

APPENDIX I

**MASTER CONNECTION FEE ORDINANCE FOR
DISTRICT NO. 20**

AN ORDINANCE PRESCRIBING FEES FOR THE PRIVILEGE OF CONNECTING ANY PARCEL WITHIN THE BOUNDARIES OF COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY DIRECTLY OR INDIRECTLY TO THE SEWERAGE SYSTEM, OR FOR INCREASING THE STRENGTH AND/OR QUANTITY OF WASTEWATER ATTRIBUTABLE TO A CONNECTED PARCEL WITHIN THE DISTRICT, AND PROVIDING FOR THE COLLECTION OF SUCH CHARGES.

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:

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PART I - GENERAL PROVISIONS

SECTION 1.01 -- SHORT TITLE

This Ordinance shall be known as the **Master Connection Fee Ordinance of County Sanitation District No. 20 of Los Angeles County** and may be cited as such.

SECTION 1.02 -- PURPOSE

The purpose of this Ordinance is to impose charges for the privilege of connecting a parcel within the District, directly or indirectly, to the District's sewerage system as hereinafter defined or for increasing the strength and/or quantity of wastewater attributable to a connected parcel, and to provide for collection of said charges. Funds derived under this Ordinance from the capital improvement portion of the connection fee shall be used only for expansion of capital facilities.

SECTION 1.03 -- AUTHORITY

The District is empowered to fix fees or charges for the privilege of connecting, directly or indirectly, to its sewerage system and to prescribe, revise, and collect fees, tolls, rates, rentals, or other charges for services and facilities furnished by it.

SECTION 1.04 -- ADDITIONAL REVENUE

The revenue provided for hereby shall be in addition to all revenue otherwise collected by or on behalf of the District including, but not limited, to ad valorem taxes, federal and state grants and loans, contract revenue, investment income, annexation fees, service charges, and charges imposed under the District's Wastewater Ordinance.

SECTION 1.05 -- ADMINISTRATION

The Chief Engineer shall administer, implement, and enforce the provisions of this Ordinance. Any powers granted to or duties imposed on the Chief Engineer may be delegated by the Chief Engineer to persons acting in the beneficial interest of, or in the employ of the District.

SECTION 1.06 -- VALIDITY

If any part, section, subsection, paragraph, sentence, clause or phrase of this Ordinance is held invalid or unconstitutional for any reason by any court, that decision does not affect the validity or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.

SECTION 1.07 -- SUPERSEDEENCE

This Ordinance shall supersede the **Connection Fee Ordinance for County Sanitation District No. 20 of Los Angeles County** adopted on January 29, 1990, with respect to any rights, duties, or privileges arising after the effective date of this Ordinance.

SECTION 1.08 -- EFFECTIVE DATE

[This Ordinance shall become effective August 22, 1997.]

PART II - DEFINITIONS

This Ordinance shall be construed according to the following definitions:

SECTION 2.01 -- ADDED BURDEN

An added burden shall mean any of the following:

- (1) A connection, direct or indirect, to the sewerage system for the first time of any structure located on a parcel(s) of land within the District.
- (2) An existing connection from a parcel where the number of capacity units attributable to said parcel has been increased due to construction of additional dwelling units or change in land usage.

- (3) An existing connection from a parcel from which industrial wastewater is discharged where the number of capacity units attributable to said parcel on a fiscal year basis has increased by more than 25 percent as determined in accordance with Section 3.03 of this Ordinance.

An existing connection from a commercial or institutional parcel where the number of capacity units attributable to said parcel has increased by more than 25 percent.

If more than one independently owned operation exists on a single parcel, an added burden shall also mean an existing connection where the number of capacity units attributable to an independently owned operation has increased by more than 25 percent.

If an independently owned operation or separate operations under single ownership span(s) two or more contiguous parcels, the 25 percent increase shall be measured against the total number of capacity units attributable to the operation(s).

SECTION 2.02 -- BOARD OF DIRECTORS

Board of Directors shall mean the Board of Directors of County Sanitation District No. 20 of Los Angeles County.

SECTION 2.03 -- CAPACITY UNIT

Capacity unit shall mean the burden in terms of capacity that a typical single family home places on the sewerage system based on flow, chemical oxygen demand, and suspended solids.

SECTION 2.04 -- CHIEF ENGINEER

Chief Engineer shall mean the Chief Engineer and General Manager of County Sanitation District No. 20 of Los Angeles County or his duly authorized deputy or agent.

SECTION 2.05 -- COD OR CHEMICAL OXYGEN DEMAND

COD or chemical oxygen demand shall mean the measure of chemically decomposable material in wastewater as represented by the oxygen utilized as determined by the procedures specified in Section 414(A) of the Wastewater Ordinance.

SECTION 2.06 -- DISTRICT

District shall mean County Sanitation District No. 20 of Los Angeles County.

SECTION 2.07 -- DOMESTIC WASTEWATER

Domestic wastewater shall mean the water carried wastes produced from non-industrial activities and which result from normal living processes irrespective of where these wastes are discharged to the sewerage system. The term *Domestic Wastewater* shall be synonymous with the term *Sanitary Flow*.

SECTION 2.08 -- INDUSTRIAL WASTEWATER

Industrial wastewater shall mean all liquid carried wastes of the community excluding domestic wastewater, rainwater, groundwater, stormwater, and drainage of contaminated and uncontaminated water. Industrial wastewater may include all wastewater from any producing, manufacturing, processing,

institutional, commercial, agricultural, or other operation where the wastewater discharged includes significant quantities of wastes of nonhuman origin. All liquid wastes hauled by truck, rail, or another means for disposal to the sewer shall be considered as industrial wastewater regardless of the original source of the wastes. Hauled domestic wastewater is included in the category of industrial wastewater. Discharges of rainwater, groundwater, stormwater, or discharge of contaminated and uncontaminated water approved by the Chief Engineer shall be considered industrial wastewater under this Ordinance.

SECTION 2.09 -- JOINT OUTFALL DISTRICTS

Joint Outfall Districts shall mean those Districts signatory to an agreement providing for the ownership and operation of a Joint Outfall System. The current Joint Outfall Districts are South Bay Cities Sanitation District of Los Angeles County, and County Sanitation Districts Nos. 1, 2, 3, 5, 8, 15, 16, 17, 18, 19, 21, 22, 23, and 29 of Los Angeles County. *[Although this definition has not been amended by an official Board action, County Sanitation Districts Nos. 28 and 34 of Los Angeles County became signatory to the agreement for the ownership and operation of the Joint Outfall System subsequent to the adoption of the original Master Connection Fee Ordinance.]*

SECTION 2.10 -- LOCAL AGENCY

Local agency includes the County of Los Angeles; a city, whether general law or chartered; a school district; a community redevelopment agency; a municipal corporation; a district; or any board, commission, or agency thereof.

SECTION 2.11 -- LOCAL GOVERNMENTAL PARCEL

Local governmental parcel shall mean any parcel which is not subject to the surcharge payment requirement provided for in the District's Wastewater Ordinance and which is owned by a local agency; provided that such parcel is used for a governmental rather than proprietary function and which use is for the direct benefit of the public in general and not for the benefit of a single class or classes of individuals.

SECTION 2.12 -- NEXT ANTICIPATED CONFIGURATION

Next anticipated configuration shall mean:

- (1) The treatment plant configuration of the next anticipated expansion, provided that facilities for which equivalent upgrades will be constructed at the District's existing treatment plant(s) to make their configuration the same as the anticipated expansion shall not be included; and
- (2) An exact replication of the existing sewer system.

SECTION 2.13 -- PARCEL

Parcel shall mean real property upon which an assessment is made.

SECTION 2.14 -- PERSON

Person shall mean any individual, partnership, committee, association, corporation, public agency, and any other organization or group of persons, public or private.

SECTION 2.15 -- MASTER SERVICE CHARGE ORDINANCE OF COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY

Master Service Charge Ordinance of County Sanitation District No. 20 of Los Angeles County shall mean an Ordinance prescribing fees, tolls, rates, rentals, or other charges for services and facilities furnished by, or available from, County Sanitation District No. 20 of Los Angeles County, and providing for the collection of such charges.

SECTION 2.16 -- SEWERAGE SYSTEM

Sewerage system shall mean the network of wastewater collection, conveyance, treatment, and disposal facilities which are interconnected by means of sewers or any part thereof and either owned in whole or in part by the District or as to which the District has a contractual right of use for which it is obligated to make payment.

SECTION 2.17 -- SUSPENDED SOLIDS

Suspended solids shall mean the insoluble solid matter suspended in wastewater under conditions normally found in the sewer that is separable by laboratory filtration in accordance with the procedures specified in Section 414(A) of the Wastewater Ordinance.

SECTION 2.18 -- UNIT OF USAGE

Unit of usage shall mean the basic unit of measure which quantifies the degree of use of a particular parcel (e.g., dwelling unit, square footage). Square footage of an improvement shall be based upon the gross exterior dimensions of the structure.

SECTION 2.19 -- USER CATEGORY

User category shall mean the specific land use classification for a particular parcel which is defined in terms of its use (e.g., single family home, restaurant).

SECTION 2.20 -- WASTEWATER

Wastewater shall mean the liquid carried wastes of the community and all constituents and residues thereof. Wastewater includes domestic and industrial wastewater but does not include rainwater, groundwater, stormwater, or drainage or other water unless otherwise specified in Section 2.08.

SECTION 2.21 -- WASTEWATER ORDINANCE

Wastewater Ordinance shall mean the Ordinance providing for the administration of an industrial wastewater control system, for the regulation of sewer construction and sewer use, for the imposition of permit requirements for industrial wastewater dischargers, for the prohibition, regulation, and/or pretreatment of industrial wastewaters, for the imposition of fees and charges, for the distribution of revenue, for the implementation of federal and state pollution control regulations, and for the implementation of other methods of controlling and regulating the discharge of wastewaters as adopted by the County Sanitation Districts of Los Angeles County effective on April 1, 1972, and as amended effective on July 1, 1975, July 1, 1980, July 1, 1983 and November 1, 1989 and as thereafter amended.

SECTION 2.22 -- PRIME INTEREST RATE

Prime interest rate shall mean the base rate on corporate loans posted by at least 75% of the nation's thirty largest banks as published in The Wall Street Journal.

SECTION 2.23 -- NOTICE OF CHARGES

Notice of charges shall mean a written statement by the Chief Engineer setting forth the connection fee incurred by the discharger pursuant to section 2.01 (3) of this Ordinance, penalty and interest charges under section 3.06, and any other fees or charges due under this Ordinance.

SECTION 2.24 -- SERVICE

Service of notices under this Ordinance shall mean delivery in person or by first class or certified mail addressed to the address last known to the Chief Engineer. Service by mail shall be complete at the time of deposit, postage prepaid, in a facility regularly serviced by the U.S. Postal Service.

PART III - FEES

SECTION 3.01 -- CONNECTION FEES

No person shall impose an added burden, as herein defined, to the sewerage system from any parcel within the boundaries of the District until an application for sewer connection has been made and approved by the District and a connection fee has been paid to the District. Local governmental parcels as defined in Section 2.11 shall not be subject to a connection fee under this Ordinance.

Any person imposing an added burden shall pay a connection fee in accordance with this Ordinance. With respect to discharges which constitute an increase in the existing strength and/or quantity of wastewater attributable to a particular parcel or operation already connected, the connection fee shall be based on the increase in anticipated use of the sewerage system.

SECTION 3.02 -- CALCULATION OF THE CONNECTION FEE RATE

The total capital cost required to construct an incremental expansion of the sewerage system of the next anticipated configuration shall be determined by the Chief Engineer. In addition, he shall calculate the number of capacity units which can be accommodated by the incremental expansion. He shall then divide the former value by the latter value. The resulting value shall be known as the capital improvement component of the connection fee rate.

The Chief Engineer shall also determine the cash reserves that will be available on July 1 of the same fiscal year in which the connection fee rate is effective. This number shall be divided by the total number of existing sewage units in the District as determined in accordance with the Master Service Charge Ordinance of County Sanitation District No. 20 of Los Angeles County. The resulting figure shall then be added to the service charge rate as adopted by the Board of Directors pursuant to the Master Service Charge Ordinance of County Sanitation District No. 20 of Los Angeles County for the same fiscal year in which the connection fee rate is effective. The total resulting value shall be converted into dollars per capacity unit on the basis that one sewage unit is equivalent to one capacity unit and shall be known as the operational cost component of the connection fee rate.

The sum of the capital improvement and operational cost components shall be known as the connection fee rate. The Board of Directors of the District shall from time to time adopt this connection fee rate to be utilized in Section 3.03 (1) hereof.

SECTION 3.03 -- CALCULATION OF THE CONNECTION FEE

- (1) The connection fee for any parcel within the Districts boundaries imposing an added burden to the sewerage system shall be based on anticipated use and shall equal the product of the estimated number of capacity units which will result from the added burden, as determined in paragraph (2) of this section, and the connection fee rate determined pursuant to Section 3.02 hereof.

For parcels which are subject to the surcharge payment requirement provided for in the District's Wastewater Ordinance, the connection fee shall be calculated according to Section 3.03(1)

above except that the connection fee rate as determined in Section 3.02 shall not include the service charge rate.

(2) The anticipated use of the sewerage system shall be calculated in terms of capacity units (CU).

The number of capacity units (CU) shall be determined by the following formula:

$$CU = X \frac{FLOW_c}{FLOW_{sfh}} \frac{B}{D} + Y \frac{COD_c}{COD_{sfh}} \frac{B}{D} + Z \frac{SS_c}{SS_{sfh}} \frac{B}{D}$$

where:

X = The proportion of the total capital costs required to construct an incremental expansion of the sewerage system of the next anticipated configuration for conveyance, treatment, and disposal of wastewater which is attributable to flow.

Y = The proportion of the total capital costs required to construct an incremental expansion of the sewerage system of the next anticipated configuration for conveyance, treatment, and disposal of wastewater which is attributable to COD,

Z = The proportion of the total capital costs required to construct an incremental expansion of the sewerage system of the next anticipated configuration for conveyance, treatment, and disposal of wastewater which is attributable to suspended solids,

FLOW_{sfh} = Average flow of wastewater from a single family home in gallons per day,

COD_{sfh} = Average loading of COD in the wastewater from a single family home in pounds per day,

SS_{sfh} = Average loading of suspended solids in the wastewater from a single family home in pounds per day,

FLOW_c = Flow of wastewater which will enter the sewerage system via the connection in gallons per day,

COD_c = Loading of COD which will enter the sewerage system via the connection in pounds per day,

SS_c = Loading of suspended solids which will enter the sewerage system via the connection in pounds per day,

and where:

FLOW_{sfh}, COD_{sfh}, SS_{sfh}, X, Y, and Z shall be determined from time to time by the Chief Engineer in accordance with accepted engineering standards and shall be adopted by the Board of Directors.

- (3) For the purpose of determining the number of capacity units attributable to a parcel from which no industrial wastewater is discharged, flow, COD, and suspended solids loadings shall be based on the following:
 - (a) The Chief Engineer shall determine the user category that best represents the intended use of the parcel.
 - (b) The mean loadings per unit of usage corresponding to the appropriate user category shall be multiplied by the number of units of usage that will be located on the parcel to determine the total loadings attributable to the parcel.
 - (c) A list of user categories and associated mean loadings per unit of usage shall be adopted from time to time by the Board of Directors of the District. The mean loadings per unit of usage for flow in gallons per day, COD in pounds per day, and suspended solids in pounds per day shall be based upon the best data currently available, including updated sampling information and data from other jurisdictions and publications.
- (4) For the purpose of determining whether the number of capacity units attributable to a commercial or institutional parcel has increased by more than 25 percent, the existing number of capacity units shall be based upon the units of usage of the parcel existing immediately prior to construction of the improvement or other occurrence that brought about the increased use. If a prior connection fee application had been approved by the District, the existing number of capacity units shall be based upon the highest number of capacity units for which a connection fee application had been approved.
- (5) For the purpose of determining the number of capacity units attributable to a parcel from which industrial wastewater is discharged, flow, COD and suspended solids loadings shall be based on the following, including the estimated sanitary wastewater loadings:
 - (a) For new dischargers, information contained in the Permit for Industrial Wastewater Discharge as defined in the Wastewater Ordinance, or
 - (b) For existing dischargers, information contained in the current surcharge statement or in any surcharge statement revised as a result of a District audit as provided for in the Wastewater Ordinance or an approved revised Permit for Industrial Wastewater Discharge, or other credible information, including District's monitoring data.
- (6) For the purpose of determining whether the number of capacity units attributable to such industrial parcel has increased by more than 25 percent, a baseline number of capacity units upon which to measure an increase shall be based on the highest of the following:
 - (a) The highest number of capacity units for which a connection fee has been paid, and
 - (b) The highest number of capacity units for which surcharge payments were made in accordance with the Wastewater Ordinance for fiscal years 1976-77 through 1981-82.
 - (c) The highest number of capacity units for fiscal years 1976-77 through 1981-82 based on water consumption or other credible information available for those fiscal years for dischargers whose yearly flow does not exceed one million gallons.

The Chief Engineer may, at any time after connection, verify the actual flow, COD, and suspended solids attributable to the added burden. Should a discrepancy exist between measured quantities and the reported quantities of flow, COD, and suspended solids upon which

the connection fee had been based, the owner of the parcel or discharger of industrial wastewater shall, upon written notification, pay to the District the difference between the connection fee paid and the amount due on the basis of the verified quantities.

- (7) If the number of capacity units attributable to an industrial discharger's operation, which discharges in excess of 1 million gallons per year, or which exceeds average industrial wastewater strengths (as defined in the Wastewater Treatment Surcharge Statement) increases by more than 25%, then the discharger may make an election to demonstrate that changed circumstances or conditions, including operational modifications, conservation, or pretreatment, will reduce the number of capacity units attributable to that operation to an increase of 25% or less.

An election to demonstrate a reduction must be made in writing to the Chief Engineer within 45 days of service of notice of charges. The election to demonstrate must be accompanied by a surety bond, irrevocable letter of credit, assignment of certificate of deposit, or such other cash-equivalent security as may be approved by the Chief Engineer in an amount that will reasonably assure payment of 50% of the connection fee that would be due in the event the demonstration fails to result in the required reduction.

At the commencement of the demonstration period, the discharger may make a nonrefundable deposit of a portion of the billed connection fee. This deposit shall be used as a capacity unit credit calculated at the connection fee rate in effect at the time of deposit to be applied to the connection fee that may be payable at the end of the demonstration period. Security requirements shall then be determined based on the balance of the billed connection fee.

The demonstration period upon which a determination of the required reduction is made shall be the next full fiscal year, July 1 through June 30, inclusive, following the making of the election to demonstrate. The commencement of the demonstration period may be postponed to the subsequent fiscal year. Requests for postponement must be made before the start of the demonstration period. Requests for postponement must be accompanied by a nonrefundable payment of five percent of the billed connection fee and by the security provided above. No capacity units shall be attributable to the parcel as a result of this payment.

The discharger and the Chief Engineer may agree that the twelve-month demonstration period may begin during the fiscal year in which the election is made. The demonstration shall then be based on discharge data obtained during that period, and such data shall be submitted in a format acceptable to the Chief Engineer.

At the conclusion of the demonstration period, the Chief Engineer shall evaluate all pertinent data and determine whether the discharger has demonstrated the required reduction. Capacity units associated with a nonrefundable deposit shall not be considered in determining whether the discharger has demonstrated the required reduction.

Upon demonstrating to the reasonable satisfaction of the Chief Engineer that the number of capacity units attributable to the parcel has been reduced to a 25% or less increase:

- (a) The surety bond, irrevocable letter of credit, assignment of certificate of deposit, or other cash-equivalent security will be returned to the discharger; and
- (b) Any capacity units associated with the nonrefundable deposit shall be added to the baseline for the parcel.

If the demonstration has not resulted in the required reduction, the Chief Engineer shall prepare and serve a notice of charges. The connection fee shall be determined on the basis of the

capacity units attributable to the discharge during the demonstration period, less the baseline for the parcel and any capacity units associated with a nonrefundable deposit. The connection fee shall be based on the connection fee rate then in effect. Except as hereinafter provided, the connection fee shall be immediately due and payable, and shall become delinquent on the date set forth in the notice of charges. Delinquent charges shall be subject to penalty and additional interest under Section 3.06. The Chief Engineer shall apply the security provided by the discharger to all delinquent charges, including penalties and interest.

If the discharger has not demonstrated the required reduction, the discharger may elect to make supplemental demonstrations. The demonstration period for supplemental demonstrations shall be the twelve months immediately following the end of the previous demonstration period. Elections to make supplemental demonstrations shall be made in writing within the time period specified by the Chief Engineer, and shall be accompanied by security as provided above. Dischargers electing to make supplemental demonstrations shall make a nonrefundable payment of five percent of the connection fee that would have been due at the end of the previous demonstration period. No capacity units shall be attributed to the parcel as a result of this payment.

- (8) Temporary groundwater clean-up projects or groundwater clean-up technology demonstration projects that will not place an added burden on the sewerage system for longer than five years shall pay a connection fee calculated in accordance with this Ordinance that is prorated according to the proportion that the number of years in which any system use is to occur bears to the period of 40 years. Additional prorated connection fees shall be imposed with regard to any such project that continues beyond its initially projected termination date. Additional prorated connection fees shall be imposed for increases in anticipated use in accordance with the provisions of Section 3.03 of this Ordinance, except that no such project shall be eligible for the election described in Section 3.03(7) of this Ordinance. In the event that any project for which a prorated connection fee has been paid continues to place an added burden on the sewerage system for longer than five years, a full connection fee shall be imposed at the then-current connection fee rate less the amount of all sums previously paid to the District as prorated connection fees for such project.

SECTION 3.04 -- CREDITS

- (1) A credit shall be allowed with respect to new construction replacing a demolished building provided said building had been connected to the sewerage system and was demolished subsequent to December 15, 1981 or with respect to a change in use of a building which had been connected to the sewerage system.

The credit for a demolished building for which no connection fee has been paid shall be equal to the connection fee that would have been paid with respect to the most recently demolished building under the terms of this Ordinance and based on the current connection fee rate.

The credit for a change in use of a building which had been connected to the sewerage system but for which no connection fee had been paid shall be based upon the units of usage existing immediately prior to construction of the improvement or occurrence that brought about the increased use and the current connection fee rate.

If a demolished building or a building for which there was a former use had a prior connection fee application approved by the District, the credit provided for above shall be based upon the highest number of capacity units for which a connection fee application had been approved and the current connection fee rate.

The applicant shall demonstrate to the reasonable satisfaction of the Chief Engineer the user category and the number of units of usage applicable to a demolished building or a building for which there was a former use, and whether or not such building was connected to the sewerage system. The credits provided above shall be applicable only to the specific parcel upon which the demolition has occurred and may be allocable by the owner of such parcel if more than one building is being connected.

In no case shall the credit exceed the connection fee.

- (2) A credit against the connection fee shall be allowed with respect to any facility to be connected which was constructed and was located within the District prior to March 1, 1977, but has never been connected to the sewer. The amount of the credit shall be equal to the capital improvement portion of the connection fee.

In no case shall the credit exceed the connection fee.

- (3) The Chief Engineer shall allow a relocation credit when an established business operation relocates to a different parcel within the same sewerage system if:

- (a) Essentially the same business operation is relocated to the new parcel;
- (b) The Chief Engineer determines that there is adequate hydraulic capacity to accommodate the discharge associated with the relocated business operation and that the relocation does not impose an added burden on the sewerage system;
- (c) The business operation being relocated actively discharged from the site to the sewerage system for a twelve consecutive month period before the relocation;
- (d) The Chief Engineer determines that the business operation proposed to be relocated was established for a business purpose other than effectuating a transfer of capacity units; and
- (e) The person relocating the business operation is one of the following:
 - (i) The same person responsible for the establishment of the capacity units at the site;
 - (ii) The successor-in-interest to the person responsible for the establishment of the capacity units;
 - (iii) The owner of a parcel at which the business operation responsible for the establishment of the capacity units has ceased, and who subsequently establishes a new business operation at that site (for at least twelve consecutive months); or
 - (iv) The tenant or lessee of a parcel at which the business operation responsible for the establishment of the capacity units has ceased, and who subsequently establishes a new business operation at that site (for at least twelve consecutive months), if the tenant or lessee has obtained the prior written consent of the parcel owner.

When a relocation credit is allowed, the parcel from which the business operation was relocated shall have at least the number of capacity units attributable to the user category "dry manufacturing." Relocation credits shall be adjusted to reflect any difference in capacity unit

formulas between Districts. Relocation credits applied for by persons described in Subsections (e)(iii) and (iv) above, shall not exceed four times the average number of capacity units that the business operation used during any twelve consecutive month period before the relocation. In no case shall relocation credits exceed the number of capacity units that would be attributable to the parcel before the relocation had the parcel been located in the District.

If the discharge from the parcel from which a relocation credit has been allowed is not within 25% of the capacity units remaining at the site within six months following the allowance of the credit, then the Chief Engineer shall revoke the relocation credit, and shall impose connection fees, penalty and interest on the business operation that was allowed the relocation credit. Relocation credits shall not be allowed when a discharger has abandoned a parcel for more than six months and a subsequent operation has initiated a wastewater discharge from the parcel.

SECTION 3.05 -- IMPOSITION AND PAYMENT OF CONNECTION FEE

Connection fees payable by industrial dischargers are due on service of notice of charges. Connection fees payable by other users must be paid before an added burden, as that term is defined in Section 2.01 of this Ordinance, is imposed on the sewerage system and before a sewer connection permit is issued by the local permitting agency.

Within 45 days after service of notice of charges, industrial dischargers that have not elected to demonstrate a reduction under Section 3.03(7) may elect to pay a minimum of ten percent of the fee and pay the remaining balance in equal monthly installments over a period not to exceed six years. Upon making such an election, the industrial discharger shall receive a written payment schedule from the Chief Engineer. The payment schedule shall set forth each monthly payment, and shall be signed and agreed to by the discharger.

- (1) Payment schedules of three years or less shall provide for interest on the unpaid balance at one percent over the prime interest rate in effect at the beginning of the fiscal year during which the election was made, compounded monthly, not to exceed 0.95 percent per month.
- (2) Payment schedules of greater than three years shall provide for interest on unpaid balance at three percent over prime interest rate in effect at the beginning of the fiscal year during which the election was made, compounded monthly, not to exceed 0.95 percent per month.

Installment payments are due and payable on the first day of each month and become delinquent on the fifteenth day of each month. Penalties and additional interest under Section 3.06 shall be imposed on delinquent installment payments. Upon default in the payment of any monthly installment, the entire connection fee, penalties, and interest shall become immediately due at the option of the Chief Engineer. Capacity units associated with the principal portion of the connection fee obligation shall be attributed to the parcel only upon full payment of the entire installment payment obligation, including principal, accrued interest, and any penalties incurred. In the event of the closure of the business operation or the termination of discharge during the installment payment period, the capacity units associated with the principal portion of the payments received shall be attributed to the parcel.

The connection fee shall be paid to the District either in person at the Joint Administration Office of the County Sanitation Districts of Los Angeles County, located at 1955 Workman Mill Road, Whittier, California, or by mailing the appropriate payment to the County Sanitation Districts of Los Angeles County, P.O. Box 4998, Whittier, California 90607-4998.

SECTION 3.06 -- PENALTY AND INTEREST CHARGES FOR DELINQUENT CONNECTION FEE PAYMENT

Unpaid charges shall become delinquent 45 days after mailing or personal service of a notice of charges for an existing connection, 45 days after an application for connection to the sewerage system, as hereinafter defined, is approved by the District, or 45 days after a connection is made, whichever occurs first. A basic penalty charge of 10 percent of the original unpaid amount shall be added to any connection fee that becomes delinquent. Additional penalties and interest at the maximum rate provided by law shall accrue on the total of all delinquent fees plus penalty charges.

SECTION 3.07 -- FEE FOR RETURNED CHECKS

An administrative charge shall be added to the original connection fee in the event a check tendered for payment is not honored for payment. The Chief Engineer shall establish this charge to reflect the District's added cost in processing dishonored checks, up to the maximum amount allowed by law, and may adjust it from time to time as required to continue to reflect the District's added cost.

PART IV - FUNDS

SECTION 4.01 -- DISPOSITION OF FUNDS

Connection fee revenue collected pursuant to this Ordinance shall be divided into two parts, the capital improvement portion and the operational cost portion. The capital improvement portion shall be determined by multiplying the total revenue received by the proportion of the connection fee rate attributable to the capital improvement component. The capital improvement portion of the fee shall be deposited into capital improvement funds pursuant to Section 4.02 herein. The remainder of the fee, the operational cost portion, shall be deposited into the District's operating fund.

SECTION 4.02 -- CAPITAL IMPROVEMENT FUNDS

The capital improvement portion of connection fee revenue collected pursuant to this Ordinance shall be separated into two separate accounts known as the "Joint Outfall System Capital Improvement Fund" and the "District's Capital Improvement Fund."

The Joint Outfall System Capital Improvement Fund shall be a common fund jointly owned and maintained by the Joint Outfall Districts. The District's Capital Improvement Fund shall be owned and maintained by the District.

That portion of the connection fee which was derived from the capital cost of expansion of the Joint Outfall System conveyance, treatment, and disposal facilities shall be deposited upon collection in the Joint Outfall System Capital Improvement Fund. That portion of the connection fee which was derived from the capital cost of expansion of the District's conveyance facilities shall be deposited upon collection in the District's Capital Improvement Fund.

The Joint Outfall System Capital Improvement Fund shall be used only for expansion of capital facilities for the Joint Outfall System.

The District's Capital Improvement Fund shall be used only for expansion of capital facilities for the District's conveyance system.

Notes:

1. The document presented here is a consolidation of the original **Master Connection Fee Ordinance of County Sanitation District No. 20 of Los Angeles County**, dated September 30, 1992, and the subsequent amendments made via **An ordinance Adding sections 2.22, 2.23, 2.24 and Amending Sections 1.08, 3.03(7), 3.04(3) and 3.05 of the Master Connection Fee Ordinance of County Sanitation District No. 20 of Los Angeles County Adopted September 30, 1992**, dated July 23, 1997.