWA and Synergy Oil and Gas, LLC; SCE OTD parcel; and other services as needed. By September 30, 2017, the actual expenses incurred were \$11,978.75 in total. During Fiscal Year 2016/2017, a receivable was recorded for the legal fees as it remains uncollected. After some research, an agreement between the two JPA partners was never initiated in order for LCWA to invoice RMC for reimbursement.

**FISCAL:** The proposed write off of \$11,978.75 would reduce the LCWA's Accounts Receivable balance for accounting purposes, and it will be reflected in LCWA's Fiscal Year 2021/2022 financial statements. It should be noted that the proposed write off amount represents only 2.7% of LCWA's total revenue budget for FY 2021/2022.

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RESOLUTION 2022 - 02

RESOLUTION OF THE LOS CERRITOS WETLANDS AUTHORITY  
TO WRITE OFF PRIOR YEAR ACCOUNTS RECEIVABLE

WHEREAS, the Los Cerritos Wetlands Authority (Authority) has been established between the Coastal Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the City of Seal Beach and the City of Long Beach to facilitate the acquisition, protection, conservation, restoration, maintenance and operation an environmental enhancement of the Los Cerritos Wetlands; and

WHEREAS, the LCWA has further been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects within the Los Cerritos Wetlands; and

WHEREAS, this action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA); NOW

*Therefore be it resolved*, that the LCWA hereby:

1. FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
2. FINDS that this action is consistent with the purposes and objectives of the LCWA.
3. ADOPTS the staff report dated May 5, 2022.
4. APPROVES to write off prior year account receivable of \$11,978.75 from the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.

*~ End of Resolution ~*

Passed and Adopted by the Board of the LOS CERRITOS WETLANDS AUTHORITY  
on May 5, 2022.

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Suzie Price, Chair

ATTEST:

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Elizabeth St. John  
Deputy Attorney General