



## Santa Clarita Valley Sanitation District

# QUESTIONS FREQUENTLY ASKED BY BUSINESSES: SEWER SERVICE CHARGES AND CONNECTION FEES

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### Sewer Service Charges in the Santa Clarita Valley

#### 1. What services does the sewer service charge pay for?

The sewer service charge is used to pay for the operation and maintenance of the Santa Clarita Valley's regional sewer system, capital facilities that benefit existing users and the administrative support services needed to operate the system. The Santa Clarita Valley Sanitation District (SCV Sanitation District) collects, treats, and disposes of the Valley's wastewater (sewage) and industrial waste through the regional sewer system, including two wastewater (sewage) treatment facilities.

#### 2. Does the sewer charge also pay for expansion of the system to accommodate new users or users who expand their operations?

No. The sewer service charge *is not used* to fund expansion of the system to accommodate new users. New users pay a connection fee for this purpose.

#### 3. How is the sewer service charge for business properties calculated?

Each business property's sewer service charge is calculated based on the amount and content of the wastewater (sewage) it discharges to the sewer system, which varies with the type of business and the size and use of facilities on each parcel. Different businesses place different levels of demand on the sewer system, both in terms of volume and levels of contaminants that need to be removed. Commercial properties are classified into types of use by the County Assessor and the SCV Sanitation District applies factors for each type of use that reflect the amount and content of the wastewater (sewage) produced by that business use. Most business properties are charged based on their size and the type of use. For some commercial properties with heavy people usage, like hotels and motels, the charge is based on the number of rooms. Properties that place a high demand on the sewer system, such as Laundromats and restaurants, have a higher per square foot charge than a warehouse or an office building.

Each year, the SCV Sanitation District calculates how much it will cost to operate and maintain the sewer system, and divides the cost proportionally between each parcel connected to the sewer system based on the land use and corresponding sewage generation of each parcel.

### Adjusting Fees to Match Actual Use

#### 4. If a business can significantly decrease the amount of sewage it discharges to the sewer system, can it get its sewer service charge lowered?

Yes. The SCV Sanitation District recognizes that some business property owners are very water conscious and actively employ conservation practices to greatly reduce their discharges to the



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sewer system. The SCV Sanitation District offers various service charge rebate programs to allow these properties to reduce their sewer service charges if they can demonstrate low water usage. If the actual water use of the parcel is less than the estimated amount, the parcel will be eligible for a reduced charge through the rebate program. In order to receive the rebate, parcel owners are required to submit copies of their water bills (or other verifiable evidence), demonstrating their low usage.

Details of this program, including claim forms, are available on the Sanitation Districts' website or call (561) 908-4288 extension 2721. The SCV Sanitation District will assist business owners to obtain their appropriate rebate.

#### **5. What recourse does a business have if it believes that its sewer service charge is too high?**

If a business believes that it is being charged for more sewage than it actually generates, it can apply for a service charge rebate. Details of this program, including claim forms, are available on the Sanitation Districts' website or call (562) 908-4288 extension 2721.

#### **Connection Fees**

#### **6. When do businesses have to pay new sewer connection fees? What do these connection fees pay for?**

Connection fees are required whenever a parcel places a new burden on the sewer system. This includes both new users connecting to the sewer system for the first time, as well as existing users who significantly increase their use of the system. The SCV Sanitation District charges the connection fees so that the existing users of the system are not asked to subsidize the cost of new users or users significantly increasing their use of the system.

The connection fee is a one-time charge and is used to pay for the expansion of the SCV Sanitation District's facilities needed to treat the additional wastewater (sewage) that the new or increased use produces. The funds are held in a dedicated account.

#### **7. How are sewer connection fees for businesses calculated?**

Based on the type of use, size, and volume and content of the additional wastewater (sewage) that will be produced, the SCV Sanitation District calculates the cost of expanding the capacity of its existing sewer system facilities to accommodate the increase. New commercial users of the system are charged a connection fee based on their type of use. Commercial properties are classified into types of use by the County Assessor and the SCV Sanitation District applies factors for each type of use that reflect the amount and content of the additional wastewater (sewage) that will be



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generated by the proposed use. Most commercial properties are charged based on the size and type of the proposed new use. For some commercial properties with high people usage, like hotels and motels, the connection fee is based on the number of rooms. Properties that place a high demand on the sewer system, such as Laundromats and restaurants, have a higher per square foot charge than a warehouse or an office building.

### **Sewer Costs for New or Relocating Businesses**

**8. If I start a new business on an existing site that is already connected to the sewer system, will I pay a new sewer connection fee?**

Not necessarily. A sewer connection fee is only charged to parcels that place an added burden on the sewer system. A new business that opens on an existing site that is already connected to the sewer system will only pay a connection fee if the new business significantly increases the amount or strength of sewage. The property owner would have to pay for the difference between the current and the proposed use.

**9. How are connection fees charged for businesses in a shopping center or regional mall?**

Shopping centers and regional malls are considered single users, and the sewage discharge from all tenants are estimated all together. A connection fee is charged to the owner of the shopping center or regional mall when it is first connected to the SCV Sanitation District's sewer system. A new business locating into a shopping center or regional mall does not impose an added burden to the sewer system and therefore would pay no connection fee. Similarly, if a mall tenant makes an improvement in an existing shopping center or regional mall, it does not result in an additional burden being imposed on the sewer system. Hence, no connection fee would be due.

However, if a new business (restaurant or otherwise) causes new square footage to be added to the shopping center or regional mall, the added burden to the sewer system based on the increased square footage would require a connection fee. Financial terms for businesses in shopping centers and regional malls can vary and businesses should call the SCV Sanitation District to get information specific to their situation.

**10. Can the cost of sewer connection fees be paid over time?**

The SCV Sanitation District does not finance sewer connection fees. Many businesses are able to obtain financing on their own as part of their business startup costs.



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### Sewer Fees and Costs for Restaurants

- 11. If I build a new restaurant on a separate parcel, how will my sewer connection fee be calculated?**

A connection fee is required only when an added burden is being placed on the sewer system. A new restaurant that opens on an undeveloped parcel that will be connected to the sewer system will have to pay the connection fee for a restaurant based on the square footage of the proposed restaurant.

A new restaurant that opens on an existing site that is already connected to the sewer system will only have to pay a connection fee if the proposed restaurant will place a greater burden on the sewer system than the prior use of the site. The property owner would have to pay for the additional volume or content of sewage that the new use would produce.

- 12. How many new restaurants in the Santa Clarita Valley had to pay Connection Fees in the last ten years?**

Since 2005, only about 25% of 80 new restaurants (including yogurt, bakery, and coffee shops) that opened in the Valley had to pay a connection fee. The remaining new restaurants did not have to pay a connection fee because they opened on sites that were previously used as restaurants or were already part of a shopping center or mall. In these cases, the connection fees had already been paid, so no new fee was required.

### State-Mandated Chloride (Salt) Limits and Valley Businesses

- 13. How is the State's requirement that the Santa Clarita Valley remove salt from the wastewater in its sewage treatment system going to affect business properties?**

The additional costs for upgrading and operating new facilities to comply with the State salt limits will be paid by all users of the sewer system. The proposed new facilities and associated costs will be presented to the public and extensive public discussion will be held before any decision is made to approve construction of these facilities or to increase rates.

### Fairness between Business and Residential Properties

- 14. Do businesses pay the same amount as residences or do businesses subsidize the cost of new sewer connections for residences?**

The costs for the operation and maintenance of the Santa Clarita Valley's sewer system are distributed proportionally among all existing users of the sewer system based on the type of land



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use and improvements on each parcel. The SCV Sanitation District applies factors for each type of use to estimate the amount and content of wastewater from a typical improvement. Properties that produce a larger amount of wastewater (sewage), such as restaurants or Laundromats, are charged more per square foot than properties such as single family homes, office buildings, or warehouses.

A separate connection fee is charged to all new users or existing users that increase their use of the sewer system. Connection fee revenue is held in a separate account and can only be used to pay for the expansion of existing facilities. The Connection Fee program is designed so that existing users, both commercial and residential, do not have to pay to subsidize the cost of new sewer connections for any new users.

#### **15. I still have questions. Where can I get more information?**

If you have any further questions or want more information, please visit the Sanitation District's website at [www.lacsd.org](http://www.lacsd.org).