

November 27, 2019

Boards of Directors  
County Sanitation District No. 27 and  
Newhall Ranch Sanitation District  
of Los Angeles County

Directors:

The enclosed consolidated agenda includes the following items for the regular meetings of the Boards of Directors of District No. 27 and Newhall Ranch Sanitation District meeting Tuesday, December 10, 2019.

1. Certificate of Presiding Officer/Chairperson Pro Tem. (3 and 5) The new Chair and Chair pro tem of the Board of Supervisors automatically become the Chairperson and Chairperson pro tem of the Boards of Directors of these Sanitation Districts.
2. Minutes. (3 and 5) Copies of the minutes have been provided to each of the Directors.
3. District Expenses. (3 and 5) Local Districts' expenses represent costs incurred for operations, maintenance, and capital projects that are the sole responsibility of the individual District. Each District's share of allocated expenses represents its proportionate share of expenditures made by District No. 2, the Administrative District, on behalf of the individual districts that are parties to the Joint Administration Agreement. That agreement provides for the joint administration and technical support of the 24 County Sanitation Districts of Los Angeles County (the "Districts"), and requires District No. 27 and Newhall Ranch Sanitation District to each pay 0.01 percent of the joint administration costs. This item is consistent with the Districts' Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

**District No. 27 –**

Local District Expenses:	
Operations & Maintenance (O & M)	\$ 31,548.91
Capital	20,892.00
Allocated Expenses:	
Joint Administration	<u>1,156.65</u>
Total Expenses	<u>\$53,597.56</u>

**Newhall Ranch Sanitation District –**

Local District Expenses:	
Operations & Maintenance (O & M)	\$ 55,250.67
Capital	52,062.13
Allocated Expenses:	
Joint Administration	<u>1,156.65</u>
Total Expenses	<u>\$108,469.45</u>

4. Newhall Specific Plan and Wastewater Revenue Program. As development continues within the Newhall Ranch Sanitation District (District), certain administrative actions are necessary in order to begin sewer system operation and provide wastewater services for future residential, commercial, and industrial dischargers. The agenda for the December 10, 2019 meeting of the Board of Directors includes holding a required public hearing on items introduced November 19, 2019; adopting the Service Charge Report; and adopting the following ordinances: the Master Service Charge Ordinance and Service Charge Rate Ordinance; the Master Connection Fee Ordinance and Connection Fee Rate Ordinance; the Surcharge Rate Ordinance; and the Master Annexation Fee Ordinance and Annexation Fee Rate Ordinance. The agenda also includes consideration of two proposed agreements between the District and Newhall Land and Farming Co (NLFC) which will govern how the developer will support the District financially in its early years and convey certain real property rights necessary for the construction of District facilities: the

Operating Costs Agreement After First Connection; and the Property Acquisition Agreement for Newhall Ranch Water Reclamation Plant Site and Utility Corridor Easement (Property Acquisition Agreement).

The rate ordinances establish a revenue program that requires residential, commercial, and industrial dischargers to pay an annual user charge based upon their use of the Districts' sewerage facilities. Residential, commercial, and small industrial dischargers are covered by the service charge program, which collects user charges on the property tax roll. Large industrial dischargers are required to file surcharge statements and to pay their user charge under the industrial wastewater surcharge program.

The District has previously prepared, received and filed an Engineer's Report, which describes the planned wastewater management facilities, costs for the facilities and ongoing service. In addition, the developer, NLFC has previously agreed to construct, at its cost, the facilities described in the Report, which include a new wastewater treatment plant, and supplement service charge revenue when the District is only partially developed until service charge revenue is sufficient to cover the District's operating costs. The included agreements with NLFC establish the parameters of this commitment. Copies of the proposed ordinances, Service Charge Report and agreements are attached.

**PUBLIC HEARING, SERVICE CHARGE REPORT, AND PROPOSED ORDINANCES.** A combined public hearing has been scheduled for December 10, 2019, at 9:30 a.m., in the Kenneth Hahn Hall of Administration and must be conducted before a quorum of the District's Board of Directors for the purpose of public discussion of the Service Charge Report filed with the District Clerk on November 19, 2019; the proposed Master Service Charge Ordinance and Service Charge Rate Ordinance; the Master Connection Fee Ordinance and Connection Fee Rate Ordinance; the Surcharge Rate Ordinance; the Master Annexation Fee Ordinance and Annexation Fee Rate Ordinance and collection of the 2020-21 service charge on the property tax roll. Details on the ordinances proposed for adoption were included in the November 5, 2019 letter to the Board.

Pursuant to Proposition 218, individual notices were mailed to every property owner located within the District to inform them of the public hearing and the proposed rates. Notice of the public hearing was published twice in newspapers of general circulation within the District. Public testimony will be accepted at the hearing and all official protests must be received at or by this time. After all public input has been received by the Board, the public hearing will be closed, and the Board will consider adoption of the Service Charge Report; Master Service Charge Ordinance and Service Charge Rate Ordinance; the Master Connection Fee Ordinance and Connection Fee Rate Ordinance; the Surcharge Rate Ordinance; and the Master Annexation Fee Ordinance and Annexation Fee Rate Ordinance.

The proposed rates for the connection fee, service charge, surcharge, and annexation fee are as follows:

- Connection fee:

**January 1, 2020**

**\$9,410.00**

- Service charge (annual and per sewage unit):

<b><u>January 1, 2020</u></b>	<b><u>July 1, 2020</u></b>	<b><u>July 1, 2021</u></b>	<b><u>July 1, 2022</u></b>
<b>\$637.50</b>	<b>\$656.60</b>	<b>\$676.30</b>	<b>\$696.60</b>

- Surcharge (annual):

<b>Parameter</b>	<b><u>January 1, 2020</u></b>	<b><u>July 1, 2020</u></b>	<b><u>July 1, 2021</u></b>	<b><u>July 1, 2022</u></b>
<b>Flow (a)</b>	\$2,441.50/MG	\$2,514.70/MG	\$2,590.10/MG	\$2,667.80/MG
<b>COD (b)</b>	\$556.50/10 <sup>3</sup> lbs	\$573.20/10 <sup>3</sup> lbs	\$590.40/10 <sup>3</sup> lbs	\$608.10/10 <sup>3</sup> lbs
<b>SS (c)</b>	\$1,367.40/10 <sup>3</sup> lbs	\$1,408.40/10 <sup>3</sup> lbs	\$1,450.70/10 <sup>3</sup> lbs	\$1,494.20/10 <sup>3</sup> lbs
<b>Peak (d)</b>	\$345.30/gpm	\$355.70/gpm	\$366.40/gpm	\$377.40/gpm
<b>Short Form Rate</b>	<b>\$8,266.80/MG</b>	<b>\$8,514.80/MG</b>	<b>\$8,770.20/MG</b>	<b>\$9,033.30/MG</b>

- Annexation fee:

<u>Size of Annexation</u>	<u>District Fee Rate</u>
≤ 1.5 acres	\$1,450
> 1.5 acres but ≤ 5.0 acres	\$1,950
> 5.0 acres but ≤ 20.0 acres	\$390 per acre
> 20.0 acres	\$7,800 plus \$75 for each acre over 20.0 acres (a fraction of an acre shall be counted as one acre)

OPERATING COSTS AGREEMENT AFTER FIRST CONNECTION. The Operating Costs Agreement After First Connection provides for NLFC’s payment of an Operating Cost Subsidy until the District’s operating funds are sufficient and stable and one of the following “Terminating Conditions” conditions occur: (a) 6,000 Capacity Units are connected to the District’s Sewer Facilities, or (b) fifteen (15) years elapse after the Effective Date of this Agreement, or (c) the District is financially self-sustaining. This agreement also provides for NLFC’s payment to the District of Connection and Annexation Fees due to the SCVSD required under the Joint Sewerage Services Agreement (JSSA) dated December 12, 2017. This Agreement is the second of the two operating costs agreements contemplated by the JSSA pertaining to the initial management expenses of the District’s sewerage system.

PROPERTY ACQUISITION AGREEMENT FOR NEWHALL RANCH WATER RECLAMATION PLANT SITE AND UTILITY CORRIDOR EASEMENT. The Property Acquisition Agreement requires Newhall Land and Farming Company to execute and acknowledge a grant deed conveying fee title to the Newhall Ranch Water Reclamation Plant (WRP) site at no cost to the District. The agreement also provides the District with any necessary sewer easements at no cost to facilitate the construction and operation of a conveyance sewer from the Valencia WRP to the Newhall Ranch WRP.

Copies of the proposed ordinances, Service Charge Report, and agreements are attached.

Very truly yours,



Robert C. Ferrante

RCF:drs  
Enclosures

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 27/  
NEWHALL RANCH SANITATION DISTRICT

To be held in the HEARING ROOM  
OF THE BOARD OF SUPERVISORS  
Kenneth Hahn Hall of Administration, Los Angeles, California

TUESDAY	December 10, 2019	At 9:30 A.M.		
HAHN	KUEHL	BARGER (Chairperson)	RIDLEY-THOMAS	SOLIS

1. Recommendation: Receive and Order filed certificate of the Presiding Officer of the Board of Supervisors and the action electing the Chairperson Pro Tem (both Districts)
2. Recommendation: Approve minutes of the regular meetings held September 10, 2019 (both Districts) and special meeting November 19, 2019 (5).
3. Recommendation: Approve July, August, and September 2019 expenses in total amounts of \$53,597.56 (District No. 27)(3) and \$108,469.45 (NRSD)(5)
4. Re: Newhall Ranch Specific Plan and Wastewater Revenue Program
  - (a) Hold combined public hearing on service charge report and collection of service charge on property tax roll; proposed master service charge, master connection fee, and master annexation fee ordinances; and proposed service charge, surcharge, connection fee and annexation fee rate ordinances
  - (b) Adopt service charge report
  - (c) Adopt following ordinances and find that adoption of ordinances is exempt from California Environmental Quality Act (CEQA) under section 15273 of state guidelines for implementation of CEQA
    - (1) *An Ordinance Prescribing Fees, Tolls, Rates, Rentals, or Other Charges for Services and Facilities Furnished by or through Newhall Ranch Sanitation District of Los Angeles County, and Providing for the Collection of Such Charges* (Master Service Charge Ordinance)
    - (2) *An Ordinance Prescribing Fees for the Privilege of Connecting Any Parcel or Industrial Operation within the Boundaries of Newhall Ranch Sanitation District 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 or Industrial Operation within the District, and Providing for the Collection of those Charges* (Master Connection Fee Ordinance)
    - (3) *An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County, and Providing for the Collection of Such Charges on the Tax Roll* (Service Charge Rate Ordinance)
    - (4) *An Ordinance Prescribing Industrial Wastewater Surcharge Rates for Newhall Ranch Sanitation District of Los Angeles County* (Surcharge Rate Ordinance)
    - (5) *An Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County* (Connection Fee Rate Ordinance)
    - (6) *An Ordinance Prescribing Fees for the Annexation of Territory to Newhall Ranch Sanitation District of Los Angeles County* (Master Annexation Fee Ordinance)
    - (7) *An Ordinance Prescribing the Annexation Fee Rates for Newhall Ranch Sanitation District of Los Angeles County* (Annexation Fee Rate Ordinance)
  - (d) Approve and order executed documents as follows:
    - (1) *Operating Costs Agreement After First Connection*
    - (2) *Property Acquisition Agreement for Newhall Ranch Water Reclamation Plant Site and Utility Corridor Easement* (Property Acquisition Agreement)

Adjourn

# NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY SERVICE CHARGE REPORT FOR FISCAL YEAR 2020-21

## INTRODUCTION

Newhall Ranch Sanitation District of Los Angeles County encompasses the portion of unincorporated Los Angeles County known as Newhall Ranch.

The District provides wastewater management services for the area described above. The District will be responsible for the operation and maintenance of the Newhall Ranch Water Reclamation Plant and the large trunk sewers which convey wastewater to these facilities. These services are essential to protect the public health of the people served by the system.

The District must provide the revenue required to operate and maintain its facilities. The general revenue sources currently available to the District include service charges, industrial wastewater surcharges, interest income, and contract revenue.

## PROPOSED SYSTEM DESCRIPTION

The required supplemental revenue required under the *Master Service Charge Ordinance of Newhall Ranch Sanitation District of Los Angeles County* will be allocated among classes of developed parcels of real property on the basis of use of the sewerage system. The revenue derived from the service charge will be used for operation and maintenance and capital costs.

All industrial dischargers in Newhall Ranch Sanitation District of Los Angeles County discharging more than 1.0 million gallons per year are required to file a wastewater surcharge statement as prescribed in the Wastewater Ordinance to pay their appropriate share of the costs based on their use of the sewerage system. All other users of the sewerage system, except for contractual and local government users, will pay service charges.

The basic term used to define the service charge is a sewage unit. A sewage unit represents the average daily quantity of sewage flow and strength from a single-family home measured in terms of flow, chemical oxygen demand, and suspended solids. The number of sewage units (SU) per unit of measure shall be determined by the following formula:

$$\text{SU} = A \left( \frac{\text{FLOW}_{\text{avg}}}{\text{FLOW}_{\text{sfh}}} \right) + B \left( \frac{\text{COD}_{\text{avg}}}{\text{COD}_{\text{sfh}}} \right) + C \left( \frac{\text{SS}_{\text{avg}}}{\text{SS}_{\text{sfh}}} \right)$$

where:

A = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which is attributable to flow;

B = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which is attributable to COD;

C = The proportion of the total operation and maintenance and capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which is attributable to suspended solids;

FLOW<sub>sfh</sub> = Average flow of wastewater from a single-family home in gallons per day;

COD<sub>sfh</sub> = Average loading of COD in the wastewater from a single-family home in pounds per day;

- SS<sub>sfh</sub> = Average loading of suspended solids in the wastewater from a single-family home in pounds per day;
- FLOW<sub>avg</sub> = Estimated flow of wastewater which will enter the sewerage system from a user in gallons per day;
- COD<sub>avg</sub> = Estimated loading of COD which will enter the sewerage system from a user in pounds per day;
- SS<sub>avg</sub> = Estimated loading of suspended solids which will enter the sewerage system from a user in pounds per day.

For fiscal year 2020-21, the proportions of the total operation and maintenance and capital costs attributable to flow, chemical oxygen demand, and suspended solids have been assigned the following values:

A	=	0.2798
B	=	0.3239
C	=	0.3963

The service charge for each sewage unit is determined by dividing the total required supplemental revenue by the total number of sewage units in the District. The service charge for each parcel is determined by multiplying the service charge for each sewage unit by the number of sewage units attributable to the parcel, which in turn, is determined by the class of real property and the sewage unit formula and the flow, COD and SS loadings from Table 1, which shows the corresponding value for each class of real property in Newhall Ranch Sanitation District of Los Angeles County.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2020-21 is \$656.60 per sewage unit. Parcels with significantly lower water usage may be eligible for a reduced rate pursuant to the terms of the Master Service Charge Ordinance of Newhall Ranch Sanitation District of Los Angeles County.

**DESCRIPTION OF PARCELS RECEIVING SERVICES AND IDENTIFICATION OF AMOUNT OF CHARGE FOR EACH PARCEL**

All parcels of real property within the 2020-21 Tax Rate Areas as shown in Table 2 are receiving or benefiting from the services and facilities of Newhall Ranch Sanitation District of Los Angeles County. Said parcels are more particularly described in maps prepared in accordance with Section 327, Revenue and Taxation Code, which are on file in the office of the County Assessor, which maps are hereby incorporated herein by reference.

All commercial and institutional parcels assessed a service charge based on the Los Angeles County Assessor's current tax roll shall be charged on the basis of not less than one (1.0) sewage unit.

No charge shall be imposed on the owner or owners of any parcels as to which the fair market value of improvements is less than \$1,000 as determined on the basis of the Assessor's current tax roll. This assumption is predicated on the fact that this type of parcel would be a vacant piece of land; however, should subsequent evaluation reveal that the property is not vacant, then an appropriate service charge would be levied.

**TABLE 1  
LOADINGS FOR EACH CLASS OF LAND USE**

<b><u>DESCRIPTION</u></b>	<b><u>UNIT OF MEASURE</u></b>	<b><u>FLOW (Gallons per Day)</u></b>	<b><u>COD (Pounds per Day)</u></b>	<b><u>SUSPENDED SOLIDS (Pounds per Day)</u></b>
<b>RESIDENTIAL</b>				
Single Family Home	Dwelling Unit	260	1.22	0.59
Condominiums	Dwelling Unit	195	0.92	0.44
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
<b>COMMERCIAL</b>				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft <sup>2</sup>	100	0.43	0.23
Supermarket	1000 ft <sup>2</sup>	150	2.00	1.00
Shopping Center	1000 ft <sup>2</sup>	325	3.00	1.17
Regional Mall	1000 ft <sup>2</sup>	150	2.10	0.77
Office Building	1000 ft <sup>2</sup>	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft <sup>2</sup>	300	1.29	0.68
Restaurant	1000 ft <sup>2</sup>	1,000	16.68	5.00
Indoor Theatre	1000 ft <sup>2</sup>	125	0.54	0.28
Car Wash				
Tunnel - No Recycling	1000 ft <sup>2</sup>	3,700	15.86	8.33
Tunnel - Recycling	1000 ft <sup>2</sup>	2,700	11.74	6.16
Wand	1000 ft <sup>2</sup>	700	3.00	1.58
Bank, Credit Union	1000 ft <sup>2</sup>	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft <sup>2</sup>	100	0.43	0.23
Animal Kennels	1000 ft <sup>2</sup>	100	0.43	0.23
Gas Station	1000 ft <sup>2</sup>	100	0.43	0.23
Auto Sales	1000 ft <sup>2</sup>	100	0.43	0.23
Wholesale Outlet	1000 ft <sup>2</sup>	100	0.43	0.23
Nursery/Greenhouse	1000 ft <sup>2</sup>	25	0.11	0.06
Manufacturing	1000 ft <sup>2</sup>	200	1.86	0.70
Light Manufacturing	1000 ft <sup>2</sup>	25	0.23	0.09
Lumber Yard	1000 ft <sup>2</sup>	25	0.23	0.09
Warehousing	1000 ft <sup>2</sup>	25	0.23	0.09
Open Storage	1000 ft <sup>2</sup>	25	0.23	0.09
Drive-in Theatre	1000 ft <sup>2</sup>	20	0.09	0.05
Night Club	1000 ft <sup>2</sup>	350	1.50	0.79
Bowling/Skating	1000 ft <sup>2</sup>	150	1.76	0.55
Club & Lodge Halls	1000 ft <sup>2</sup>	125	0.54	0.27
Auditorium, Amusement	1000 ft <sup>2</sup>	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1000 ft <sup>2</sup>	100	0.43	0.23
Campground, Marina, Recreational Vehicle Park	Sites, Slips, or Spaces	55	0.34	0.14
Convalescent Home	Bed	125	0.54	0.28
Horse Stables	Stalls	25	0.23	0.09
Laundromat	1000 ft <sup>2</sup>	3,825	16.40	8.61
<b>COMMERCIAL</b>				
Mortuary, Funeral Home	1000 ft <sup>2</sup>	100	1.33	0.67
Health Spa, Gymnasium With Showers	1000 ft <sup>2</sup>	600	2.58	1.35
Without Showers	1000 ft <sup>2</sup>	300	1.29	0.68

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SUSPENDED SOLIDS (Pounds per Day)</u>
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
<b>INSTITUTIONAL</b>				
College/University	Student	20	0.09	0.05
Private School	1000 ft <sup>2</sup>	200	0.86	0.45
Library, Museum	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Local)	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Regional)	1000 ft <sup>2</sup>	25	0.23	0.09
Church	1000 ft <sup>2</sup>	50	0.21	0.11



**TABLE 2**  
**TAX RATE AREAS IN NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES**  
**COUNTY**

014179	014180	014181	014182	014183
014184	014185	014186	015393	

**AN ORDINANCE PRESCRIBING FEES, TOLLS, RATES, RENTALS, OR OTHER CHARGES FOR SERVICES AND FACILITIES FURNISHED BY OR THROUGH NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY, AND PROVIDING FOR THE COLLECTION OF SUCH CHARGES.**

**THE BOARD OF DIRECTORS OF NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

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## **PART I - GENERAL PROVISIONS**

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### **SECTION 1.01 – SHORT TITLE**

This Ordinance will be known as the *Master Service Charge Ordinance of Newhall Ranch Sanitation District of Los Angeles County*, and may be cited as such.

### **SECTION 1.02 – PURPOSE**

The purpose of this Ordinance is to impose charges for services and facilities furnished by, or available from, the District in connection with its sewerage system and to provide for collection of these charges.

### **SECTION 1.03 – AUTHORITY**

The District is empowered to prescribe, revise, and collect fees, tolls, rates, rentals, or other charges for services and facilities furnished by it and to collect such charges on the tax roll or by direct billing pursuant to California Health and Safety Code Sections 5471 and 5473.

### **SECTION 1.04 – ADDITIONAL REVENUE**

The revenue provided for by this Ordinance will 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, bond revenue, contract revenue, investment income, annexation fees, connection fees, and industrial wastewater surcharges imposed under the Wastewater Ordinance.

### **SECTION 1.05 – ADMINISTRATION**

The Chief Engineer will administer, implement, and enforce the provisions of this Ordinance.

### **SECTION 1.06 – VALIDITY**

If any court holds any part, section, subsection, paragraph, sentence, clause or phrase of this Ordinance to be illegal, invalid, or unconstitutional for any reason, that decision will not affect the legality, 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**

This section is reserved.

### **SECTION 1.08 – EFFECTIVE DATE**

This Ordinance becomes effective 30 days after its adoption.

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## PART II – DEFINITIONS

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This Ordinance will be construed according to the following definitions:

### SECTION 2.01 – APARTMENT

Apartment means a single dwelling unit of a multi-unit residential facility.

### SECTION 2.02 – BILLABLE SEWAGE UNIT OR BSU

Billable sewage unit or BSU means the average daily quantity of sewage discharged from a single-family home to the sewerage system measured in terms of flow, chemical oxygen demand, and suspended solids.

### SECTION 2.03 – BOARD OF DIRECTORS

Board of Directors means the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County.

### SECTION 2.04 – CHIEF ENGINEER

Chief Engineer means the Chief Engineer and General Manager of Newhall Ranch Sanitation District of Los Angeles County or his designee.

### SECTION 2.05 – COD OR CHEMICAL OXYGEN DEMAND

COD or chemical oxygen demand means the measure of chemically-decomposable material in wastewater as represented by the oxygen utilized as determined by the procedures specified in the Wastewater Ordinance.

### SECTION 2.06 – CONNECTION FEE RATE ORDINANCE

Connection Fee Rate Ordinance means the most recent version of *An Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County* adopted by the Board of Directors.

### SECTION 2.07 – DISTRICT

District means Newhall Ranch Sanitation District of Los Angeles County.

### SECTION 2.08 – ESTIMATED FLOW

Estimated flow means the average daily wastewater flow as adopted by the Board of Directors in the Service Charge Rate Ordinance for a user category multiplied by the number of units of usage on a parcel for that user category.

### SECTION 2.09 – FACILITY

Facility means an improvement on a parcel.

## SECTION 2.10 – FISCAL YEAR

Fiscal year means the 12-month period beginning on July 1 and ending on June 30 of the following calendar year.

## SECTION 2.11 – 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 2.12 – LOCAL GOVERNMENTAL FACILITY

Local governmental facility means any facility that is: a) located on a parcel owned by a local agency; b) located on a parcel whose boundaries are entirely within the District; c) not required to pay surcharges under the Wastewater Ordinance; d) used solely for a governmental as opposed to proprietary functions; and e) dedicated to uses that directly benefit the public in general as opposed to a single class or classes of individuals.

## SECTION 2.13 – MASTER ANNEXATION FEE ORDINANCE

Master Annexation Fee Ordinance means the most recent version of the *Master Annexation Fee Ordinance of Newhall Ranch Sanitation District of Los Angeles County* adopted by the Board of Directors.

## SECTION 2.14 – MASTER CONNECTION FEE ORDINANCE

Master Connection Fee Ordinance means the most recent version of the *Master Connection Fee Ordinance of Newhall Ranch Sanitation District of Los Angeles County* adopted by the Board of Directors.

## SECTION 2.15 – NOTICE OF CHARGES

Notice of charges means a written statement prepared by the Chief Engineer setting forth all charges, including any penalty and interest, incurred pursuant to this Ordinance by the owner of a parcel.

## SECTION 2.16 – PARCEL

Parcel means any area of land contained within a single legal description and as shown on maps prepared and filed by the Assessor's Office of the county in which the land is located.

## SECTION 2.17 – PRIME INTEREST RATE

Prime interest rate means the base rate on corporate loans posted by at least 75 percent of the nation's thirty largest banks as published in *The Wall Street Journal* or, if not reported in such newspaper, as reported in such other source as may be selected by the Chief Engineer.

## SECTION 2.18 – REBATE

Rebate means the difference between the original service charge and the recalculated service charge for a past year based on water use or if the parcel was unoccupied.

#### SECTION 2.19 – REDUCED CHARGE

Reduced charge means a lower service charge imposed for the current fiscal year or a future fiscal year based on average daily water consumption as determined by the Chief Engineer pursuant to this Ordinance.

#### SECTION 2.20 – REFUND

Refund means the difference between the original service charge and the corrected service charge for a past year when the original charge was billed erroneously.

#### SECTION 2.21 – SERVICE CHARGE

Service charge means the charge for wastewater services and facilities imposed pursuant to this Ordinance on any parcel that is connected directly or indirectly to the sewerage system.

#### SECTION 2.22 – SERVICE CHARGE RATE ORDINANCE

Service Charge Rate Ordinance means the most recent version of *An Ordinance Prescribing the Service Charge Rate and Mean Loadings Per Unit of Usage for Newhall Ranch Sanitation District of Los Angeles County, and Providing for the Collection of Such Charges on the Tax Roll.*

#### SECTION 2.23 – SEWERAGE SYSTEM

Sewerage system means the whole or any part of the network of wastewater collection, conveyance, treatment, and disposal facilities either owned in whole or in part by the District or used by the District pursuant to a contract.

#### SECTION 2.24 – SUSPENDED SOLIDS

Suspended solids means the insoluble solid matter contained in wastewater under conditions normally found in the sewer that is separable by laboratory filtration in accordance with the procedures specified in the Wastewater Ordinance.

#### SECTION 2.25 – TAX ROLL

Tax roll means the roll prepared by the Los Angeles County Auditor-Controller's Office pursuant to which ad valorem taxes on property located within Los Angeles County are levied.

#### SECTION 2.26 – UNIT OF USAGE

Unit of usage means the basic unit of measure (e.g., dwelling unit, square footage) that quantifies the degree of use of a particular facility located on a parcel. The square footage of a facility will be based upon the gross exterior dimensions of the structure.

#### SECTION 2.27 – USER CATEGORY

User category means the specific classification of a facility that characterizes its use (e.g., single family home, restaurant).

## SECTION 2.28 – VERIFIABLE WATER CONSUMPTION RECORDS

Verifiable water consumption records means copies of water bills or other verifiable documentation from the water purveyor showing the water consumption data for each billing cycle of the water purveyor and the number of days covered by that billing cycle.

## SECTION 2.29 – WASTEWATER

Wastewater means 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 provided for in the Wastewater Ordinance.

## SECTION 2.30 – WASTEWATER ORDINANCE

Wastewater Ordinance means the *Wastewater Ordinance* adopted by the County Sanitation Districts of Los Angeles County effective on April 1, 1972, and as amended effective July 1, 1975, July 1, 1980, July 1, 1983, November 1, 1989, and July 1, 1998, and as thereafter amended.

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## **PART III – CHARGES**

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### SECTION 3.01 – IMPOSITION OF CHARGES

The owner of every parcel connected directly or indirectly to the sewerage system shall pay a service charge to the District, unless all facilities on that parcel:

- (1) Are subject to industrial wastewater treatment surcharges pursuant to the Wastewater Ordinance; or
- (2) Are local governmental facilities; or
- (3) Receive sewer services under a contract with the District.

The service charge will be imposed on July 1 with respect to the fiscal year commencing on that date. For charges collected on the tax roll pursuant to Section 4.01, one half of the service charge will be due on December 10 of the fiscal year and the other half will be due on April 10 of the fiscal year.

### SECTION 3.02 – CALCULATION OF THE SERVICE CHARGE

The service charge will be based on use and will equal the product of the service charge rate (as determined in Section 3.03) and the estimated number of billable sewage units for the parcel (as determined in Section 3.04).

### SECTION 3.03 – DETERMINATION OF THE SERVICE CHARGE RATE

The service charge rate will be determined in the following manner:



- (1) For parcels within the District, the Chief Engineer will first determine the total operation and maintenance and capital costs, including repayment of any outstanding financial obligations, required for conveyance, treatment, and disposal of wastewater along with a reserve for contingency for the District for each fiscal year under consideration plus a cash flow requirement for the following six month period (“**Expenses**”). The Chief Engineer will then determine all available sources of funds, including any charges under Section 3.01 paid by the owner of a parcel not within the District, the beginning cash on hand, and any anticipated transfers from reserves (“**Revenues**”). The difference between the Expenses and Revenues will equal the supplemental revenue required for each relevant fiscal year (“**Supplemental Revenue Required**”). The Chief Engineer will then divide the Supplemental Revenue Required by the total number of billable sewage units attributable to all parcels within the District that are subject to a service charge pursuant to Section 3.01. The resulting value will be the service charge rate for that fiscal year for parcels within the District, and will be adopted periodically by the Board of Directors in the form of the Service Charge Rate Ordinance.
- (2) For parcels not within the District, the Chief Engineer will first determine the Expenses for each fiscal year under consideration. The Chief Engineer will subtract any funding source contributed by the owner of a parcel within the District but not similarly contributed by the owner of a parcel not within the District, from the Revenues (“**Adjusted Revenues**”). The difference between the Expenses and the Adjusted Revenues will equal the adjusted supplemental revenue that will be required for each relevant fiscal year (“**Adjusted Supplemental Revenue Required**”). The Chief Engineer will then divide the Adjusted Supplemental Revenue Required by the total number of billable sewage units attributable to all parcels that are subject to a charge pursuant to Section 3.01. The resulting value will be the “**Operational Component**.”
- (3) For purposes of this section, a parcel is deemed to be within the District if it is located within the jurisdictional boundaries of the District or if all of the annexation fees required pursuant to the Master Annexation Fee Ordinance and all of the connection fees pursuant to the Master Connection Fee Ordinance have been paid.
- (4) For purposes of this section, a parcel is deemed not within the District if it does not meet the criteria of subsection 3.03(3), above.

#### SECTION 3.04 – CALCULATION OF THE NUMBER OF BILLABLE SEWAGE UNITS

- (1) Determination of User Category and Units of Usage. The Board of Directors will, from time to time, adopt a list of user categories and associated mean loadings per unit of usage for each user category in the form of the Service Charge Rate Ordinance. The Chief Engineer will determine the user category that best represents the actual use of each parcel. If the Chief Engineer determines that a parcel has multiple uses for which no single user category accurately represents the actual use of that parcel, the Chief Engineer may assign appropriate multiple user categories to that parcel. The Chief Engineer will then determine the number of units of usage corresponding to each user category existing on the parcel.
- (2) Attribution of Billable Sewage Units to Parcel. In calculating the number of billable sewage units attributable to a parcel, the Chief Engineer will first determine the number of billable sewage units attributable to each user category existing on the parcel. The Chief Engineer will then separately sum the number of billable sewage units attributable to residential user categories and the number of billable sewage units attributable to commercial and

institutional user categories. If a parcel has one or more commercial or institutional user categories existing on it and the sum of the number of billable sewage units attributable to the commercial and institutional user categories is less than one (1.0), the total number of billable sewage units attributable to commercial and institutional user categories will be one (1.0). The number of billable sewage units attributable to the parcel will be the sum of the billable sewage units attributable to residential user categories and the billable sewage units attributable to commercial and institutional user categories.

- (3) Calculation of Billable Sewage Units. The number of billable sewage units attributable to the facilities for each user category will be determined by the following formula:

$$BSU = WCF \left( A \left( \frac{FLOW_{avg}}{FLOW_{sfh}} \right) + B \left( \frac{COD_{avg}}{COD_{sfh}} \right) + C \left( \frac{SS_{avg}}{SS_{sfh}} \right) \right)$$

where:

- A = The proportion of the total operation and maintenance and net capital costs required for conveyance, treatment, and disposal of wastewater for each relevant fiscal year that is attributable to flow;
- B = The proportion of the total operation and maintenance and net capital costs required for conveyance, treatment, and disposal of wastewater for each relevant fiscal year that is attributable to COD;
- C = The proportion of the total operation and maintenance and net capital costs required for conveyance, treatment, and disposal of wastewater for each relevant fiscal year that 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;
- $FLOW_{avg}$  = Estimated flow of wastewater that will enter the sewerage system from a facility in gallons per day;
- $COD_{avg}$  = Estimated loading of COD that will enter the sewerage system from a facility in pounds per day;
- $SS_{avg}$  = Estimated loading of suspended solids that will enter the sewerage system from a facility in pounds per day;
- WCF = Water consumption factor as determined in Section 3.04(4).

The Board of Directors will periodically adopt the values for A, B, C,  $FLOW_{sfh}$ ,  $COD_{sfh}$ , and  $SS_{sfh}$ .

$FLOW_{avg}$ ,  $COD_{avg}$ , and  $SS_{avg}$ , respectively, will be equal to the product of the assumed loadings adopted pursuant to paragraph (1) of this Section for the corresponding user category multiplied by the units of usage determined in paragraph (1) of this Section.

(4) Calculation of Water Consumption Factor. The water consumption factor (“**WCF**”) will proportionately reduce the billable sewage units for a parcel that has demonstrated average daily water consumption that is significantly less than the assumed flow. The WCF will be equal to 1.0 for all parcels, except parcels for which the Chief Engineer has adjusted the WCF pursuant to an application for a rebate or reduced charge based on low water consumption under this Ordinance.

(a) Upon approval of an application for a rebate or reduced charge pursuant to Section 3.06, the Chief Engineer will adjust the WCF as follows:

1. Parcels Having Only Residential Uses

- A. If the average daily water consumption for a parcel classified as a single-family home is greater than the estimated flow for an apartment but less than or equal to the estimated flow for a condominium, the WCF will be equal to the estimated flow for a condominium divided by the estimated flow for a single-family home.
- B. If the average daily water consumption for a parcel classified as a single-family home is less than or equal to the estimated flow for an apartment, the WCF will be equal to the estimated flow for an apartment divided by the estimated flow for a single-family home.
- C. If the average daily water consumption for a parcel classified as a condominium is less than or equal to the estimated flow for an apartment, the WCF will be equal to the estimated flow for an apartment divided by the estimated flow for a condominium.

2. Parcels Having Only Commercial or Institutional Uses

The WCF for the parcel will be determined by using the following table and the ratio of the average daily water consumption of the parcel to the estimated flow for all commercial and institutional uses on the parcel.

Ratio Greater Than or Equal To	Ratio Less Than	WCF
90%	—	1.0
70%	90%	0.8
50%	70%	0.6

30%	50%	0.4
—	30%	0.2

3. Parcels Having Both Residential and Commercial or Institutional Uses

- A. For those parcels on which all of the residential uses have separate water meters from the commercial/institutional uses, the WCF for the residential uses will be determined in accordance with Section 3.04(4)(a)1 and the WCF for the commercial and institutional uses will be determined in accordance with 3.04(4)(a)2.
- B. For those parcels on which all of the residential uses do not have separate water meters from the commercial/institutional uses, the WCF for the residential uses will be equal to 1.0. The water consumption data attributable to the commercial and institutional uses will be equal to the average daily water consumption for the entire parcel less the estimated flow calculated for the residential uses. The WCF for the commercial and institutional uses will be determined in accordance with 3.04(4)(a)2.

(b) Evaluation of Average Daily Water Consumption. An application for a rebate or reduced charge must be accompanied by verifiable water consumption records for a minimum of 12 consecutive months of normal water use representing the most recently-ended fiscal year, except as otherwise provided in Sections 3.04(4)(b)2-4 below.

- 1. Standard Evaluation of Average Daily Water Consumption. In order to account for irrigation, the Chief Engineer will, from the verifiable water consumption records submitted, evaluate if the water usage during low irrigation months (typically November through February) better represents the daily wastewater discharge than does the total annual water usage. Based on the Chief Engineer's evaluation, the total water consumption for the period that best represents the daily wastewater discharge will be divided by the number of days in that period to determine the average daily water consumption.
- 2. Exception for New Business. If a new commercial/institutional operation was not fully operational on the parcel for the entire recently-ended fiscal year, the owner of the parcel may submit an application for a rebate (for service charges paid in the prior fiscal year) that is accompanied by all available verifiable water consumption records for that fiscal year. The average daily water consumption will be calculated as the total water consumption for the fiscal year divided by 365 days. The owner of the parcel may submit an application for a reduced charge (for service charges imposed in the current fiscal year and for the next fiscal year) once the operation has been fully operational for a minimum of 12 consecutive months. Verifiable water consumption records for the first twelve months of full operation must be submitted and will be used in the calculation of the WCF.

## SECTION 3.05 – REFUNDS

- (1) Claims for refunds and protests must be made in accordance with the provisions of California Health & Safety Code Section 5472, except that claims for refunds or corrections and protests of charges on any of the following grounds may be submitted as set forth herein:
  - (a) the user categories assigned to the parcel do not accurately reflect its actual use;
  - (b) the number of units of usage for the parcel has been incorrectly determined;
  - (c) a clerical error has been made by the District or the Office of the County Assessor;
  - (d) the parcel has no facilities connected to the sewerage system.
- (2) Claims for refunds and protests on the grounds set forth in Sections 3.05(1)(a), (b), and (c) must be made within four (4) years of the earlier of the date the service charge payment was made or the date the payment first became due. Claims for refunds and protests on the grounds set forth in Section 3.05(1)(d) may be submitted at any time. All claims and protests must be submitted in writing to the Chief Engineer. The Chief Engineer will, within 60 days from the date of receipt of a written claim or protest, determine whether or not the claim or protest is valid and will notify, in writing, the claimant or protesting owner of the decision. This period may be extended by written notice from the Chief Engineer for an additional period up to 60 days to allow for adequate time to consider the claim or protest. In the event the Chief Engineer fails to make a determination within the 60-day period, plus any extensions, the written claim or protest will be deemed denied.
- (3) In the event the Chief Engineer determines the claim or protest is valid, the Chief Engineer will determine the service charge that should have been levied for the fiscal year for which the charge is being protested.
  - (a) For claims or protests made pursuant to Section 3.05(1)(a), (b), or (c), a revised service charge will be calculated using the procedures outline in Sections 3.02 and 3.04, using the correct user categories and number of units of usage and the service charge rate in effect during the fiscal year for which the service charge is being protested. For those charges collected on the tax roll pursuant to Section 4.01, it will be assumed that one half of the revised service charge was due on December 10 of the fiscal year being protested and the other half was due on April 10 of the fiscal year being protested.
  - (b) For claims or protests made pursuant to Section 3.05(1)(d), the revised service charge will be \$0.
- (4) In the event the Chief Engineer determines the claim or protest is valid and payment has been made as of the date the Chief Engineer makes the determination, a refund will be made as follows:
  - (a) For claims or protests made pursuant to Section 3.05(1)(a), (b), or (c), the difference between the payment less any amounts for outstanding delinquencies, penalties, and interest and the revised service charge will be calculated for each payment

made between the date the determination was made and four years prior to the date the claim was filed, plus interest pursuant to Section 3.07.

- (b) For claims or protests made pursuant to Section 3.05(1)(d), all payments made by the claimant will be refunded, plus interest pursuant to Section 3.07.
- (5) In the event the Chief Engineer determines the protest is valid but payment has not been made as of the date the Chief Engineer makes the determination, a corrected bill will be issued reflecting the revised service charge amount calculated pursuant to Section 3.05.(3), plus any penalties and interest if applicable, for any periods between June 30 of the fiscal year in which the claim is filed and four years prior to the date the claim was filed.
- (6) The Chief Engineer will have the right to notify any and all tenants of a parcel of any refunds issued to the owner of the parcel pursuant to Section 3.05.

### SECTION 3.06 – REBATES AND REDUCED CHARGES

Rebates (for service charges paid in a prior fiscal year) and reduced charges (for service charges imposed in the then-current fiscal year or for future fiscal years) will be available to the owners of parcels subject to a service charge that can demonstrate annual sewer use that is significantly less than the estimated flow for that parcel's user category, as described in this Ordinance.

- (1) Application. The owner of any parcel subject to a service charge may apply for a rebate or a reduced charge only as described in this Section 3.06.
- (2) Limitations.
  - (a) Rebates and reduced charges are not subject to the provisions of California Health & Safety Code Section 5472.
  - (b) Claims for rebates may only be made for the most recently-ended fiscal year.
  - (c) A rebate is not available for any fiscal year in which a parcel was granted a reduced charge except for parcels that were unoccupied for the entire fiscal year pursuant to Section 3.06(3)(b)2.
  - (d) The owner of a parcel that was unoccupied for the entire fiscal year may only submit an application for a rebate as provided for in Section 3.06(3), and cannot apply for a reduced charge.
  - (e) In no event will a commercial or institutional parcel be attributed less than one billable sewage unit.
- (3) Rebates.
  - (a) Eligibility. Subject to the limitations described in Section 3.06(2), the owner of any parcel subject to a service charge will be eligible for a rebate if:
    - 1. The WCF for the fiscal year for which the rebate application was submitted is less than 1.0; or

2. The parcel was unoccupied for the entire fiscal year.
- (b) Application Procedure. Applications for rebates must be made in writing on a District form, and must include all documentation required by the Chief Engineer to qualify for the rebate, including verifiable water consumption records or other substantial evidence as described below.
1. Occupied Parcels. Applications for rebates for parcels that were occupied at any time during a fiscal year must include verifiable water consumption records for the entire fiscal year for which an application is made, or the application will be returned as incomplete.
  2. Unoccupied Parcels. Applications for rebates for parcels that were unoccupied for an entire fiscal year must include verifiable water consumption records for that entire fiscal year or include other substantial evidence demonstrating the parcel was unoccupied for that entire fiscal year. The parcel will be presumed to be unoccupied if the average daily water consumption for the parcel for the entire fiscal year is less than 20 gallons per day. In lieu of water consumption data, the Chief Engineer may consider other forms of proof that demonstrate the parcel was unoccupied for the entire year.
- (c) Evaluation of Application. The Chief Engineer will use the parcel's average daily water consumption as determined in Section 3.04 to determine the number of billable sewage units attributable to the parcel for each fiscal year for which the application was submitted.
1. Occupied Parcels. If the WCF for the fiscal year for which the rebate application was submitted is determined to be less than 1.0, then the number of billable sewage units attributable to the parcel will be recalculated pursuant to Section 3.04.
  2. Unoccupied Parcels. For commercial/institutional parcels that were unoccupied for the entire fiscal year, there will be no revision to the WCF and the number of billable sewage units will be equal to 1.0. For residential parcels that were unoccupied for the entire fiscal year, there will be no revision to the WCF and the number of billable sewage units will be based on the estimated flow for an apartment.
- (d) Recalculation of Service Charge. If the WCF is less than 1.0 or if the parcel was unoccupied for the entire fiscal year, then the service charge due for the fiscal year for which the application was filed will be recalculated using the billable sewage units determined pursuant to Section 3.06(3)(c), and the service charge rate that was in effect for the fiscal year for which the rebate application was submitted, pursuant to Section 3.02. The rebate amount will be equal to the difference between amounts already paid for the fiscal year for which the rebate application was submitted and the charge recalculated pursuant to this Section 3.06(3).
1. If the difference is positive, a rebate will be issued to the party who made the service charge payment in this amount plus interest pursuant to Section 3.07.

2. If the difference is negative, a charge in this amount is still outstanding. The Chief Engineer will prepare a corrected tax bill or revised invoice as appropriate for this amount, plus any penalties and interest, pursuant to Section 4.02.

(4) Reduced Charges.

- (a) If a complete application is filed for a rebate for the most recently-ended fiscal year or for a reduced charge for the current and future fiscal years, and the WCF for that parcel is determined to be less than 1.0, then:

1. The WCF for that parcel will be equal to the WCF determined based on the verifiable water consumption records, or the assumed water consumption determined pursuant to Section 3.04(4)(a), provided with the application; and
2. A reduced charge for the current fiscal year and future fiscal years will be calculated using the WCF, and the WCF for that parcel will remain in effect as determined in Section 3.06(4)(c); and
3. The Chief Engineer will determine whether to reimburse monies (if a service charge has been paid) or issue a corrected invoice for any reduced charge.

- (b) Effective Date of Reduced Charge. Any reduction to the WCF will become effective as of the date the completed application was received by the District.

- (c) Duration of Reduced Charge.

1. Residential Uses. For parcels classified as single-family homes or condominiums, any reduction to the WCF based upon a successful demonstration will remain in effect until there is a change in the ownership of the parcel or until the Chief Engineer determines that the water consumption of the parcel no longer meets the established criteria.

2. Commercial or Institutional Uses. For parcels classified as commercial or institutional, any reduction to the WCF based upon a successful demonstration will remain in effect for one fiscal year, subject to the provisions below.

- A. Standard 5-Year Lock-In Upon submission of three consecutive fiscal years of verifiable water data, the District shall determine the average daily water consumption for each of the three years. The three-year average will be equal to the mean of the average daily water consumptions for the three individual years. If the average daily water consumption for each of the individual years is within 25% of the three-year average, then the reduced WCF duration will be for a period of 5 years (a standard "lock in" as described below).

- B. Year to Year. If the owner of a parcel has not submitted three consecutive years of water data, or the average daily water consumption in each of the three individual years is not within 25%



of the three-year average, or if the owner of the parcel makes an election to opt-out pursuant to Section 3.06(4)(c)2F, then the WCF will be calculated based on the average daily water consumption of the most recently-ended fiscal year and the duration of the reduction to the WCF will be one fiscal year.

- C. Renewals. At the end of any lock-in period, the owner of a commercial/institutional parcel may apply for a renewal by submitting verifiable water consumption data. Any reduction to the WCF based upon a successful demonstration will be effective for a duration as determined in Sections 3.06(4)(c)2A and C.
- D. Failure to Submit. For the owner of a commercial/institutional parcel with a standard 5-year lock-in or a phased lock-in who is applying for a renewal, failure to submit the required three years of water consumption data is equivalent to making an election to opt-out pursuant to Section 3.06(4)(c)2F.
- E. Lock-In Opt-Out. At the time the owner of a parcel qualifies for a five-year lock-in pursuant to Section 3.06(4)(c)2A, whether as a first time application for rebate or reduced charge, as a renewal pursuant to Section 3.06(4)(c)2C, or upon three annual submittals of the most recent fiscal year of verifiable water consumption records, the owner may elect in writing to opt-out of the lock-in and instead elect year-to-year renewals and submit verifiable water consumption records annually.
- F. Significant Change In Business Operation - Demonstration. If the owner of a locked-in parcel is able to demonstrate that a significant change in business operation has reduced water consumption by more than 25% below the three-year average daily water consumption used to calculate the reduced WCF, then the WCF may be re-established prior to the expiration of the five year period. Verifiable water consumption records for the most recently-ended fiscal year must be provided for the demonstration. Once the WCF has been re-established, the duration will be one year and the owner must submit verifiable water consumption records annually for each recently-ended fiscal year to be used in a recalculation of the WCF until three consecutive fiscal years of verifiable water consumption records representing the changed business operations have been submitted, at which time the standard lock-in criteria will apply.
- G. Audit. If the Chief Engineer becomes aware that a locked-in parcel has increased water consumption by more than 25% above the three-year average daily water consumption used to calculate the locked-in WCF, then the Chief Engineer may request current verifiable water consumption records for the most recently-ended fiscal year and re-establish the WCF prior to the expiration of the five-year period.

### SECTION 3.07 – INTEREST

- (1) Interest at the greater of 3 percent per annum or the Los Angeles County Pooled Apportionment Rate will be paid on any refund made pursuant to Section 3.05 from the date the original service charge payment was made.
- (2) Interest at the Los Angeles County Pooled Apportionment Rate will be paid on any rebate made pursuant to Section 3.06 from the date a completed application for rebate was received by the District.

### SECTION 3.08 – VERIFICATION AND AUDIT

- (1) The owner of a parcel shall provide reasonable access to the Chief Engineer to inspect facilities in order to verify each user category and the unit of usage for each category assigned to the parcel. If the owner fails to provide reasonable access, the Chief Engineer will assign a user category and unit of usage to the parcel that will result in the highest reasonable charge to be collected from the parcel owner. The parcel will not be eligible for reclassification or reduction until access is provided to the Chief Engineer for verification of the parcel information.
- (2) For parcels with a WCF less than 1.0, if there is a change in ownership, a change in the number of billable sewage units attributable to the parcel because of a change in user categories or the number of units of usage on the parcel, or the Chief Engineer determines that the water consumption of the parcel no longer meets the established criteria, then the WCF will be re-set equal to 1.0 in the following fiscal year. The owner of a parcel that is receiving a reduced charge shall provide, upon written request of the Chief Engineer, the verifiable water consumption records for the parcel for the most recently-ended fiscal year. If the owner of the parcel fails to provide verifiable water consumption records demonstrating continued qualifying low usage within 60 days of the written request, then the WCF will be equal to 1.0 in the following fiscal year.
- (3) Penalty. The falsification of an application for a rebate or reduced charge is a misdemeanor, punishable as provided by law. In addition, any person who falsifies an application for a rebate or reduced charge shall be civilly liable to the District in the maximum sum provided by law.

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## **PART IV - COLLECTION OF SERVICE CHARGES**

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### SECTION 4.01 – COLLECTION ON TAX ROLL

The District may elect to have service charges placed on the tax roll and collected in the same manner, by the same persons, and at the same time as, together with and not separately from, the ad valorem taxes collected by the County of Los Angeles pursuant to Article XIII A of the California Constitution.

The election will be by ordinance or resolution approved by a two-thirds vote of the members of the Board of Directors and will continue for the time specified in the ordinance or resolution. If no time is specified, collection of the charges on the tax roll will be authorized until the ordinance or resolution is repealed or until a change is made in the service charge rate.

SECTION 4.02 – COLLECTION BY DIRECT BILL

The District will directly bill the owner of any parcel for which service charges are due but have not been placed on the tax roll.

All directly billed service charges are due and payable upon serving a notice of charges. Notice of charges will be served by first class mail, postage prepaid or by any other procedures that will reasonably assure receipt. Unpaid service charges will become delinquent 45 days after mailing or personally serving the notice of charges.

A basic penalty of one percent of the original unpaid amount will be added to any charge for each day payment for the charge is delinquent. This basic penalty will not exceed ten percent. Additional penalties and interest will accrue on the total of all delinquent charges and the basic penalty at three percent over the prime interest rate in effect at the beginning of fiscal year during which the charges were initially due, not to exceed the maximum allowed by law. The Chief Engineer is authorized to institute proceedings for collection of delinquent charges and may prosecute civil actions to enforce the provisions of this Ordinance.

An administrative charge will be added to the original service charge in the event a check tendered for payment is not honored for payment. The Chief Engineer will 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.

SECTION 4.03 – MANNER OF PAYMENT

The Chief Engineer will determine the manner in which service charges may be paid. If a manner of payment requires the District to pay a transaction fee, the parcel owner shall pay the transaction fee to the District as an additional charge.

ATTEST:

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Clerk, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

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Chairperson, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Secretary of the Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

**AN ORDINANCE PRESCRIBING FEES FOR THE PRIVILEGE OF CONNECTING ANY PARCEL OR INDUSTRIAL OPERATION WITHIN THE BOUNDARIES OF NEWHALL RANCH SANITATION DISTRICT 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 OR INDUSTRIAL OPERATION WITHIN THE DISTRICT, AND PROVIDING FOR THE COLLECTION OF THOSE CHARGES.**

**THE BOARD OF DIRECTORS OF NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

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- Section 2.09 – Domestic Wastewater
- Section 2.10 – Facility
- Section 2.11 – Industrial Operation
- Section 2.12 – Industrial Wastewater

- Section 2.13 – Local Agency
- Section 2.14 – Local Governmental Facility
- Section 2.15 – Master Service Charge Ordinance
- Section 2.16 – Next Anticipated Configuration
- Section 2.17 – Notice of Charges
- Section 2.18 – Parcel
- Section 2.19 – Person
- Section 2.20 – Prime Interest Rate
- Section 2.21 – Service of Notice of Charges
- Section 2.22 – Sewerage System
- Section 2.23 – Suspended Solids
- Section 2.24 – Temporary Projects
- Section 2.25 – Unit of Usage
- Section 2.26 – User Category
- Section 2.27 – Wastewater
- Section 2.28 – Wastewater Ordinance

**PART III -- FEES**

- Section 3.01 – Imposition of Connection Fees
- Section 3.02 – Calculation of the Connection Fee
- Section 3.03 – Determination of the Connection Fee Rate
- Section 3.04 – Calculation of the Number of Capacity Units
- Section 3.05 – Determination of the Number of Baseline Capacity Units
- Section 3.06 – Election to Demonstrate
- Section 3.07 – Temporary Projects
- Section 3.08 – Industrial Operation Relocation Credits

**PART IV -- COLLECTION AND PAYMENT**

- Section 4.01 – Collection and Payment of Connection Fee
- Section 4.02 – Penalty and Interest Charges for Delinquent Connection Fee Payment
- Section 4.03 – Fee for Returned Checks
- Section 4.04 – Manner of Payment

**PART V -- FUNDS**

- Section 5.01 – Disposition of Funds

Section 5.02 – Capital Improvement Fund

Section 5.03 – Authorization to Loan Funds

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## **PART I - GENERAL PROVISIONS**

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### **SECTION 1.01 -- SHORT TITLE**

This Ordinance will be known as the *Master Connection Fee Ordinance of Newhall Ranch Sanitation District of Los Angeles County*.

### **SECTION 1.02 -- PURPOSE**

The purpose of this Ordinance is to impose fees for the privilege of connecting facilities to the sewerage system or for the privilege of increasing the strength or quantity of wastewater discharged from connected facilities, and to provide for the collection of those fees. Revenue derived under this Ordinance will be used for expansion of the District's capital facilities and to fund loans as provided for in this Ordinance.

### **SECTION 1.03 -- AUTHORITY**

The District is empowered to fix fees or charges for the privilege of connecting directly or indirectly to the sewerage system and to prescribe, revise, and collect fees, tolls, rates, rentals, or other charges for services and facilities furnished by the District pursuant to California Health & Safety Code section 5471.

### **SECTION 1.04 -- ADDITIONAL REVENUE**

The revenue derived under this Ordinance will 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, bond revenue, contract revenue, investment income, annexation fees, service charges, and wastewater treatment surcharges imposed under the Wastewater Ordinance.

### **SECTION 1.05 -- ADMINISTRATION**

The Chief Engineer shall administer, implement, and enforce the provisions of this Ordinance.

### **SECTION 1.06 -- VALIDITY**

If any court holds that any part, section, subsection, paragraph, sentence, clause or phrase of this Ordinance is held invalid or unconstitutional for any reason, that decision will 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 -- RESERVED**

This section is reserved.

### **SECTION 1.08 -- EFFECTIVE DATE**

This Ordinance will become effective 30 days after its adoption.

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## **PART II – DEFINITIONS**

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This Ordinance will be construed according to the following definitions:

### **SECTION 2.01 -- ADDED BURDEN**

An added burden means the actual or anticipated number of capacity units attributable to a parcel or industrial operation in excess of its baseline capacity units.

### **SECTION 2.02 – BASELINE CAPACITY UNITS**

Baseline capacity units means the number of capacity units that the District attributes to a parcel or industrial operation in accordance with Section 3.05.

### **SECTION 2.03 -- BOARD OF DIRECTORS**

Board of Directors means the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County.

### **SECTION 2.04 -- CAPACITY UNIT**

Capacity unit means the estimated burden in terms of capacity that a typical single-family residential dwelling unit places on the sewerage system based on flow, chemical oxygen demand, and suspended solids.

### **SECTION 2.05 -- CHIEF ENGINEER**

Chief Engineer means the Chief Engineer and General Manager of Newhall Ranch Sanitation District of Los Angeles County or his/her designee.

### **SECTION 2.06 -- COD OR CHEMICAL OXYGEN DEMAND**

COD or chemical oxygen demand means 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 2.07 – DISCHARGER**

Discharger means any person responsible for the payment of a connection fee for an industrial operation.

### **SECTION 2.08 -- DISTRICT**

District means Newhall Ranch Sanitation District of Los Angeles County.

### **SECTION 2.09 -- DOMESTIC WASTEWATER**



Domestic wastewater means the water-carried wastes produced from non-industrial activities and that result from normal living processes, irrespective of where these wastes are discharged to the sewerage system.

#### SECTION 2.10 – FACILITY

Facility means an improvement on or to be located on a parcel that discharges or will discharge wastewater directly or indirectly to the sewerage system.

#### SECTION 2.11 – INDUSTRIAL OPERATION

Industrial operation means any activity that generates industrial wastewater, whether located on one or multiple parcels, that is discharged or will be discharged directly or indirectly to the sewerage system, and that has obtained or is required to obtain an industrial wastewater discharge permit as provided in the Wastewater Ordinance.

#### SECTION 2.12 -- INDUSTRIAL WASTEWATER

Industrial wastewater means all of the community's liquid-carried wastes, excluding domestic wastewater, rainwater, groundwater, stormwater, and drainage of contaminated and uncontaminated water, directly or indirectly discharged to the District's sewerage system. Industrial wastewater may include wastewater from any industrial operation, including manufacturing, processing, producing, institutional, commercial, agricultural, or other operations containing significant quantities of wastes of nonhuman origin. All liquid wastes hauled by truck, rail, or another means for disposal to the sewer will constitute industrial wastewater regardless of the original source of the wastes. Hauled domestic wastewater is included in the category of industrial wastewater. Wastewater discharges from the following sources, when accepted into the sewerage system by the Chief Engineer, will constitute industrial wastewater under this Ordinance: rainwater, groundwater, stormwater, or contaminated and uncontaminated water.

#### SECTION 2.13 -- LOCAL AGENCY

Local agency means any governmental entity that is not a state, federal, or international governmental entity, or subsidiary or agency thereof. Local agency includes the County of Los Angeles; a city, whether general law or chartered; a school district; a municipal corporation; a district; or any board, commission, or agency thereof.

#### SECTION 2.14 -- LOCAL GOVERNMENTAL FACILITY

Local governmental facility means any facility that is: a) owned by a local agency; b) located on a parcel that is entirely within the District; c) not required to pay wastewater treatment surcharges under the Wastewater Ordinance; d) used solely for governmental as opposed to proprietary functions; and e) dedicated to uses that directly benefit the public in general as opposed to a single class or classes of individuals.

#### SECTION 2.15 -- MASTER SERVICE CHARGE ORDINANCE

Master Service Charge Ordinance means the most recent version of the *Master Service Charge Ordinance of Newhall Ranch Sanitation District of Los Angeles County* adopted by the Board of Directors.

## SECTION 2.16 -- NEXT ANTICIPATED CONFIGURATION

Next anticipated configuration means:

- (1) The District's existing sewers and pumping facilities, and
- (2) The District's treatment facilities, including all associated effluent management facilities, that will exist following its next planned expansion.

## SECTION 2.17 -- NOTICE OF CHARGES

Notice of charges means a written statement by the Chief Engineer setting forth the amount of the connection fee, including any penalties, interest, and additional charges, due pursuant to this Ordinance.

## SECTION 2.18 -- PARCEL

Parcel means any area of land contained within a single legal description that is shown on maps prepared and filed by the Assessor's Office of the county in which the land is located.

## SECTION 2.19 -- PERSON

Person means any individual, sole proprietorship, partnership, limited liability company, limited liability partnership, corporation, committee, association, local agency, public entity (including the State of California and the United States of America and all agencies thereof), or any other organization or group of persons, public or private.

## SECTION 2.20 -- PRIME INTEREST RATE

Prime interest rate means 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* or, if not reported in that newspaper, as reported in another source selected by the Chief Engineer.

## SECTION 2.21 -- SERVICE OF NOTICE OF CHARGES

Service of notice of charges means delivery of a notice of charges in person or by first class or certified mail addressed to the address last known to the Chief Engineer. Service of notice of charges made by mail will be complete at the time of deposit, postage prepaid, in a facility regularly serviced by the U.S. Postal Service.

## SECTION 2.22 -- SEWERAGE SYSTEM

Sewerage system means the whole or any part of the network of wastewater collection, conveyance, treatment, and disposal facilities that are either owned in whole or in part by the District or used by the District pursuant to contract.

## SECTION 2.23 -- SUSPENDED SOLIDS

Suspended solids means 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 2.24 – TEMPORARY PROJECT

Temporary project means a project that will not place an added burden on the sewerage system for more than five years. Temporary projects may include groundwater clean-up projects, water clean-up technology demonstration projects, construction dewatering, periodic maintenance of water storage and conveyance facilities, well development, hydrotesting, water and sewer line cleaning and slope stabilization projects

## SECTION 2.25 -- UNIT OF USAGE

Unit of usage means the basic unit of measure (e.g., dwelling unit, square footage) that quantifies the degree of use of a particular facility located on or to be located on a parcel. The square footage of a facility will be based upon the gross exterior dimensions of the structure.

## SECTION 2.26 -- USER CATEGORY

User category means the specific classification of a facility that characterizes its use (e.g., single-family residential dwelling unit, restaurant).

## SECTION 2.27 -- WASTEWATER

Wastewater means the community's liquid-carried wastes including all its constituents and residues discharged directly or indirectly to the District's sewerage system. Wastewater includes domestic and industrial wastewater but does not include rainwater, groundwater, stormwater, or drainage or other water unless otherwise provided for in Section 2.12 of this Ordinance.

## SECTION 2.28 -- WASTEWATER ORDINANCE

Wastewater Ordinance means the *Wastewater Ordinance* 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, November 1, 1989, and July 1, 1998 and as thereafter amended.

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## **PART III – FEES**

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### SECTION 3.01 -- IMPOSITION OF CONNECTION FEES

Any person imposing an added burden on the sewerage system shall pay a connection fee to the District, except for the following:

- (1) An existing industrial operation placing an added burden of 25% or less; or
- (2) A local governmental facility.

### SECTION 3.02 – CALCULATION OF THE CONNECTION FEE

The connection fee shall equal the product of the rate determined in accordance with Section 3.03 and the added burden placed on the sewerage system.

### SECTION 3.03 -- DETERMINATION OF THE CONNECTION FEE RATE

The Chief Engineer shall determine the capital improvement component, the cash reserve component, and the operational cost component, and then calculate the connection fee rate all as described below.

- (1) Capital Improvement Component: The Chief Engineer shall determine the total capital cost required to construct an incremental expansion of the sewerage system of the next anticipated configuration for the fiscal year in which the connection fee rate is to become effective. In addition, the Chief Engineer shall determine the number of capacity units that can be accommodated by the incremental expansion, and then divide the former value by the latter value. The resulting value will be known as the capital improvement component.
- (2) Cash Reserve Component: The Chief Engineer shall also determine the amount of the cash reserves that will be available on July 1 for the fiscal year in which the connection fee rate is to become effective. This amount will be divided by the total number of existing sewage units in the District as determined in accordance with the Master Service Charge Ordinance. The resulting value will be converted into dollars per capacity unit on the basis that one sewage unit is equivalent to one capacity unit and will be known as the cash reserve component.
- (3) Operational Cost Component: The service charge rate adopted by the Board of Directors pursuant to the Master Service Charge Ordinance for the fiscal year in which the connection fee rate is to become effective will be converted into dollars per capacity unit on the basis that one sewage unit is equivalent to one capacity unit. The resulting value will be known as the operational cost component.
- (4) Calculation of Connection Fee Rate:
  - (a) Standard Connection Fee Rate: For persons imposing an added burden on the sewerage system who are not subject to the requirement of the Wastewater Ordinance to pay wastewater treatment surcharges, the connection fee rate will equal to the sum of the capital improvement component, the cash reserve component, and the operational cost component. The Board of Directors will from time to time adopt this connection fee rate.
  - (b) Rate for Surcharge Payers: For persons imposing an added burden on the sewerage system who are subject to the requirement of the Wastewater Ordinance to pay wastewater treatment surcharges, the connection fee rate will equal the sum of the capital improvement component and the cash reserve component.

SECTION 3.04 -- CALCULATION OF THE NUMBER OF CAPACITY UNITS

- (1) The number of capacity units (CU) attributable to a parcel or industrial operation will be determined by the following formula:

$$CU = X \left( \frac{FLOW_c}{FLOW_{sfh}} \right) + Y \left( \frac{COD_c}{COD_{sfh}} \right) + Z \left( \frac{SS_c}{SS_{sfh}} \right)$$

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 that 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 that 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 that is attributable to suspended solids
- FLOW<sub>sfn</sub> = Average flow of wastewater from a single-family residential dwelling unit in gallons per day
- COD<sub>sfn</sub> = Average loading of COD in the wastewater from a single-family residential dwelling unit in pounds per day
- SS<sub>sfn</sub> = Average loading of suspended solids in the wastewater from a single-family residential dwelling unit in pounds per day
- FLOW<sub>c</sub> = Actual or anticipated flow of wastewater, in gallons per day, that will enter the sewerage system from the parcel or industrial operation
- COD<sub>c</sub> = Actual or anticipated loading of COD, in pounds per day, that will enter the sewerage system from the parcel or industrial operation
- SS<sub>c</sub> = Actual or anticipated loading of suspended solids, in pounds per day, that will enter the sewerage system from the parcel or industrial operation

The Board of Directors shall periodically adopt the values for X, Y, Z, FLOW<sub>sfn</sub>, COD<sub>sfn</sub>, and SS<sub>sfn</sub>.

- (2) For the purpose of determining the number of capacity units attributable to a parcel other than an industrial operation, the Board of Directors will, from time to time, adopt a list of user categories and associated mean loadings per unit of usage for each user category. Using the adopted list of user categories, the Chief Engineer shall determine the user category that best represents the actual or anticipated use of the parcel or facilities on the parcel. If the Chief Engineer determines that a parcel has multiple facilities or uses for which no single user category accurately represents the actual or intended uses or facilities on that parcel, the Chief Engineer may assign multiple user categories to that parcel. The Chief Engineer shall then determine the number of units of usage corresponding to the user categories of the uses or facilities existing or anticipated to exist on the parcel. Using the applicable user categories, the associated mean loadings, and the units of usage, the Chief Engineer shall then determine the estimated flow, COD, and suspended solids loadings for the parcel.

- (3) For the purpose of determining the number of capacity units attributable to an industrial operation, the flow, COD, suspended solids and domestic wastewater loadings will be based on the following:
  - (a) For new industrial operations, information contained in the Permit for Industrial Wastewater Discharge as defined in the Wastewater Ordinance, or
  - (b) For existing industrial operations, information contained in the discharger's current or audited surcharge statement or in its approved revised Permit for Industrial Wastewater Discharge, or other credible information, including the District's monitoring data.

The Chief Engineer may, at any time after connection, monitor the actual flow, COD, and suspended solids discharged by an industrial operation. If a discrepancy exists between the measured and reported quantities of flow, COD, and suspended solids, the determination of the appropriate connection fee shall be based on the amount of the measured quantities.

#### SECTION 3.05 – DETERMINATION OF THE NUMBER OF BASELINE CAPACITY UNITS

- (1) The number of baseline capacity units attributable to a commercial or an industrial operation will be as follows:
  - (a) The number of capacity units for which connection fees have been paid; and
  - (b) The first Facility designated on a parcel, as approved by the District's Connection Fee Counter prior to initial discharge.
- (2) The number of baseline capacity units attributable to a parcel that does not include a commercial or an industrial operation will be as follows:
  - (a) The number of capacity units for which connection fees have been paid; and
  - (b) The first Facility designated on the parcel, as shown on the final recorded Tract Map.

#### SECTION 3.06 – ELECTION TO DEMONSTRATE

Industrial operations that discharge more than one million gallons per year or that have greater than average industrial wastewater strengths may elect to demonstrate a reduction under this section. If the number of capacity units attributable to such an industrial operation increases by more than 25%, an election may be made to demonstrate that changed circumstances or conditions, including operational modifications, conservation, or pretreatment, will reduce the number of capacity units attributable to that industrial operation to an increase of 25% or less.

Election and Collateral Requirements. An election to demonstrate a reduction must be made in writing to the Chief Engineer within 45 days of service of notice of charges. For entities or persons other than local agencies, the election to demonstrate must be accompanied by collateral in the form of a cash deposit, a surety bond, a perpetual standby letter of credit, an 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.

Optional Non-Refundable Deposit. A nonrefundable deposit of a portion of the connection fee may be made at the commencement of the demonstration period. 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 payable at the end of the demonstration period. Collateral requirements shall then be determined based on the balance of the connection fee.

Demonstration Period. The period in which a reduction may be demonstrated shall be the next full fiscal year, July 1 through June 30, inclusive, following the written election to demonstrate. The demonstration period may be postponed to the subsequent fiscal year if a request for postponement is made in writing before the start of the original demonstration period. Requests for postponement must be accompanied by both 1) a nonrefundable payment of five percent of the billed connection fee, and 2) the collateral provided above. No capacity units shall be attributable to the industrial operation as a result of the nonrefundable payment.

The Chief Engineer may allow the twelve-month demonstration period to 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 required reduction has been demonstrated. Capacity units associated with a nonrefundable deposit shall not be considered in determining whether the required reduction has been demonstrated.

Successful Demonstration. Upon demonstrating to the reasonable satisfaction of the Chief Engineer that the added burden has been reduced to a 25% or less increase:

- (1) The collateral will be returned; and
- (2) Any capacity units associated with the nonrefundable deposit shall be added to the baseline for the industrial operation.

Unsuccessful Demonstration. 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 added burden during the demonstration period, less any capacity units associated with a nonrefundable deposit. The connection fee shall be based on the connection fee rate then in effect. Unless an election to make a supplemental demonstration is made, the connection fee shall be 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 4.02. The Chief Engineer shall apply the collateral to all delinquent charges, including penalties and interest.

Supplemental Demonstration. If the required reduction has not been demonstrated, 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 collateral as provided above. Dischargers electing to make supplemental demonstrations must

make a nonrefundable payment of 5% 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 industrial operation as a result of this payment.

Effect of Bankruptcy Filing. If a discharger files for bankruptcy protection during a demonstration period, the demonstration shall be immediately voided, and all collateral (except any nonrefundable payments) shall be refunded.

### SECTION 3.07 – TEMPORARY PROJECTS

- (1) In lieu of a connection fee, the Chief Engineer may allow the person responsible for the temporary project to pay an annual capital usage fee at the beginning of each year or part of a year for which the project is connected directly or indirectly to the sewerage system, not to exceed five years.
- (2) The annual capital usage fee will be equal to 2.5% of the connection fee that would have been due for the added burden estimated to be imposed on the sewerage system in that year. A capital usage fee must be paid in advance and in full on an annual basis, and will not be subject to offset, refund, reduction, or proration. Failure to make advance payment by the date shown on the notice of charges will result in immediate revocation of the industrial wastewater discharge permit without further notice.
- (3) No temporary project will be eligible for the election described in Section 3.06.
- (4) In the event that any temporary project for which a capital usage 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 capital usage fees for the project.

### SECTION 3.08 – INDUSTRIAL OPERATION RELOCATION CREDITS

The Chief Engineer shall allow a relocation credit when an established industrial operation relocates to a different parcel within the District if:

- (1) Essentially the same industrial operation is relocated to the new parcel;
- (2) The Chief Engineer determines that there is adequate hydraulic capacity to accommodate the discharge associated with the relocated industrial operation and that the relocation does not impose an added burden on the sewerage system;
- (3) The industrial operation being relocated actively discharged from the parcel to the sewerage system for a twelve consecutive month period before the relocation;
- (4) The Chief Engineer determines that the industrial operation is being relocated for a business purpose other than effectuating a transfer of capacity units; and



- (5) The person relocating the industrial operation is one of the following:
- (a) The same person responsible for the establishment of the capacity units for the industrial operation;
  - (b) The successor-in-interest to the person responsible for the establishment of the capacity units for the industrial operation;
  - (c) The owner of a parcel where an industrial operation responsible for the establishment of the capacity units has ceased and who subsequently establishes a new industrial operation on that parcel (for at least twelve consecutive months); or
  - (d) The tenant or lessee of a parcel where an industrial operation responsible for the establishment of the capacity units has ceased and who subsequently establishes a new industrial 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 industrial operation was relocated shall retain at least the number of capacity units attributable to the user category "dry manufacturing." Relocation credits applied for by persons described in Subsections (5)(c) and (d) above, shall not exceed four times the average number of capacity units that the industrial 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 industrial operation before the relocation had the industrial operation been located in the District.

If the discharge from an industrial operation for 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, penalties, and interest on the industrial operation that was allowed the relocation credit. Relocation credits shall not be allowed when a facility has been abandoned for more than six months and a subsequent industrial operation has initiated a wastewater discharge from the facility.

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## **PART IV – COLLECTION AND PAYMENT**

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### **SECTION 4.01 -- COLLECTION AND PAYMENT OF CONNECTION FEE**

- (1) Connection fees payable by persons responsible for industrial operations are due upon service of notice of charges. Connection fees payable by other persons must be paid before an added burden, as that term is defined in Section 2.01, 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, a person responsible for an industrial operation that has not elected to demonstrate a reduction under Section 3.06 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 twenty years for local agencies and six years for all other persons responsible for an industrial operation. Upon making such an election,

the Chief Engineer shall prepare a written payment schedule. The payment schedule will set forth each monthly payment, and must be signed and agreed to by the discharger.

- (a) Payment schedules of three years or less will bear 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.
  - (b) Payment schedules of greater than three years will bear interest on the unpaid balance at three 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) 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 4.02 will accrue on delinquent installment payments. Upon default in the payment of any monthly installment, the entire connection fee, penalties, and interest shall become immediately due. Capacity units associated with the principal portion of the connection fee will be attributed to the industrial operation only upon full payment of the entire installment payment obligation, including the principal amount of the connection fee, accrued interest, and penalties. If the industrial operation closes or terminates discharge during the installment payment period, the Chief Engineer will attribute to the industrial operation only the capacity units associated with the principal portion of the payments received by the District. Connection fees and installment payment must 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 4.02 -- PENALTY AND INTEREST CHARGES FOR DELINQUENT CONNECTION FEE PAYMENT

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

SECTION 4.03 -- FEE FOR RETURNED CHECKS

The Chief Engineer shall add an administrative charge to the connection fee if a check tendered for payment is returned or dishonored. The administrative charge will be in the amount of the District's added cost in processing returned or dishonored checks, as determined by the Chief Engineer, up to the maximum amount allowed by law.

SECTION 4.04 – MANNER OF PAYMENT

The Chief Engineer shall determine the manner in which connection fees may be paid. If a manner of payment requires the District to pay a transaction fee, the parcel owner shall pay the transaction fee to the District as an additional charge.

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**PART V – FUNDS**

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SECTION 5.01 -- DISPOSITION OF FUNDS

Connection fee revenue will be divided into two parts, the capital improvement portion and the operational cost portion. The capital improvement portion will 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 will be deposited into the capital improvement fund pursuant to Section 5.02. The remainder of the fee, the operational cost portion, will be deposited into the District's Operating Fund.

SECTION 5.02 -- CAPITAL IMPROVEMENT FUND

The District shall establish a fund known as the "Capital Improvement Fund." The capital improvement portion of the connection fee revenue shall be deposited into the Capital Improvement Fund. Capital Improvement Fund monies shall be used only for expansion of the District's sewerage system, except those funds loaned pursuant to Section 5.03.

SECTION 5.03 – AUTHORIZATION TO LOAN FUNDS

In addition to other forms of investments permitted under the District's investment policy, the Chief Engineer is authorized, pursuant to Government Code Section 66013, to make inter-fund loans from the Capital Improvement Fund to the District's Operating Fund provided that:

- (1) The Capital Improvement Fund retains sufficient monies to timely undertake necessary expansion-related capital projects; and
- (2) Any loan made pursuant to this section will be for a term of not to exceed 15 years at an interest rate equal to the District's Composite Interest Rate on invested funds as of the date of the loan.

ATTEST:

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Clerk, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

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Chairperson, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Secretary of the Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

**AN ORDINANCE PRESCRIBING THE SERVICE CHARGE RATE  
AND MEAN LOADINGS PER UNIT OF USAGE FOR  
NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY,  
AND PROVIDING FOR THE COLLECTION OF SUCH  
CHARGES ON THE TAX ROLL**

**THE BOARD OF DIRECTORS OF NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

**SECTION 1.0 - USER CATEGORIES AND MEAN LOADINGS**

Pursuant to Section 3.04(1) of the Master Service Charge Ordinance of Newhall Ranch Sanitation District of Los Angeles County, the following shall constitute the user categories and mean loadings per unit of usage for flow, chemical oxygen demand (COD), and suspended solids:

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SUSPENDED SOLIDS (Pounds per Day)</u>
<b>RESIDENTIAL</b>				
Single Family Home	Dwelling Unit	260	1.22	0.59
Condominiums	Dwelling Unit	195	0.92	0.44
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
<b>COMMERCIAL</b>				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft <sup>2</sup>	100	0.43	0.23
Supermarket	1000 ft <sup>2</sup>	150	2.00	1.00
Shopping Center	1000 ft <sup>2</sup>	325	3.00	1.17
Regional Mall	1000 ft <sup>2</sup>	150	2.10	0.77
Office Building	1000 ft <sup>2</sup>	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft <sup>2</sup>	300	1.29	0.68
Restaurant	1000 ft <sup>2</sup>	1,000	16.68	5.00
Indoor Theatre	1000 ft <sup>2</sup>	125	0.54	0.28
Car Wash				
Tunnel - No Recycling	1000 ft <sup>2</sup>	3,700	15.86	8.33
Tunnel - Recycling	1000 ft <sup>2</sup>	2,700	11.74	6.16
Wand	1000 ft <sup>2</sup>	700	3.00	1.58
Bank, Credit Union	1000 ft <sup>2</sup>	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft <sup>2</sup>	100	0.43	0.23
Animal Kennels	1000 ft <sup>2</sup>	100	0.43	0.23
Gas Station	1000 ft <sup>2</sup>	100	0.43	0.23
Auto Sales	1000 ft <sup>2</sup>	100	0.43	0.23
Wholesale Outlet	1000 ft <sup>2</sup>	100	0.43	0.23
Nursery/Greenhouse	1000 ft <sup>2</sup>	25	0.11	0.06

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SUSPENDED SOLIDS (Pounds per Day)</u>
<b>COMMERCIAL</b>				
Manufacturing	1000 ft <sup>2</sup>	200	1.86	0.70
Light Manufacturing	1000 ft <sup>2</sup>	25	0.23	0.09
Lumber Yard	1000 ft <sup>2</sup>	25	0.23	0.09
Warehousing	1000 ft <sup>2</sup>	25	0.23	0.09
Open Storage	1000 ft <sup>2</sup>	25	0.23	0.09
Drive-in Theatre	1000 ft <sup>2</sup>	20	0.09	0.05
Night Club	1000 ft <sup>2</sup>	350	1.50	0.79
Bowling/Skating	1000 ft <sup>2</sup>	150	1.76	0.55
Club & Lodge Halls	1000 ft <sup>2</sup>	125	0.54	0.27
Auditorium, Amusement	1000 ft <sup>2</sup>	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1000 ft <sup>2</sup>	100	0.43	0.23
Campground, Marina, Recreational Vehicle Park	Sites, Slips, or Spaces	55	0.34	0.14
Convalescent Home	Bed	125	0.54	0.28
Horse Stables	Stalls	25	0.23	0.09
Laundromat	1000 ft <sup>2</sup>	3,825	16.40	8.61
Mortuary, Funeral Home	1000 ft <sup>2</sup>	100	1.33	0.67
Health Spa, Gymnasium				
With Showers	1000 ft <sup>2</sup>	600	2.58	1.35
Without Showers	1000 ft <sup>2</sup>	300	1.29	0.68
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
<b>INSTITUTIONAL</b>				
College/University	Student	20	0.09	0.05
Private School	1000 ft <sup>2</sup>	200	0.86	0.45
Library, Museum	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Local)	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Regional)	1000 ft <sup>2</sup>	25	0.23	0.09
Church	1000 ft <sup>2</sup>	50	0.21	0.11

## SECTION 2.0 - COST ALLOCATION FACTORS

Pursuant to Section 3.04(3) of the Master Service Charge Ordinance of Newhall Ranch Sanitation District of Los Angeles County, the proportions of the total operation and maintenance and net capital costs required for conveyance, treatment, and disposal of wastewater for the fiscal year which are attributable to flow, COD, and suspended solids, designated as A, B, and C, respectively, shall be:

$$A = 0.2798 \qquad B = 0.3239 \qquad C = 0.3963$$

**SECTION 3.0 - SERVICE CHARGE RATE**

Pursuant to Section 3.03(1) of the Master Service Charge Ordinance, the following, to be effective on the dates given, shall constitute the annual Service Charge Rate per sewage unit:

<u>January 1, 2020</u>	<u>July 1, 2020</u>	<u>July 1, 2021</u>	<u>July 1, 2022</u>
\$637.50	\$656.60	\$676.30	\$696.60

**SECTION 4.0 - COLLECTION ON THE TAX ROLL**

Pursuant to Section 5473 of the California Health and Safety Code, the District elects to have the service charge imposed pursuant to Sections 3.01 through 3.08 of the Master Service Charge Ordinance of Newhall Ranch Sanitation District of Los Angeles County collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, the ad valorem taxes collected by the County of Los Angeles.

**SECTION 5.0 - 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 6.0 - EFFECTIVE DATE**

This Ordinance shall become effective 30 days after adoption.

ATTEST:

\_\_\_\_\_  
 Clerk, Board of Directors  
 Newhall Ranch Sanitation District  
 of Los Angeles County

\_\_\_\_\_  
 Chairperson, Board of Directors  
 Newhall Ranch Sanitation District  
 of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
 Secretary of the Board of Directors  
 Newhall Ranch Sanitation District  
 of Los Angeles County

**AN ORDINANCE PRESCRIBING INDUSTRIAL WASTEWATER  
SURCHARGE RATES FOR NEWHALL RANCH SANITATION  
DISTRICT OF LOS ANGELES COUNTY**

**THE BOARD OF DIRECTORS OF NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

**SECTION 1.0 - WASTEWATER SURCHARGE RATES**

(a) Pursuant to Section 410 of the Wastewater Ordinance of Newhall Ranch Sanitation District of Los Angeles County, the Industrial Wastewater Surcharge Rates are as follows:

<u>PARAMETER</u>	<u>January 1, 2020</u>	<u>July 1, 2020</u>	<u>July 1, 2021</u>	<u>July 1, 2022</u>
Flow (a)	\$2,441.50/MG	\$2,514.70/MG	\$2,590.10/MG	\$2,667.80/MG
COD (b)	\$ 556.50/10 <sup>3</sup> lbs	\$ 573.20/10 <sup>3</sup> lbs	\$ 590.40/10 <sup>3</sup> lbs	\$ 608.10/10 <sup>3</sup> lbs
SS (c)	\$1,367.40/10 <sup>3</sup> lbs	\$1,408.40/10 <sup>3</sup> lbs	\$1,450.70/10 <sup>3</sup> lbs	\$1,494.20/10 <sup>3</sup> lbs
Peak (d)	\$ 345.30/gpm	\$ 355.70/gpm	\$ 366.40/gpm	\$ 377.40/gpm
Short Form Rate	\$8,266.80/MG	\$8,514.80/MG	\$8,770.20/MG	\$9,033.30/MG

(b) To further the use of reclaimed water, the District's Chief Engineer may establish a credit to be applied to an industrial discharger's wastewater surcharge obligation for the chemical oxygen demand present in reclaimed water utilized by that industrial discharger that originated at a water reclamation plant owned or operated by any of the County Sanitation Districts of Los Angeles County.

**SECTION 2.0 - EFFECTIVE DATE**

This Ordinance shall become effective 30 days after its adoption.

ATTEST:

\_\_\_\_\_  
Clerk, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

\_\_\_\_\_  
Chairperson, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Secretary of the Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County



**AN ORDINANCE PRESCRIBING THE CONNECTION FEE RATE  
AND MEAN LOADINGS PER UNIT OF USAGE FOR  
NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY**

**THE BOARD OF DIRECTORS OF NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

**SECTION 1.0 - USER CATEGORIES AND MEAN LOADINGS**

Pursuant to Section 3.04(2) of the Master Connection Fee Ordinance of Newhall Ranch Sanitation District of Los Angeles County, the following shall constitute the user categories and mean loadings per unit of usage for flow, chemical oxygen demand (COD), and suspended solids:

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SUSPENDED SOLIDS (Pounds per Day)</u>
<b>RESIDENTIAL</b>				
Single Family Home	Dwelling Unit	260	1.22	0.59
Condominiums	Dwelling Unit	195	0.92	0.44
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
<b>COMMERCIAL</b>				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft <sup>2</sup>	100	0.43	0.23
Supermarket	1000 ft <sup>2</sup>	150	2.00	1.00
Shopping Center	1000 ft <sup>2</sup>	325	3.00	1.17
Regional Mall	1000 ft <sup>2</sup>	150	2.10	0.77
Office Building	1000 ft <sup>2</sup>	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft <sup>2</sup>	300	1.29	0.68
Restaurant	1000 ft <sup>2</sup>	1,000	16.68	5.00
Indoor Theatre	1000 ft <sup>2</sup>	125	0.54	0.28
Car Wash				
Tunnel - No Recycling	1000 ft <sup>2</sup>	3,700	15.86	8.33
Tunnel - Recycling	1000 ft <sup>2</sup>	2,700	11.74	6.16
Wand	1000 ft <sup>2</sup>	700	3.00	1.58
Bank, Credit Union	1000 ft <sup>2</sup>	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft <sup>2</sup>	100	0.43	0.23
Animal Kennels	1000 ft <sup>2</sup>	100	0.43	0.23
Gas Station	1000 ft <sup>2</sup>	100	0.43	0.23
Auto Sales	1000 ft <sup>2</sup>	100	0.43	0.23
Wholesale Outlet	1000 ft <sup>2</sup>	100	0.43	0.23
Nursery/Greenhouse	1000 ft <sup>2</sup>	25	0.11	0.06
Manufacturing	1000 ft <sup>2</sup>	200	1.86	0.70
Light Manufacturing	1000 ft <sup>2</sup>	25	0.23	0.09
Lumber Yard	1000 ft <sup>2</sup>	25	0.23	0.09
Warehousing	1000 ft <sup>2</sup>	25	0.23	0.09
Open Storage	1000 ft <sup>2</sup>	25	0.23	0.09
Drive-in Theatre	1000 ft <sup>2</sup>	20	0.09	0.05
Night Club	1000 ft <sup>2</sup>	350	1.50	0.79
Bowling/Skating	1000 ft <sup>2</sup>	150	1.76	0.55
Club & Lodge Halls	1000 ft <sup>2</sup>	125	0.54	0.27
Auditorium, Amusement	1000 ft <sup>2</sup>	350	1.50	0.79

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW (Gallons per Day)</u>	<u>COD (Pounds per Day)</u>	<u>SUSPENDED SOLIDS (Pounds per Day)</u>
<b>COMMERCIAL</b>				
Golf Course and Park (Structures and Improvements)	1000 ft <sup>2</sup>	100	0.43	0.23
Campground, Marina, Recreational Vehicle Park	Sites, Slips, or Spaces	55	0.34	0.14
Convalescent Home	Bed	125	0.54	0.28
Horse Stables	Stalls	25	0.23	0.09
Laundromat	1000 ft <sup>2</sup>	3,825	16.40	8.61
Mortuary, Funeral Home	1000 ft <sup>2</sup>	100	1.33	0.67
Health Spa, Gymnasium				
With Showers	1000 ft <sup>2</sup>	600	2.58	1.35
Without Showers	1000 ft <sup>2</sup>	300	1.29	0.68
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
<b>INSTITUTIONAL</b>				
College/University	Student	20	0.09	0.05
Private School	1000 ft <sup>2</sup>	200	0.86	0.45
Library, Museum	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Local)	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Regional)	1000 ft <sup>2</sup>	25	0.23	0.09
Church	1000 ft <sup>2</sup>	50	0.21	0.11

## SECTION 2.0 - CONNECTION FEE RATE

Pursuant to Section 3.03 of the Master Connection Fee Ordinance of Newhall Ranch Sanitation District of Los Angeles County, the following, to be effective on the dates given, shall constitute the Connection Fee Rate per capacity unit:

January 1, 2020

\$9,410

## SECTION 3.0 - COST ALLOCATION FACTORS

Pursuant to Section 3.04(1) of the Master Connection Fee Ordinance of Newhall Ranch Sanitation District of Los Angeles County, the proportions 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 are attributable to flow, COD, and suspended solids, designated as X, Y, and Z, respectively, to be effective on the dates given, shall be:

X = 0.5498

Y = 0.1849

Z = 0.2653

## SECTION 4.0 - 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 5.0 - EFFECTIVE DATE**

This Ordinance shall become effective 30 days after its adoption.

ATTEST:

\_\_\_\_\_  
Clerk, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

\_\_\_\_\_  
Chairperson, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Secretary of the Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

**AN ORDINANCE PRESCRIBING FEES FOR THE ANNEXATION OF TERRITORY TO  
NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY**

**THE BOARD OF DIRECTORS OF NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

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**PART I - GENERAL PROVISIONS**

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SECTION 1.01 – SHORT TITLE

This Ordinance shall be known as the *Master Annexation Fee Ordinance of Newhall Ranch Sanitation District of Los Angeles County*.

SECTION 1.02 – PURPOSE

The purpose of this Ordinance is to recover the District's cost of furnishing administrative services for the annexation of territory to the District, and to provide for the collection and transfer of annexation fees imposed by other agencies.

SECTION 1.03 – AUTHORITY

The District is empowered to prescribe, revise, and collect fees, tolls, rates, rentals, or other charges for services and facilities furnished by it in connection with its sewerage system pursuant to Health & Safety Code §5471.

SECTION 1.04 – ADMINISTRATION

The Chief Engineer shall administer, implement, and enforce the provisions of this Ordinance.

SECTION 1.05 – VALIDITY

If any court holds any part, section, subsection, paragraph, sentence, clause or phrase of this Ordinance to be invalid or unconstitutional for any reason, 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 1.06 – EFFECTIVE DATE

This Ordinance shall become effective thirty days after its adoption.

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## PART II – DEFINITIONS

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This Ordinance shall be construed according to the following definitions:

### SECTION 2.01 – ACT

Act shall mean the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§56000 *et seq.*) and as thereafter amended.

### SECTION 2.02 – AGENCY FEES

Agency fees shall mean fees and charges imposed by LAFCO pursuant to Government Code §56383, by the SBE pursuant to Government Code § 54902.5, and any other fees and charges imposed by other public agencies that the Chief Engineer may from time to time determine are necessary or convenient for the District to collect in connection with annexation applications.

### SECTION 2.03 – ANNEXATION FEE RATE ORDINANCE

Annexation Fee Rate Ordinance shall mean the most recent version of *An Ordinance Prescribing the Annexation Fee Rate for Newhall Ranch Sanitation District of Los Angeles County* adopted by the Board of Directors.

### SECTION 2.04 – BOARD OF DIRECTORS

Board of Directors shall mean the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County.

### SECTION 2.05 – CHIEF ENGINEER

Chief Engineer shall mean the Chief Engineer and General Manager of Newhall Ranch Sanitation District of Los Angeles County or his/her designee.

### SECTION 2.06 – CONTIGUOUS PARCEL AREA

Contiguous parcel area shall mean “single area” of contiguous parcels, as that term is used by the SBE in calculating fees.

### SECTION 2.07 – DISTRICT

District shall mean Newhall Ranch Sanitation District of Los Angeles County.

### SECTION 2.08 – DISTRICT FEE

District fee shall mean that portion of the annexation fee imposed by the District pursuant to Government Code §66014 to recover the District’s cost of furnishing administrative services for the annexation of territory to the District.

### SECTION 2.09 – LAFCO

LAFCO shall mean the Local Agency Formation Commission of Los Angeles County or any successor agency thereto.

## SECTION 2.10 – PARCEL

Parcel shall mean any area of land contained within a single legal description and as shown on maps prepared and filed by the Assessor's Office of the county in which the land is located.

## SECTION 2.11 – SBE

SBE shall mean the State Board of Equalization or any successor agency thereto.

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## **PART III – FEES**

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### SECTION 3.01 – IMPOSITION OF ANNEXATION FEE

The owner of each parcel requesting or petitioning for annexation to the District shall pay an annexation fee.

### SECTION 3.02 – CALCULATION OF THE ANNEXATION FEE

- (1) The annexation fee shall be the sum of the District fee and any Agency fees not directly paid to LAFCO by the applicant.
- (2) The District fee shall be based on the combined gross acreage of all parcels included in a single application for annexation to the District, whether or not the parcels are contiguous.
- (3) Agency fees shall be determined in accordance with the procedures established by each local or state agency imposing a charge to complete the annexation.
- (4) The portion of the annexation fee attributable to a given parcel that is part of a single application shall be equal to the sum of:
  - (a) the District fee and the LAFCO fee multiplied by the ratio of the acreage of the parcel to the total acreage of all of the parcels included in the application; and
  - (b) the SBE fee for the contiguous parcel area in which the parcel is located, multiplied by the ratio of the acreage of the parcel to the total acreage of the contiguous parcel area; and
  - (c) for additional parcels added to an existing annexation application pursuant to Section 3.05, any costs incurred by the District to amend the existing annexation application.

### SECTION 3.03 – DETERMINATION OF THE DISTRICT FEE RATE

The Chief Engineer shall periodically determine the amount of the District fee by dividing the District's total cost of processing and completing applications for annexations during a representative period of time by the combined gross acreage of all the parcels annexed to the District over that time. The Chief Engineer shall adopt classifications of parcels according to size to account for any additional costs or cost savings occasioned during the annexation process for different-sized annexations. The resulting values shall be known as the District fee rates and shall be adopted periodically by the Board of Directors in the Annexation Fee Rate Ordinance.

### SECTION 3.04 – DISPOSITION OF ANNEXATION FEE

The portion of the annexation fee payment attributable to the District fee shall be deposited into the District's Operating Fund. Following the Board of Directors' approval of the resolution of application, the portion of the annexation fee payment attributable to any Agency fees shall be submitted to LAFCO together with the application for annexation.

### SECTION 3.05 – ADDITIONAL PARCELS

Additional parcels may be added to an existing annexation application if (a) the additional parcel is within 0.5 miles of any of the parcels included in the existing annexation application, and (b) tax sharing resolutions have not been submitted to other agencies.

### SECTION 3.06 – REFUNDS

- (1) In the event that an annexation application is terminated pursuant to the terms of Section 4.01, the Chief Engineer shall estimate the costs of District services provided prior to the date of termination and refund any excess annexation fees paid.
- (2) In the event that the annexation fee deposit is in excess of the final annexation fee due pursuant to Section 3.02, the Chief Engineer shall refund the difference in accordance with District policy.
- (3) Refunds shall be issued to the owner(s) of record at the time the refund is paid.
- (4) Refunds shall not accrue interest during the time the District is processing the annexation application or determining the amount of any refund.

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## **PART IV – TERMINATION OF APPLICATION**

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### SECTION 4.01 – TERMINATION

An application for annexation shall be terminated if:

- (1) The annexation proceedings are not complete in accordance with the provisions of the Act within five years of submitting the initial application, or
- (2) The applicant withdraws the application.

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## **PART V – PAYMENT OF ANNEXATION FEES**

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### SECTION 5.01 – PAYMENT OF ANNEXATION FEE DEPOSIT

An annexation fee deposit is due and payable at the time a request for annexation is made to the District. The annexation fee deposit amount shall be based on the estimated acreages of the parcels proposed for annexation and calculated pursuant to Section 3.02 using the District fee and the Agency fees then in effect. The annexation fee deposit 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 90601-1415, or by mailing the appropriate payment to the County Sanitation Districts of Los Angeles County, P.O. Box 4998, Whittier, California 90607-4998.

SECTION 5.02 – DETERMINATION OF FINAL ANNEXATION FEE

- (1) For annexations in which the owner of a parcel has requested that the District adopt a resolution of application pursuant to Part 3, Chapter 1 of the Act, the Chief Engineer shall recalculate the annexation fee at the time the Board of Directors considers the resolution of application. The final annexation fee shall be based on the total acreages determined by the Chief Engineer and calculated pursuant to Section 3.02 using the District fee and Agency fees in effect as of the date the request is considered by the Board of Directors.

If the final annexation fee is greater than the annexation fee deposit, the owner of each parcel seeking annexation shall pay the difference before the Board of Directors considers the resolution of application.

If the final annexation fee is less than the annexation fee deposit, the District shall refund the difference to the owner of each parcel pursuant to Section 3.06.

- (2) For annexations in which the owner of each parcel has directly petitioned LAFCO pursuant to Part 3, Chapter 2 of the Act and LAFCO has requested the District’s assistance in preparing the necessary application, the Chief Engineer shall calculate the final annexation fee at the time LAFCO makes its request. The final annexation fee shall be based on the total acreages determined by the Chief Engineer and calculated pursuant to Section 3.02 using the annexation fee rates in effect when LAFCO made its request. The owner of each parcel shall pay this amount before the District commences work on the application.

SECTION 5.03 – ADMINISTRATIVE CHARGES

The Chief Engineer shall add an administrative charge to the annexation fee in the event a check tendered for payment is not honored. The Chief Engineer shall establish the amount of the 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.

SECTION 5.04 – MANNER OF PAYMENT

The Chief Engineer shall determine the manner in which annexation fees may be paid. If a manner of payment requires the District to pay a transaction fee, the parcel owner shall pay the transaction fee to the District as an additional charge.

ATTEST:

\_\_\_\_\_  
Clerk, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

\_\_\_\_\_  
Chairperson, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of Newhall Ranch Sanitation District  
Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Secretary, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

**AN ORDINANCE PRESCRIBING THE ANNEXATION FEE RATES FOR  
NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY**

**THE BOARD OF DIRECTORS OF NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

**SECTION 1.0 – DISTRICT FEE RATES**

Pursuant to Section 3.03 of the Master Annexation Fee Ordinance of Newhall Ranch Sanitation District of Los Angeles County, the following shall constitute the District fee rates:

<u>Size of Annexation</u>	<u>District Fee Rate</u>
≤ 1.5 acres	\$1,450
> 1.5 acres but ≤ 5.0 acres	\$1,950
> 5.0 acres but ≤ 20.0 acres	\$ 390 per acre
> 20.0 acres	\$7,800 plus \$75 for each acre over 20.0 acres (a fraction of an acre shall be counted as one acre)

**SECTION 2.0 – AGENCY FEE RATES**

The Agency fee rates shall be those established by the Local Agency Formation Commission and the State Board of Equalization.

**SECTION 3.0 – EFFECTIVE DATE**

This Ordinance shall become effective thirty days after its adoption.

ATTEST:

\_\_\_\_\_  
Clerk, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

\_\_\_\_\_  
Chairperson, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Secretary, Board of Directors  
Newhall Ranch Sanitation District  
of Los Angeles County

## OPERATING COSTS AGREEMENT AFTER FIRST CONNECTION

This Operating Costs Agreement After First Connection (“**Agreement**”) is dated December 10, 2019, (“**Effective Date**”) and is between **NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY**, a county sanitation district organized and existing pursuant to the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.* (“**NRSD**”), and **THE NEWHALL LAND AND FARMING COMPANY** (A CALIFORNIA LIMITED PARTNERSHIP), a California limited partnership (“**Newhall**”). Newhall and NRSD are each a “**Party**” and together are the “**Parties.**”

A. Newhall has commenced construction of a new development pursuant to the Newhall Ranch Specific Plan (the “**Newhall Development**”).

B. On January 9, 2002, Newhall and County Sanitation Districts Nos. 26 and 32 of Los Angeles County (which Districts later merged to become the Santa Clarita Valley Sanitation District or “**SCVSD**”) entered into an *Agreement Regarding a Plan for the Coordination of Wastewater Management Facilities Relating to the Newhall Ranch Specific Plan Development* (“**Interconnection Agreement**”).

C. The Interconnection Agreement required Newhall to design, fund, and construct a wastewater conveyance, treatment, and disposal system (“**NRSD Sewer Facilities**”) to serve the Newhall Development, including the initial stage of the Newhall Ranch Water Reclamation Plant (“**NRWRP**”) in exchange for, among other things, temporary wastewater service from the SCVSD during the Newhall Development’s start-up stage. The Interconnection Agreement requires Newhall to transfer to NRSD certain completed portions of the NRSD Sewer Facilities, including the NRWRP. Newhall’s construction of the initial 2 million gallons per day stage of the NRWRP shall mitigate its obligation to pay connection fees for the first 6,000 Capacity Units connected to the NRWRP.

D. On December 12, 2017, NRSD and SCVSD (together, the “**Districts**”) entered into a *Joint Sewerage Services Agreement* (“**JSSA**”), which established that sewage from portions of each District may gravity flow to the other District’s water reclamation plant when it is in the best interest of the Districts, and allocates ownership, maintenance responsibilities, and cost-allocation for shared facilities, including shared trunk sewers. The JSSA also provides conditions under which (a) the SCVSD may obtain long-term use of the NRWRP, and (b) NRSD may utilize SCVSD facilities for wastewater treatment prior to and potentially after the NRWRP’s construction, as contemplated in the Interconnection Agreement. The JSSA supersedes various portions of the Interconnection Agreement and assigns most of SCVSD’s interests, rights and obligations in the Interconnection Agreement to NRSD. Newhall consented to the terms of the JSSA in a consent letter executed November 16, 2017.

E. The Interconnection Agreement also requires Newhall to pay NRSD for all costs related to operating NRSD (called “**Operating Costs**” and defined more fully herein) until NRSD begins collecting user fees adequate to fund its ongoing obligations. Section 5.1.A.1.b of the JSSA also requires that Newhall and NRSD execute two operating costs agreements pertaining to the initial management expenses of the NRSD Sewerage System: (1) a first agreement to cover operating costs prior to any connections, and (2) a second agreement to cover operating costs subsequent to connection. This Agreement is the second agreement.

F. On or about December 12, 2017, NRSD and Newhall entered into an *Operating Costs Agreement Prior to Connection* (the “**First Agreement**”). The First Agreement satisfied the condition set forth in Section 5.1.A.1.b.1 of the JSSA.

G. On March 26, 2019, at a duly noticed meeting of the NRSD Board of Directors, NRSD approved and adopted the Newhall Ranch Sanitation District Engineer’s Report pursuant to Health and Safety Code section 4748, in order to establish an overview of recommended NRSD sewerage facilities, including estimated costs and a plan for financing development. Specifically, the Engineer’s report projects the quantity of wastewater to be managed and the required facilities for conveyance, treatment, and disposal of Newhall Development wastewater. The Engineer’s Report also presents preliminary estimates of connection fees and sewer service charges that would be established for users of NRSD Sewer Facilities. The Parties anticipate that construction of a portion of the NRSD Sewer Facilities (including treatment facilities) may be financed by a community facilities district pursuant to a separate community facilities agreement.

H. The Parties intend by this Agreement to provide for Newhall’s payment to NRSD of an Operating Costs “subsidy” from the time the first parcel in the Newhall Development is connected to the sewerage system until NRSD is financially self-sustaining, and Newhall’s payment to NRSD of JSSA-related connection fee amounts required to discharge from the Newhall Development into the SCVSD sewerage system.

The Parties therefore agree as follows:

1. SCOPE.

A. Operating and JSSA Costs Only. This Agreement relates solely to (1) Newhall’s payments to NRSD for the purpose of subsidizing NRSD’s Operating Costs (including reasonable reserves) after first connection, and (2) Newhall’s payment of NRSD’s JSSA Costs.

i. “**Operating Costs**” means all costs of NRSD, except for Capital Costs, including but not limited to: all administrative, financial (including reserve funding), planning, sampling, laboratory analysis, regulatory reporting, overhead, consultant, maintenance costs [including costs incurred for the operation and maintenance of trunk sewers, pump stations

(including temporary pump stations)], start up, operation, maintenance and testing costs of the NRWRP during the Demonstration Period, and legal fees and costs.

ii. **“JSSA Costs”** means costs paid to be paid by either NRSD or SCVSD to the other district pursuant to the terms of the JSSA, and includes annexation fees and connection fees payable by NRSD to SCVSD for temporary or permanent cross-boundary flow.

B. No Terms Regarding Construction. The Parties anticipate executing one or more separate agreement(s) relating to construction, inspection, design, and permitting of the NRWRP and other NRSD facilities. This Agreement does not govern those costs.

C. Terms Regarding Demonstration Period. Sections 5.2 and 5.5 of the JSSA provide that Newhall must operate and maintain the NRWRP for 12 months (the **“Demonstration Period”**) in substantial compliance with all permits required for river discharge (a **“Successful Demonstration”**) before NRSD may cease discharging to the SCVSD sewerage facilities. NRWRP routine operating and maintenance costs will count toward the \$6 million (Six Million Dollar) cap described in Section 2.H. Plant startup and testing costs and related corrective work during the Demonstration Period will not count toward the \$6 million cap described in Section 2.H.

2. **OPERATING FUND AND OPERATING COST SUBSIDY.** NRSD maintains an **“Operating Fund”** into which operating revenues are deposited and from which operating expenses are paid. As described above, Newhall shall pay all unmet Operating Costs of NRSD until NRSD begins collecting user fees adequate to fund NRSD’s ongoing operations. The amount payable by Newhall to NRSD for this purpose is the **“Operating Cost Subsidy.”**

A. Calculation of the Operating Cost Subsidy. The Operating Cost Subsidy, for any given month, will be calculated as follows: The total operating revenues, together with any excess operating revenues from past months, will be subtracted from the total operating expenses. If the total operating revenues, including excess operating revenues from past months, are more than the total operating expenses, then the Operating Cost Subsidy will be set to 0 and the difference between the operating revenue and expenses will be carried over to the subsequent month and added to the total operating revenue for that subsequent month. The Operating Costs Subsidy shall be zero until July 1 of the fiscal year wherein the total balance of the Operating Fund and Designated Reserve Funds drop below the Two-Year Projected Expenses, as defined in Paragraph E below.

B. Initial Deposit. On or before March 31, 2020, NRSD shall present Newhall with a current financial statement showing the balance in the Operating Fund. Promptly thereafter, but by no later than April 30, 2020, Newhall shall pay NRSD an initial lump sum payment sufficient to bring the Operating Fund balance to One Million Six Hundred Thousand Dollars (\$1.6 million) (this lump sum payment will be referred to as the **“Operating Fund**

**Deposit**”). NRSD shall deposit the Operating Fund Deposit into NRSD’s Operating Fund. Newhall shall thereafter replenish NRSD’s Operating Fund on a monthly basis beginning on July 1 of the fiscal year wherein the total balance of the Operating Fund and Designated Reserve Funds drop below the Two-Year Projected Expenses defined in Paragraph E below, and shall supplement the NRSD funds on an annual basis as described in Section 2.E. “**Designated Reserve Funds**” shall mean only the Operations and Maintenance Financial Stability Fund as described in the District’s Wastewater Financial Reserve Policy.

C. Use of Operating Fund. The Operating Fund shall only be used for operating expenses for the Newhall Development, and moneys in the Operating Fund shall not be used to support activities not related to the Newhall Development unless Newhall gives prior written consent.

D. Monthly Notice of Charges and Sewer Service Charge Revenues. Beginning April 30, 2020, within 45 days after the end of each month, NRSD shall provide Newhall with a notice of charges that calculates the Operating Cost Subsidy and details (a) the revenue (by source) and expenses of that month, (b) the total number of Capacity Units connected to the NRSD Sewer Facilities, and (c) the total fund balances maintained by NRSD for all reserve funds maintained under NRSD’s Wastewater Financial Reserve Policy. Upon Newhall’s request, NRSD shall furnish Newhall further information or documentation relating to the accounting of Operating Costs and/or Sewer Service Charges.

E. Annual Deposit Adjustment. On or before each July 1, NRSD adopts a budget reflecting the projected Operating Costs for the next Fiscal Year. On or before each January 1, Newhall will provide NRSD with an annual estimate of projected building permits. This information will be used to prepare financial projections by NRSD necessary for the budgeting process. Prior to presenting a final budget to NRSD’s Board, the Chief Engineer and General Manager (Chief Engineer) will provide Newhall with not less than 30 days to review and comment on NRSD’s projected operating expenses and revenues over the next two years which serve as the basis for the annual budget. The Annual Deposit Adjustment will be calculated by adding the projected annual operating expenses for the next two fiscal years (“**Two-Year Projected Expenses**”) and subtracting the projected total balance of the Operating Fund and Designated Reserves. In the event that the total balance in the Operating Fund and Designated Reserves is greater than the Two-Year Projected Expenses, the Annual Deposit Adjustment will be set to 0. The Two-Year Projected Expenses shall not include amounts necessary to populate any other reserve funds contemplated by NRSD’s Wastewater Financial Reserve Policy. Any transfer by NRSD of monies into reserve funds contemplated by NRSD’s Wastewater Financial Reserve Policy shall not impact Newhall’s obligation to pay only the Two-Year Projected Expenses. In other words, Newhall is not expected to populate any reserve fund other than the Operating Fund and Designated Reserve Funds for a two-year projection. After

approval of the final budget by NRSD's Board of Directors, Newhall shall pay NRSD within 30 days of written notice the Annual Deposit Adjustment.

F. Payment Terms; Service Charge & Interest.

i. *Replenishment.* Newhall shall not begin replenishing the Operating Fund until July 1 of the fiscal year where the total balance of the Operating Fund and Designated Reserve Funds drops below the Two-Year Projected Expenses. At that point, Newhall shall replenish the Operating Fund by paying each notice of charges in full within 45 days of receipt.

ii. *Delinquency; Service Charge & Interest.* Unpaid Operations Cost Subsidy and Annual Deposit Adjustment charges become delinquent 45 days after receipt of the notice of charges. NRSD shall assess a 10% service charge on unpaid balances that are more than 45 days past due. Interest will accrue at a rate of 0.5% per month on unpaid balances (including the service charge) that are more than 60 days past due.

iii. *Failure to Replenish Operating Fund.* If Newhall fails to pay unpaid Operations Cost Subsidy or Annual Deposit Adjustment charges within 90 days after receipt of a notice of charges, then Newhall will be in default of this Agreement and NRSD may borrow funds from the JSSA Reserve, described in Section 3.A, in an amount sufficient to cover the unpaid balance.

iv. *Collection Legal Action.* NRSD may commence an action in the Superior Court of Los Angeles County to collect any balances aged more than 120 days after the date of notice of charges. If NRSD prevails in an action, then Newhall shall pay all of NRSD's costs relating to collection of the past due balances, including court costs, attorney's fees, and expenses, which collection costs will be included in a notice of charges.

G. Rate Setting. NRSD shall review its Sewer Service Charge rates annually. NRSD shall make its best efforts to ensure that Sewer Service Charge rates are sufficient to sustainably cover NRSD's Operating Costs by the time of the Successful Demonstration (as defined in Section 1.C) of the NRWRP's operations. The Parties anticipate NRSD will make its best efforts to set rates in a manner consistent with the annual uniform increase provided in the Engineer's Report.

H. Cap on Aggregate Operating Cost Subsidy. Newhall's obligations to pay NRSD the Operating Cost Subsidy and Annual Deposit Adjustment under the terms of this Agreement will be limited to an aggregate amount of Six Million Dollars (\$6,000,000.00), inclusive of the Initial Deposit and the costs associated with operations and maintenance of the NRWRP as stated in Section 1.C. When Newhall's payments for the Operating Cost Subsidy under the terms of this Agreement total Five Million Dollars (\$5,000,000.00), NRSD and



Newhall shall meet and confer to evaluate whether any changes to the Operating Cost Subsidy approach should be revised.

I. Termination of First Operating Costs Agreement. Upon Newhall's deposit of the Operating Cost Deposit, as called for in Section 2.B, the First Agreement (as described in Recital F) shall be deemed terminated and of no further force or effect.

3. JSSA COSTS.

A. Initial Deposit. On or before March 31, 2020, Newhall shall pay the NRSD a lump sum amount of Two Million Dollars (\$2,000,000.00) as a deposit towards NRSD's JSSA Costs (the "**JSSA Costs Deposit**").<sup>1</sup> NRSD will place these funds in an interest-bearing restricted JSSA Reserve Fund (the "**JSSA Reserve**") and will draw from this reserve to pay required JSSA Costs to SCVSD pursuant to the terms of the JSSA. NRSD shall allow for parcels within the Newhall Development to connect to NRSD Sewer Facilities upon pre-payment of JSSA Costs provided sufficient funds exist in the JSSA Reserve. NRSD will not approve any parcel's sewer connection unless sufficient funds exist in the JSSA Reserve Fund to cover the JSSA Costs NRSD must send to SCVSD associated with that parcel. NRSD will provide monthly statements to Newhall regarding the amount of JSSA Costs paid to SCVSD and the remaining balance of the JSSA Reserve.

B. Replenishment. Newhall may add funds to the JSSA Reserve with periodic payments as it deems necessary to accommodate the connection of parcels that would be subject to JSSA Costs.

C. Reimbursement from NRSD. By no later than thirty (30) days after NRSD accepts the NRWRP, NRSD shall forward the entirety of any balance remaining in the JSSA Reserve Fund, including interest, to Newhall.

D. Reimbursement from SCVSD. After completion of the NRWRP, wastewater flows from the Newhall Development will be redirected from SCVSD to the NRWRP. At that time, NRSD will be owed a refund of JSSA Costs from SCVSD pursuant to Section 6.4 (E) of the JSSA. By no later than fifteen (15) days after wastewater flows are redirected from SCVSD to the NRWRP, NRSD shall submit a written request to SCVSD demanding payment within thirty (30) days of the refund owed under Section 6.4(E) of the JSSA. Any refund of JSSA Costs paid by SCVSD to NRSD that were paid by Newhall shall be forwarded to Newhall no later than 60 days after successful demonstration of the NRWRP. The

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<sup>1</sup> As of the Effective Date, this deposit amount would be sufficient to pre-pay approximately 363.6 Capacity Units at an SCVSD Connection Fee rate of \$5,500 per Capacity Unit. Newhall acknowledges that the SCVSD Connection Fee may change over time and that this calculation assumes the Connection Fee is the only JSSA Cost for this example.

refund amount paid by NRSD to Newhall shall be the entire refund payment contemplated by the JSSA, inclusive of the interest contemplated by the JSSA.

E. Assignment of Rights to Enforce JSSA Refund. If NRSD fails to enforce its rights pertaining to refund of the JSSA Costs within thirty (30) days after NRSD accepts the NRWRP, NRSD hereby assigns, and Newhall shall have the option to assume all of NRSD's interests and rights set forth in Section 6.4(E) of the JSSA. As a result of this assignment, if after thirty days following the completion of the NRWRP, Newhall is owed a refund of JSSA Costs, then Newhall may demand such refund directly from SCVSD pursuant to Section 6.4(E) of the JSSA at the time when wastewater flows are redirected from SCVSD to the NRWRP. As a result of this assignment, Newhall shall have the right to pursue payment of the refund of JSSA Costs directly from SCVSD if necessary.

F. Agreement Not to Amend JSSA. NRSD agrees that it shall not amend or rescind any portion of the JSSA in any manner that would negatively affect either NRSD or Newhall's rights to receive the refund of JSSA Costs contemplated by Section 6.4(E) of the JSSA.

#### 4. DURATION.

A. Newhall shall pay the Operating Cost Subsidy until both of the following occur:

i. NRSD's total balance in the Operating Fund and Designated Reserve Funds on July 1 equals a minimum of one year of operating expenses ("Reserves Funding Goals"); and

ii. the first of one of the following "**Terminating Conditions**" conditions occur:

a. 6,000 Capacity Units are connected to the NRSD sewer facilities;

b. fifteen (15) years elapse after the Effective Date of this Agreement; or

c. NRSD is financially self-sustaining, defined as when NRSD has received Sewer Service Charge revenues sufficient to cover annual operating expenses for at least two consecutive years.

B. Newhall's payment obligations under this Agreement will automatically terminate on July 1 the year after the first of any one of the Terminating Conditions is met, so

long as the Reserves Funding Goals are also met on or before July 1. For example, if 6,000 Capacity Units are connected to the NRSD Sewer Facilities by December 1, 2024, and the Reserves Funding Goals are fulfilled prior to July 1, 2025 for the 2025-2026 fiscal year, then Newhall's obligation to make any further Operating Cost Subsidy payments under this Agreement will end on July 1, 2025. If the Agreement terminates prior to the construction of 6,000 homes in the Newhall Development, then NRSD may refuse to connect additional homes without payment of applicable JSSA Costs.

5. INDEMNIFICATION. Newhall shall indemnify, defend, and hold harmless NRSD and the County Sanitation Districts of Los Angeles County, their directors, officers, employees, and assigns (collectively, the "**Indemnified Parties**"), from any and all claims, actions, demands, liabilities, losses, damages, injuries to person or property, costs and expenses, including without limitation reasonable attorneys' fees, expert fees, and court costs, fines, penalties, and administrative civil liabilities, whether foreseeable or unforeseeable, known or unknown, that arise out of or relate to the design, construction, planning, operation, or maintenance of the Newhall-led efforts to establish the NRSD sewerage system, the NRWRP, or any other facilities designed or constructed in whole or in part by Newhall or its agents, or any related environmental compliance or any environmental review under the California Environmental Quality Act, except to the extent caused by the negligence of the Indemnified Parties.

6. NOTICE. Any notice or payment under this Agreement will be deemed to have been received when personally delivered or upon deposit in the United States Mail or nationally-recognized overnight carrier, addressed as follows:

**To NRSD:**

Newhall Ranch Sanitation District of Los Angeles County  
1955 Workman Mill Road  
Whittier, CA 90601  
Attn: Financial Management Department Head  
with a courtesy copy by email to the Facilities Planning Department Head

**To Newhall:**

The Newhall Land and Farming Company  
(A California Limited Partnership)  
25124 Springfield Court, Suite 300  
Valencia, CA 91355  
Attn: Don Kimball

With a copy of any Default Notice to:

The Newhall Land and Farming Company (A California Limited Partnership)  
25124 Springfield Court, Suite 300  
Valencia, CA 91355  
Attn: Legal Notices

and

The Newhall Land and Farming Company  
c/o Five Point  
15131 Alton Parkway, 4th Floor  
Irvine, CA 92618  
Attn: Legal Notices

Any Party may change its notice address or contact person by delivering written notice to the other Party within ten calendar days prior to that change.

7. SEVERABILITY. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement will be given effect to the fullest extent reasonably possible.

8. SURVIVAL. The payment, refund, assignment, and indemnity provisions of this Agreement will survive any termination of this Agreement to the extent required to effectuate the purposes of this Agreement. If this Agreement is terminated as a result of the occurrence of Terminating Condition b or c, then Section 3 of this Agreement shall survive termination until the JSSA Costs are refunded to Newhall.

9. SATISFACTION OF JSSA CONDITION. Execution of this Agreement, together with the First Agreement, satisfy the conditions required by Section 5.1.A.1.b of the JSSA. In executing this Agreement, NRSD hereby certifies that Newhall has satisfied the condition required by Section 5.1.A.1.b of the JSSA. NRSD shall forward this Agreement to SCVSD, with a copy to Newhall, no later than thirty (30) days after final execution of this Agreement and request the Board's concurrence as to the satisfaction of those conditions.

10. SATISFACTION OF TAKEOVER AGREEMENT. Execution of this Agreement satisfies the requirement set forth in Paragraph 11 of the *Takeover Agreement for the Mission Village Temporary Pumping Plant and Force Main*, executed by and between the Parties on March 18, 2018, which obligated Newhall to provide NRSD with funds in an amount equal to the estimated cost of six months of operation and maintenance costs.

11. AMENDMENTS. This Agreement may be amended or modified only in writing executed by the authorized representatives of each of the Parties.

12. COOPERATION. The Parties shall cooperate and execute any further or additional documents which may be necessary to complete or further the terms of this Agreement. The District delegates to its Chief Engineer the authority to approve and execute on the District's behalf any documents necessary to complete or further the terms of this Agreement.

13. EXECUTION IN COUNTERPARTS. This Agreement may be executed in counterparts, each of which will be deemed an original. Newhall will execute this Agreement first.

14. ASSIGNMENT. Newhall may, in its sole discretion, assign its rights and obligations under this Agreement upon prior written notice to NRSD to any person(s) or entity/entities (i) controlling, controlled by or under common control with Newhall or Five Point Holdings, LLC (“Five Point”), (ii) in connection with a merger, consolidation, or other form of corporate reorganization of Newhall or Five Point (or any subsidiary or affiliate thereof), or (c) an entity which acquires all or substantially all of the assets or equity interests of Newhall or Five Point (or any subsidiary or affiliate thereof). No other assignment by Newhall will be permitted without the prior written consent of NRSD, which consent will not be unreasonably withheld.

15. CFD FINANCING. NRSD and Newhall acknowledge that Newhall intends to construct the NRSD Sewer Facilities either prior to or after the creation of a community facilities district (“CFD”) formed pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”) and nothing in this Agreement prevents Newhall from financing the NRSD Sewer Facilities using CFD bond proceeds or special taxes. Specific terms regarding funding the NRSD Sewer Facilities through a CFD shall be set forth in a separate agreement between NRSD and Newhall.

The Parties are signing this Agreement in duplicates as of the Effective Date.

*[Signatures on following page.]*

**THE NEWHALL LAND AND FARMING  
COMPANY (A CALIFORNIA LIMITED  
PARTNERSHIP), a California limited partnership**

By: NWHL GP LLC,  
a Delaware limited liability company, its  
General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**NEWHALL RANCH SANITATION DISTRICT  
OF LOS ANGELES COUNTY**

By: \_\_\_\_\_  
Chairperson, Board of Directors

**ATTEST:**

\_\_\_\_\_  
Secretary to the Board

**APPROVED AS TO FORM:**  
Lewis Brisbois Bisgaard & Smith LLP

By: \_\_\_\_\_  
District Counsel

## PROPERTY ACQUISITION AGREEMENT

(Newhall Ranch Water Reclamation Plant Site And Utility Corridor Easement)

This Property Acquisition Agreement (“**Agreement**”) is dated December 10, 2019, (the “**Effective Date**”) and is between **NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY**, a county sanitation district organized and existing pursuant to the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.* (the “**District**”), and **THE NEWHALL LAND AND FARMING COMPANY (A CALIFORNIA LIMITED PARTNERSHIP)**, a California limited partnership (“**Newhall**”). The District and Newhall may be referred to individually as a “**Party**” and together as the “**Parties**.”

A. As contemplated by the *Agreement Between County Sanitation Districts Nos. 26 and 32 of Los Angeles County and The Newhall Land and Farming Company Regarding a Plan for the Coordination of Wastewater Management Facilities Relating to The Newhall Ranch Specific Plan Development* dated as of January 9, 2002, by and between the Santa Clarita Valley Sanitation District of Los Angeles County (“**SCVSD**”) (formerly County Sanitation Districts Nos. 26 and 32 of Los Angeles County) and Newhall, and commonly known as the “**Interconnection Agreement**,” the District was created to serve a new development of real property identified in the Newhall Ranch Specific Plan (the “**Newhall Development**”).

B. The Interconnection Agreement, together with the *Joint Sewerage Services Agreement* between the District and SCVSD dated December 12, 2017 (the “**JSSA**”), which superseded portions of the Interconnection Agreement, as consented to by Newhall under the *Consent to the Joint Sewerage Services Agreement* dated November 16, 2017, require that Newhall build the initial phase of a wastewater treatment facility to be known as the Newhall Ranch Water Reclamation Plant (“**NRWRP**”) on approximately 21.5 acres of land owned by Newhall in unincorporated territory of the County of Los Angeles, California, in the approximate location depicted on **Exhibit A** (“**NRWRP Site**”), and that Newhall and the District enter into an agreement establishing the terms and conditions under which Newhall will convey to the District the NRWRP Site for the NRWRP, as well as for possible future NRWRP expansion (including expansion funded by SCVSD subject to Section 5.6 of the JSSA).

C. On March 26, 2019, the District approved and adopted the Newhall Ranch Sanitation District Engineer’s Report pursuant to California Health and Safety Code Section 4748, in order to establish an overview of recommended District sewerage facilities, including estimated costs, a plan for financing development of the NRWRP, the projected quantity of wastewater to be managed by the District, the required facilities for conveyance, treatment, and disposal of Newhall Development wastewater, and preliminary estimates of connection fees and sewer service charges that would be established for users of the District’s sewerage system.

D. The Newhall Ranch Main Trunk Sewer (“**Newhall Main Trunk**”) will be constructed by Newhall to accommodate the flows generated within the Newhall Development.

The Newhall Main Trunk will be constructed within a utility corridor that is currently being designed by Newhall. The County of Los Angeles, in connection with the approvals it granted for Mission Village and Landmark Village, included Condition No. 58 to Mission Village VTTM No. 61105, and identical conditions in the Mission Village CUP Condition No. 76, Landmark Village VTTM Condition No. 52 and Landmark Village CUP Condition No. 89 (collectively referred to as the “**Utility Corridor Condition**”) which provides in pertinent part as follows: “Prior to obtaining its first building permit in Newhall Ranch ... the subdivider or designee shall grant any necessary easement(s) acceptable to the Santa Clarita Valley Sanitation District and the Newhall Ranch Sanitation District for use of the corridor to facilitate the construction and operation of the Newhall Ranch WRP.” The easements referred to in the Utility Corridor Condition are collectively called the “**Utility Corridor Easement(s)**.” The NRWRP Site and the Utility Corridor Easement area are sometimes referred to as the “**Property**.”

E. In order to fulfill the requirements of the Interconnection Agreement, the JSSA, and the Utility Corridor Condition, the parties intend that Newhall irrevocably dedicate to the District the NRWRP Site and the Utility Corridor Easement(s), in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

1. **Construction of NRWRP.** Newhall shall construct, or cause to be constructed, at least the initial 2 million gallons per day stage of the NRWRP in accordance with the requirements of the Interconnection Agreement. The Parties will enter into a separate agreement regarding the necessary studies that may lead to a change in the rated capacity and treatment plant design details.

2. **Irrevocable Offer of Dedication.** On or before July 1, 2020, Newhall shall execute, acknowledge, and record in the Official Records of Los Angeles County, California, an Irrevocable Offer to Dedicate (“**IOD**”) the Utility Corridor Easement and fee title to the NRWRP Site, at no cost to the District (subject to Sections 3.F. and 9 below), in a form approved by District Counsel and Newhall counsel.

3. **Terms and Conditions of the IOD.** The IOD must contain the following provisions:

A. **Duration of IOD.** The IOD will be irrevocable by Newhall and will remain outstanding for a term of 30 years from the date of its recordation, until accepted or otherwise terminated in accordance with its terms.

B. **Exceptions and Reservations.** The District shall accept the NRWRP Site dedication and the Utility Corridor Easement subject to title exceptions and reservations as outlined in this Agreement and the IOD. The IOD shall reserve for the following easements in,



on, over, under, or through the NRWRP Site (collectively, “**Reserved Easements**”) for the benefit of Newhall and its successors and assigns, together with the right to grant and transfer all or a portion of the same as provided below:

i. easements necessary for or in connection with the construction and/or operation of the NRWRP, including the construction, operation, maintenance, repair, inspection and removal of permitted brine disposal well facilities (collectively, the “**NRWRP Construction Easements**”);

ii. easements for the installation, maintenance, repair and/or replacement of utility, flood control and/or drainage conveyance facilities and improvements, including reasonable access to the NRWRP Site for such purposes, for the benefit of property outside of the NRWRP Site that do not unreasonably interfere with District operations on the NRWRP Site (collectively, the “**Utility Easements**”);

iii. reasonable access easements to allow for construction, maintenance, repair and/or replacement of slope/flood control improvements off of and adjacent to the NRWRP Site (collectively, “**Slope Easements**”); and

iv. easements for construction access and/or staging for construction activities adjacent to or near the NRWRP Site (collectively, the “**Construction Staging Easements**”).

In furtherance of the foregoing Reserved Easements, the District shall execute such further documents, instruments, covenants and agreements (which may include a separate grant or grants of easement and/or one or more covenant and agreements required by the County in connection with grading) reasonably requested by any public or private utility provider or providers in connection with the grading, use, transfer or dedication of any portion of the easement area and/or the acceptance of the facilities located therein, using the standard form then-used by such utility provider or providers in the County of Los Angeles.

C. IOD Terms. The IOD must contain, but will not be limited to, the following provisions regarding the manner in which the NRWRP Site may be accepted by the District:

i. The District will not accept the NRWRP Site prior to July 1, 2025, unless Newhall has completed all work to construct and has successfully demonstrated the operation of the NRWRP as described in §5.2 of the JSSA.

ii. The District may accept the NRWRP Site after July 1, 2025, subject to the Reserved Easements. The District will not construct or allow SCVSD to construct any facility on the NRWRP Site until the site has been graded and flood control structures are

constructed. The Parties will work in good faith to co-locate facilities provided that the District will ensure that any construction by the District or SCVSD will not interfere with or substantially increase the costs to construct the NRWRP facilities to be constructed on the NRWRP site intended to serve the Newhall Development. Any increased cost to construct the NRWRP facilities caused by the District or SCVSD as a result of the District's co-location of facilities will be paid for by the District promptly following Newhall's request. To that end, the District shall collaborate with Newhall regarding the proposed plans to develop the NRWRP Site, including submitting plans to Newhall for review reasonably in advance of any permit being issued or construction commenced for such improvements. The District will provide Newhall one year notice of intent to accept the NRWRP Site, subject to Section 3.F.

iii. The District may accept the Utility Corridor Easement in its entirety at any time following the completion of the Newhall Main Trunk sewer. Alternatively, the District may accept sections of the Utility Corridor Easement at any time following the completion of segments of the Newhall Main Trunk sewer. A segment is defined as a portion of the Newhall Main Trunk sewer between manholes.

D. Notice of Acceptance. Promptly after acceptance of the NRWRP Site or the Utility Corridor Easement by the District as provided above, the District shall record the Certificate of Acceptance pursuant to Government Code § 27281 and shall mail or deliver a copy of the recorded Certificate of Acceptance to Newhall.

E. Reservations that Expire Upon Site Acceptance. Newhall shall have the right to use the NRWRP Site for commercial agricultural uses, filming operations, and temporary uses that further development of the Newhall Development prior to the District's acceptance of the site, so long as such uses do not interfere with the District's use of the NRWRP Site for wastewater treatment purposes upon acceptance.

F. Acquisition of NRWRP Site by CFD Proceeds. Neither this Agreement, nor the IOD, nor Newhall's obligations under the IOD shall be construed as affecting Newhall's right to have the NRWRP Site acquired by the proceeds of one or more series of bonds or special taxes of a community facilities district under any other agreement.

#### 4. Title.

A. Newhall represents that it owns fee title to the Property and warrants that it will not transfer title to the property prior to recording the IOD.

B. Fee title to the NRWRP Site shall be dedicated to the District at no cost to the District and free and clear of all liens, taxes, assessments, leases, easements and encumbrances, except for: (i) encumbrances existing as of the date the IOD is recorded, (ii) permitted exceptions approved by the Chief Engineer and General Manager (Chief Engineer),

(iii) items required by the District or another public agency having jurisdiction thereover, (iv) the Reserved Easements, and (v) items required by Newhall that the District reasonably determines do not to interfere materially with the intended use of the NRWRP Site, such as, for example, an easement for an agricultural water pipeline under, through or across the NRWRP Site.

C. From and after the date the IOD is recorded, Newhall shall not make any material change with respect to the NRWRP Site or any aspect thereof, including, without limitation, its physical, environmental, title, leasing, financial conditions, with the exception of activities and/or rights included in the Reserved Easements.

5. **Satisfaction of JSSA Condition and Utility Corridor Condition.** The Parties agree, and the District hereby certifies, that upon execution and delivery of this Agreement and the memorandum of agreement provided for below, in the form attached hereto as Exhibit B, Newhall will be deemed to have satisfied the condition required by Section 5.1.A.1.a of the JSSA and Section II.A.5 of the Interconnection Agreement, and the Utility Corridor Condition.

6. **Seller Documents.** Within 90 calendar days after the Effective Date, Newhall shall deliver to the District true, correct, and complete copies of the following **“Seller Documents”** which relate to the Property:

A. A **“Legal Description”** of the Property prepared, stamped, and signed by a professional Land Surveyor licensed to practice in the State of California (**“Land Surveyor”**). The Legal Description shall include an exhibit separately depicting the boundaries of the NRWRP Site and the Utility Corridor Easement. The Parties acknowledge that Newhall may revise the Legal Description of the NRWRP Site after Newhall has completed slope stabilization work (**“Slope Work”**) on and adjacent to the Property and may revise the Legal Description of the Utility Corridor Easement after Newhall has completed construction of segments of the Newhall Main Trunk. Once the Slope Work and construction of the Newhall Main Trunk have been completed, Newhall shall have a Land Surveyor revise the Legal Description (**“Revised Legal Description”**) and provide it to the District, and the Parties will amend the legal description of the IOD or revise and record such other documents as necessary to reflect the Revised Legal Description. Newhall will execute any additional documentation necessary to allow the Revised Legal Description to be included in the IOD. The Revised Legal Description must continue to contain approximately 21.5 acres of contiguous land for the NRWRP Site.

B. A current **“Preliminary Report”** for the Property from a title company approved by the District along with a copy of each document shown as an exception or encumbrance in the Preliminary Report.

C. An **“ALTA Survey”** for the NRWRP Site stamped and signed by a professional Land Surveyor licensed to practice in the State of California. The ALTA Survey

shall be prepared in accordance with the *2016 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys* and shall include all relevant items in Table A thereof.

D. A Phase I Environmental Site Assessment (“**Phase I ESA**”) for the NRWRP Site prepared by a reputable environmental consulting firm. The Phase I ESA shall be prepared in accordance with ASTM E2247-16 (*Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process for Forestland or Rural Property*). If the Phase I ESA recommends any additional environmental testing, Newhall shall be responsible for undertaking and funding the additional analysis recommended by the Phase I ESA (“Phase II Analysis”). Newhall shall undertake any remediation activities or other environmental activities that are indicated in connection with the Phase I ESA or Phase II Analysis and required by applicable law.

E. Any and all unrecorded leases, licenses, and easements affecting the NRWRP Site which Newhall is a party to; and, upon the request of the District, geotechnical reports and hazardous waste reports concerning the Property requested or conducted by Newhall after the Effective Date and during NRWRP planning or construction.

7. **Newhall Representations and Warranties.** Newhall makes the following representations and warranties to the District, which will be true and correct as of the recordation of the IOD with the same force and effect as if re-made by Newhall at that time, and which will survive the recording of the IOD:

A. **Power.** Newhall has the legal power, right, and authority to enter into this Agreement and the instruments referenced in this Agreement and to consummate the transactions contemplated by this Agreement and has undertaken all requisite actions required in connection with the entering into this Agreement, the instruments referenced in this Agreement, and the consummation of the transactions contemplated by this Agreement.

B. **OFAC.** Newhall is not, nor will it become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control of the Department of the Treasury (“OFAC”) (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Acquisition Area and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

C. **Validity.** This Agreement and all documents required by this Agreement to be executed by Newhall are and will be valid, legally-binding obligations of and enforceable against Newhall in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principals affecting or limiting the rights of contracting parties generally.

D. Bankruptcy. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against Newhall with respect to the Property, nor are any such proceedings contemplated by Newhall.

E. Leases. Newhall has no knowledge of any unrecorded leases, licenses or other occupancy agreements to which Newhall is a party or is bound affecting any portion of the Property that will be in force as of the recordation of the IOD.

F. Litigation. To the best of Newhall's knowledge, there is no material pending or threatened litigation or condemnation action against the Property or against Newhall with respect to the Property.

G. Environmental. To the actual knowledge of Newhall (without any duty of inquiry or investigation), Newhall is not aware of the presence of any hazardous waste, toxic substances, or related materials on, under, or in the Property in violation of applicable environmental laws ("Environmental Laws") and Newhall has not received any written notice of an uncured violation of applicable Environmental Laws with respect to the Property. This representation is made as of the Effective Date of this Agreement. In connection with Newhall's obligation to grade the NRWRP Site and build the NRWRP, Newhall shall comply with any applicable laws necessary during the grading process or construction process, including complying with all environmental laws.

8. **District Representations and Warranties**. The District makes the following representations and warranties to Newhall, which will be true and correct as of the recordation of the IOD with the same force and effect as if re-made by the District and which will survive the recordation of the IOD:

A. Power. The District has the legal power, right, and authority to enter into this Agreement and the instruments referenced in this Agreement, and to consummate the transactions contemplated by this Agreement and the District has undertaken all requisite action required in connection with the entering into this Agreement and the instruments referenced in this Agreement, and the consummation of the transactions contemplated by this Agreement.

B. Authority. The individuals executing this Agreement and the instruments referenced in this Agreement on behalf of the District have the legal power, right and actual authority to bind the District to the terms and conditions of this Agreement and the instruments referenced in this Agreement, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

C. Validity. This Agreement and all documents required hereby to be executed by the District are and shall be valid, legally binding obligations of and enforceable against the District in accordance with their terms.

D. Bankruptcy. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against the District, nor are any such proceedings contemplated by the District.

9. Acquisition of NRWRP Site by CFD Proceeds. Neither this Agreement nor Newhall's obligations under this Agreement shall be construed as affecting Newhall's right to have the NRWRP Site acquired by the proceeds of one or more series of bonds or special taxes of a community facilities district under any other agreement.

10. Relocation Benefits. Newhall acknowledges it is not entitled to relocation benefits or any other compensation and represents and warrants that no parties have rights to relocation benefits by virtue of occupying the Property prior to the sale to the District. The provisions of this Section survive the recordation of the IOD and the District's acceptance of the IOD.

11. Indemnity. Newhall shall indemnify, defend, and hold the District harmless from and against any claim, injury, action, suit, proceeding, or loss (including, without limitation, attorneys' fees) related to personal injury on the Property or any portion thereof arising on or prior to acceptance by the District of the NRWRP Site and/or the Utility Corridor Easement, respectively.

12. Memorandum of Property Acquisition Agreement. Concurrently with the execution of this Agreement, the parties shall execute a Memorandum of Property Acquisition Agreement in a form substantially similar to Exhibit B. Newhall will sign this Agreement and the Memorandum first, and deliver it to the District, which will record the Memorandum.

13. Termination. This Agreement will terminate upon the earlier of: (i) recordation of the IOD, or (ii) by mutual written agreement by the Parties.

14. Remedies. The District and Newhall shall have the right to pursue all legal and equitable remedies, including specific performance or other injunctive relief in the event of a breach by the other party.

15. Miscellaneous

A. Cooperation. Each Party shall use reasonable efforts, undertaken diligently and in good faith, to comply with all provisions of this Agreement. The Parties shall cooperate and execute any further or additional documents which may be necessary to further or complete the terms of this Agreement. The District delegates to its Chief Engineer the authority to approve

and execute on the District's behalf any documentation necessary to complete or further the terms of this Agreement.

B. Governing Law. This Agreement will be administered, construed and enforced according to the laws of the State of California.

C. Amendment. All amendments and supplements to this Agreement must be in writing and executed by both parties to this Agreement.

D. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular; and the masculine and neuter genders will be deemed to include the masculine, feminine and neuter. The descriptive heading for each portion of this Agreement will not affect the interpretation or the legal efficacy of this Agreement or that portion of the Agreement.

E. Construction. Each party has participated in negotiating and drafting this Agreement, so if an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if the parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more provisions of this Agreement.

F. Waiver. No waiver by the Parties of any of the terms or conditions of this Agreement or any of their respective rights under this Agreement will be effective unless that waiver is in writing and signed by the Party making the waiver.

G. Third Parties. Except as expressly provided in this Agreement, nothing contained in this Agreement will create any rights in any person or entity not a party to this Agreement.

*[Signatures on following page.]*

The Parties are signing this Agreement as of the Effective Date.

**NEWHALL RANCH SANITATION DISTRICT  
OF LOS ANGELES COUNTY**

By: \_\_\_\_\_  
Chairperson, Board of Directors

**ATTEST:**

\_\_\_\_\_  
Secretary to the Board

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
District Counsel

**THE NEWHALL LAND AND FARMING  
COMPANY (A CALIFORNIA LIMITED  
PARTNERSHIP)**, a California limited partnership

By: NWHL GP LLC,  
a Delaware limited liability company,  
its General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT A**

Depiction of NRWRP Site

“This legal description will be adjusted to approximately 21.5 acres.”

[Attached]

# EXHIBIT "A"

## WATER RECLAMATION PLANT – NEWHALL RANCH

THAT PORTION OF THE RANCHO SAN FRANCISCO, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 1, PAGES 521 AND 522, OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE INTERSECTION OF THE SOUTHERLY LINE OF STATE ROUTE 126, 140.00 FEET WIDE, AND THE WESTERLY LINE OF THE COUNTY OF LOS ANGELES, AS SHOWN ON MAP FILED IN BOOK 171, PAGES 34 THROUGH 48, INCLUSIVE, OF RECORD OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG SAID SOUTHERLY LINE OF STATE ROUTE 126, NORTH 84°37'04" EAST 263.45 FEET;

THENCE LEAVING SAID SOUTHERLY LINE, SOUTH 05°22'56" EAST 20.00 FEET TO A POINT IN A LINE LYING 20.00 FEET SOUTHERLY OF, AND PARALLEL WITH, MEASURED AT RIGHT ANGLES TO, SAID SOUTHERLY LINE OF STATE ROUTE 126, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;

THENCE ALONG SAID PARALLEL LINE, NORTH 84°37'04" EAST 522.15 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 5,090.00 FEET;

THENCE NORTHEASTERLY ALONG A CURVE LYING 20.00 FEET SOUTHERLY OF, AND CONCENTRIC WITH, SAID SOUTHERLY LINE OF STATE ROUTE 126, THROUGH A CENTRAL ANGLE OF 13°35'45" AN ARC DISTANCE OF 1,207.82 FEET;

THENCE ALONG A LINE LYING 20.00 FEET SOUTHERLY OF, AND PARALLEL WITH, MEASURED AT RIGHT ANGLES TO, SAID SOUTHERLY LINE OF STATE ROUTE 126, NORTH 71°01'19" EAST 627.65 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 1,510.00 FEET;

THENCE EASTERLY ALONG A CURVE LYING 20.00 FEET SOUTHERLY OF, AND CONCENTRIC WITH, SAID SOUTHERLY LINE OF STATE ROUTE 126, THROUGH A CENTRAL ANGLE OF 22°40'38" AN ARC DISTANCE OF 597.65 FEET;

THENCE ALONG A LINE LYING 20.00 FEET SOUTHERLY OF, AND PARALLEL WITH, MEASURED AT RIGHT ANGLES TO, SAID SOUTHERLY LINE OF STATE ROUTE 126, SOUTH 86°18'03" EAST 499.06 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 1,890.00 FEET;

THENCE EASTERLY ALONG A CURVE LYING 20.00 FEET SOUTHERLY OF, AND CONCENTRIC WITH, SAID SOUTHERLY LINE OF STATE ROUTE 126, THROUGH A CENTRAL ANGLE OF 24°58'27" AN ARC DISTANCE OF 823.82 FEET;

THENCE SOUTH 30°18'51" EAST 62.52 FEET;

THENCE SOUTH 59°42'59" WEST 36.51 FEET;

THENCE SOUTH 54°47'57" WEST 17.64 FEET;

THENCE SOUTH 62°21'39" WEST 22.52 FEET;

THENCE SOUTH 50°02'25" WEST 26.85 FEET;

THENCE SOUTH 50°01'09" WEST 12.15 FEET;

THENCE SOUTH 48°59'02" WEST 32.17 FEET;

THENCE SOUTH 39°54'43" WEST 29.98 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 50.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 38°54'27" AN ARC DISTANCE OF 33.95 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 76.05 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°04'23" AN ARC DISTANCE OF 16.03 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 114.64 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°20'04" AN ARC DISTANCE OF 18.68 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 95.67 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10°37'37" AN ARC DISTANCE OF 17.74 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 69.10 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°31'10" AN ARC DISTANCE OF 5.45 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 24.42 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17°37'43" AN ARC DISTANCE OF 7.51 FEET;

THENCE SOUTH 49°49'17" WEST 61.29 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 26.52 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 67°35'30" EAST;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 77°18'21" AN ARC DISTANCE OF 35.79 FEET;

THENCE SOUTH 50°00'13" WEST 153.45 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 261.67 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 37°47'42" EAST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 61°43'15" AN ARC DISTANCE OF 281.88 FEET;

THENCE NORTH 66°01'49" WEST 133.75 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 289.69 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 25°02'17" EAST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 40°55'24" AN ARC DISTANCE OF 206.91 FEET;

THENCE TANGENT TO SAID CURVE SOUTH 74°06'53" WEST 344.11 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 434.64 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 15°21'11" WEST;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°25'11" AN ARC DISTANCE OF 154.90 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 395.93 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 35°04'28" WEST;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°53'23" AN ARC DISTANCE OF 68.34 FEET;

THENCE SOUTH 46°58'30" WEST 27.08 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 183.77 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 41°36'32" EAST;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°40'20" AN ARC DISTANCE OF 79.13 FEET;

THENCE SOUTH 73°34'25" WEST 57.05 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 1,283.93 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 15°36'24" WEST;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°38'30" AN ARC DISTANCE OF 81.61 FEET;

THENCE TANGENT TO SAID CURVE SOUTH 70°45'06" WEST 53.47 FEET;

THENCE SOUTH 71°23'26" WEST 172.01 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 470.00 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35°36'38" AN ARC DISTANCE OF 292.12 FEET;

THENCE TANGENT TO SAID CURVE NORTH 72°59'56" WEST 10.73 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 230.00 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16°25'37" AN ARC DISTANCE OF 65.94 FEET;

THENCE TANGENT TO SAID CURVE NORTH 89°25'33" WEST 230.47 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 230.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 38°22'53" AN ARC DISTANCE OF 154.07 FEET;

THENCE TANGENT TO SAID CURVE SOUTH 52°11'34" WEST 42.35 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 320.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 46°54'38" AN ARC DISTANCE OF 262.00 FEET;

THENCE TANGENT TO SAID CURVE NORTH 80°53'48" WEST 177.67 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 830.00 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°04'06" AN ARC DISTANCE OF 174.82 FEET;

THENCE TANGENT TO SAID CURVE SOUTH 87°02'06" WEST 150.41 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 530.00 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°40'18" AN ARC DISTANCE OF 15.46 FEET;

THENCE TANGENT TO SAID CURVE SOUTH 85°21'48" WEST 70.49 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 870.00 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°19'35" AN ARC DISTANCE OF 141.62 FEET;

THENCE TANGENT TO SAID CURVE NORTH 85°18'37" WEST 32.28 FEET;

THENCE NORTH 84°41'09" WEST 36.08 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 1,058.80 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 05°45'37" EAST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02°30'05" AN ARC DISTANCE OF 46.22 FEET;

THENCE TANGENT TO SAID CURVE NORTH 86°44'28" WEST 26.12 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 19,424.83 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 03°24'27" WEST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°05'03" AN ARC DISTANCE OF 28.53 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 7,050.87 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°05'03" AN ARC DISTANCE OF 10.36 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 3,342.11 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°01'44" AN ARC DISTANCE OF 60.02 FEET;

THENCE TANGENT TO SAID CURVE NORTH 85°33'49" WEST 24.11 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 313.68 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 04°53'45" EAST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°21'25" AN ARC DISTANCE OF 78.60 FEET;

THENCE TANGENT TO SAID CURVE SOUTH 80°32'20" WEST 9.48 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 158.09 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 07°31'25" EAST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°04'08" AN ARC DISTANCE OF 11.23 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 197.88 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 00°02'14" WEST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°35'32" AN ARC DISTANCE OF 46.94 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 239.57 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 20°10'07" EAST;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°04'34" AN ARC DISTANCE OF 25.41 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 125.25 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 12°56'54" WEST;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 55°47'19" AN ARC DISTANCE OF 121.95 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE EASTERLY HAVING A RADIUS OF 151.09 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 72°12'23" WEST;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09°48'57" AN ARC DISTANCE OF 25.88 FEET;

THENCE NORTH 05°22'56" WEST 12.68 FEET TO THE **TRUE POINT OF BEGINNING.**

CONTAINING 29.117 ACRES, MORE OR LESS

# EXHIBIT "B"

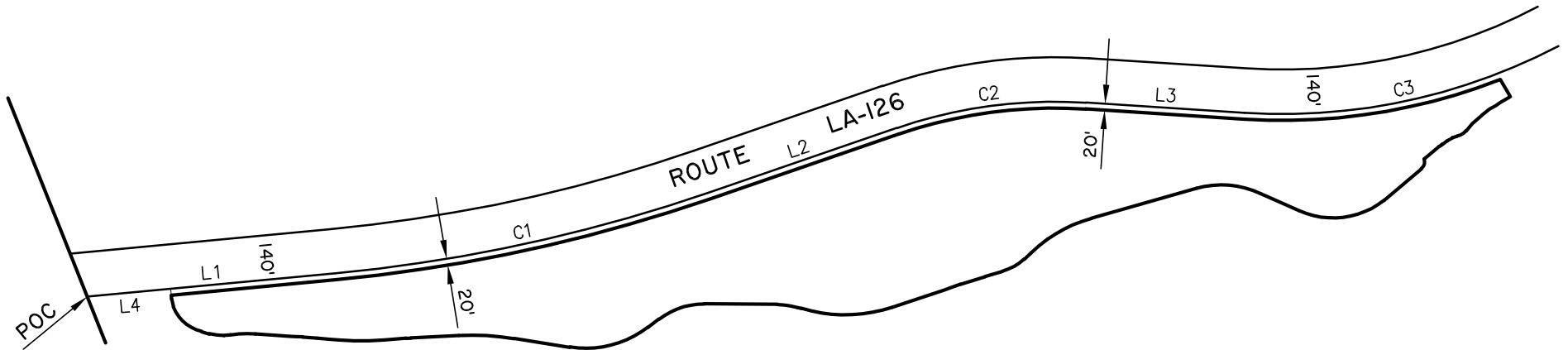


*Michael A. Kennada*

03-01-19

LINE TABLE		
NO.	BEARING	LENGTH
L1	N84°37'04"E	785.61'
L2	N71°01'19"E	627.65'
L3	N86°18'03"W	499.06'
L4	N84°37'04"E	263.45'

CURVE TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	13°35'45"	5070.00'	1203.07'
C2	22°40'38"	1530.00'	605.56'
C3	31°23'02"	1870.00'	1024.30'

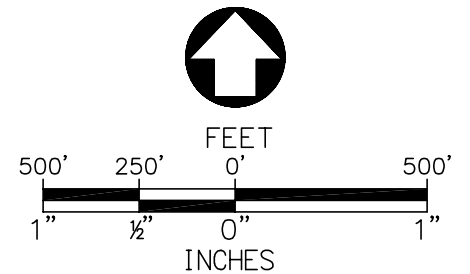


A PORTION OF THE RANCHO SAN FRANCISCO  
BOOK I, PAGES 521 AND 522, OF PATENTS

LOS ANGELES COUNTY  
VENTURA COUNTY

### LEGEND

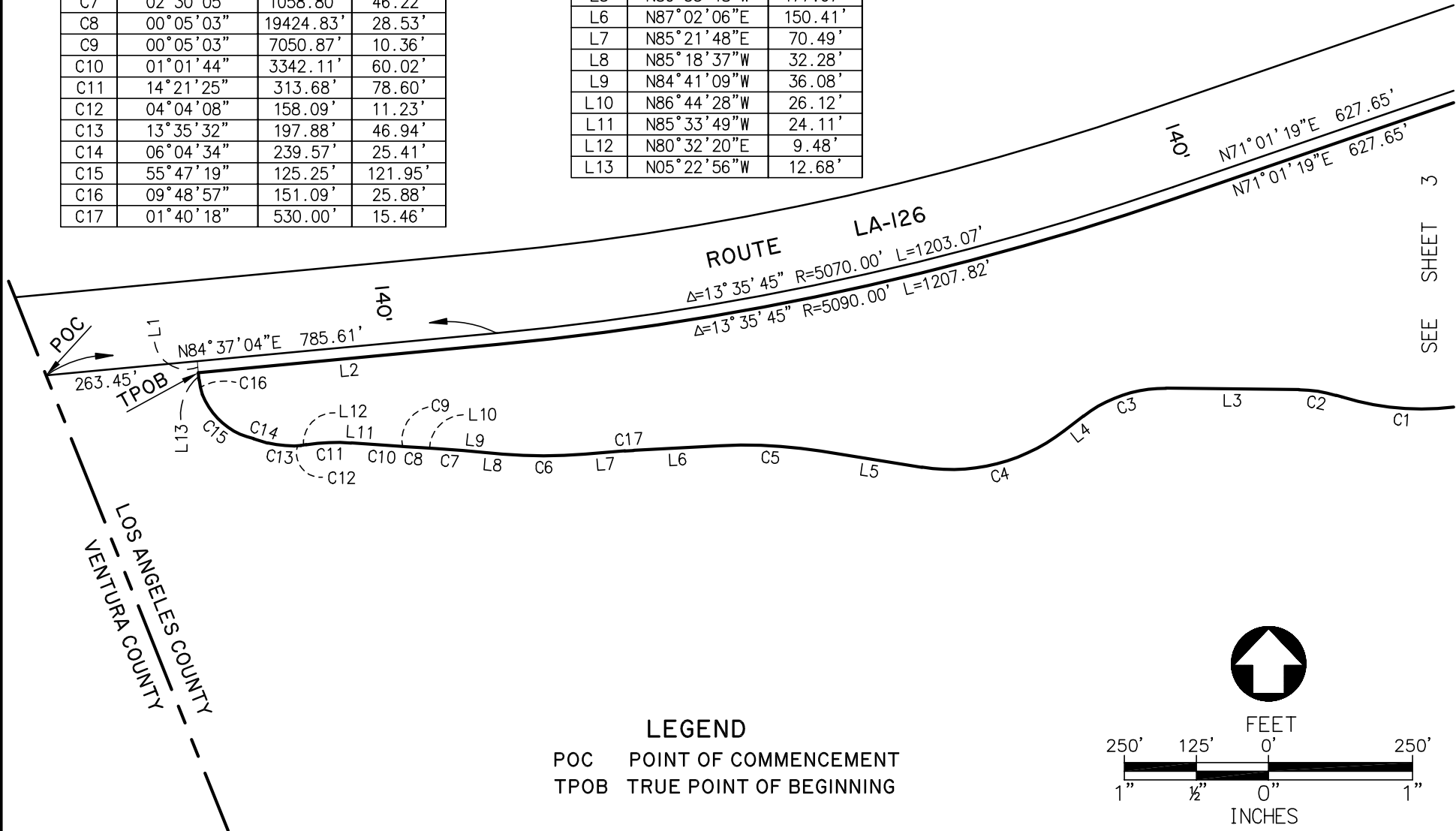
POC POINT OF COMMENCEMENT  
TPOB TRUE POINT OF BEGINNING



# EXHIBIT "B"

CURVE TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	35° 36' 38"	470.00'	292.12'
C2	16° 25' 37"	230.00'	65.94'
C3	38° 22' 53"	230.00'	154.07'
C4	46° 54' 38"	320.00'	262.00'
C5	12° 04' 06"	830.00'	174.82'
C6	09° 19' 35"	870.00'	141.62'
C7	02° 30' 05"	1058.80'	46.22'
C8	00° 05' 03"	19424.83'	28.53'
C9	00° 05' 03"	7050.87'	10.36'
C10	01° 01' 44"	3342.11'	60.02'
C11	14° 21' 25"	313.68'	78.60'
C12	04° 04' 08"	158.09'	11.23'
C13	13° 35' 32"	197.88'	46.94'
C14	06° 04' 34"	239.57'	25.41'
C15	55° 47' 19"	125.25'	121.95'
C16	09° 48' 57"	151.09'	25.88'
C17	01° 40' 18"	530.00'	15.46'

LINE TABLE		
NO.	BEARING	LENGTH
L1	N05° 22' 56" W	20.00'
L2	N84° 37' 04" E	522.15'
L3	N89° 25' 33" W	230.47'
L4	N52° 11' 34" E	42.35'
L5	N80° 53' 48" W	177.67'
L6	N87° 02' 06" E	150.41'
L7	N85° 21' 48" E	70.49'
L8	N85° 18' 37" W	32.28'
L9	N84° 41' 09" W	36.08'
L10	N86° 44' 28" W	26.12'
L11	N85° 33' 49" W	24.11'
L12	N80° 32' 20" E	9.48'
L13	N05° 22' 56" W	12.68'

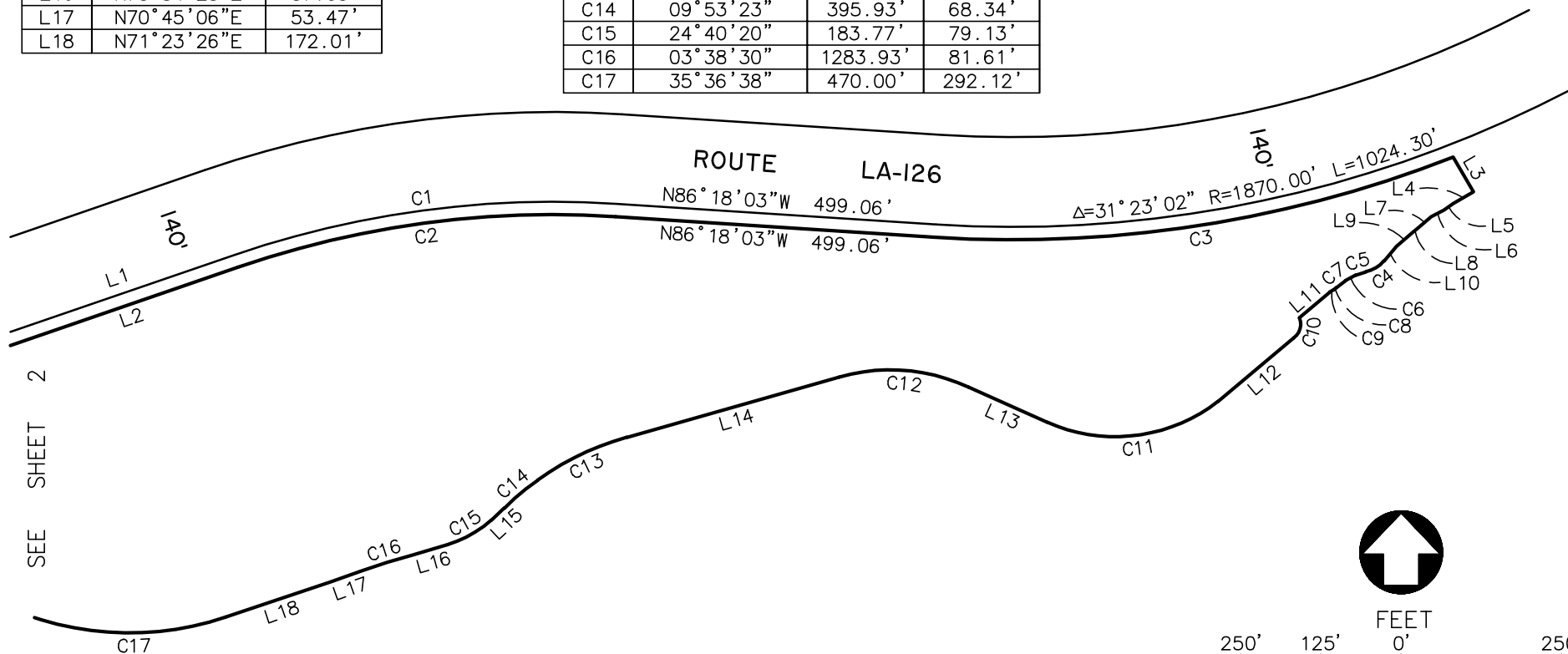




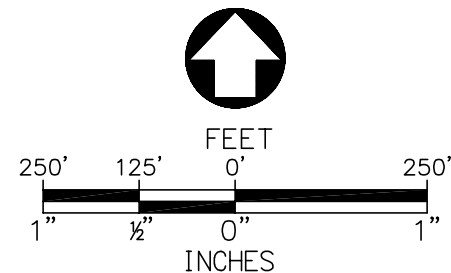
# EXHIBIT "B"

LINE TABLE		
NO.	BEARING	LENGTH
L1	N71°01'19"E	627.65'
L2	N71°01'19"E	627.65'
L3	N30°18'51"W	62.52'
L4	N59°42'59"E	36.51'
L5	N54°47'57"E	17.64'
L6	N62°21'39"E	22.52'
L7	N50°02'25"E	26.85'
L8	N50°01'09"E	12.15'
L9	N48°59'02"E	32.17'
L10	N39°54'43"E	29.98'
L11	N49°49'17"E	61.29'
L12	N50°00'13"E	153.45'
L13	N66°01'49"W	133.75'
L14	N74°06'53"E	344.11'
L15	N46°58'30"E	27.08'
L16	N73°34'25"E	57.05'
L17	N70°45'06"E	53.47'
L18	N71°23'26"E	172.01'

CURVE TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	22°40'38"	1530.00'	605.56'
C2	22°40'38"	1510.00'	597.65'
C3	24°58'27"	1890.00'	823.82'
C4	38°54'27"	50.00'	33.95'
C5	12°04'23"	76.05'	16.03'
C6	09°20'04"	114.64'	18.68'
C7	10°37'37"	95.67'	17.74'
C8	04°31'10"	69.10'	5.45'
C9	17°37'43"	24.42'	7.51'
C10	77°18'21"	26.52'	35.79'
C11	61°43'15"	261.67'	281.88'
C12	40°55'24"	289.69'	206.91'
C13	20°25'11"	434.64'	154.90'
C14	09°53'23"	395.93'	68.34'
C15	24°40'20"	183.77'	79.13'
C16	03°38'30"	1283.93'	81.61'
C17	35°36'38"	470.00'	292.12'



SEE SHEET 2



**EXHIBIT B**

**Memorandum of Property Acquisition Agreement**

Recording requested by

**AND WHEN RECORDED MAIL TO:**  
Newhall Ranch Sanitation District  
of Los Angeles County  
1955 Workman Mill Road  
Whittier, CA 90601  
Attn.: Property Mangement Dept.

Exempt from Doc. Transfer Tax per R&TC §11922  
Exempt from Recording Fee per Gov. C. §§ 6103 & 27383

**SPACE ABOVE THIS LINE FOR RECORDER'S USE**  
APN # \_\_\_\_\_

**MEMORANDUM OF PROPERTY ACQUISITION AGREEMENT**

(Newhall Ranch Water Reclamation Plant Site and Utility Corridor Easement)

THIS MEMORANDUM OF PROPERTY ACQUISITION AGREEMENT (“**Memorandum**”) is made as of December 10, 2019, (the “**Effective Date**”) by and between **NEWHALL RANCH SANITATION DISTRICT OF LOS ANGELES COUNTY**, a county sanitation district organized and existing under provisions of the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.* (the “**District**”), and **THE NEWHALL LAND AND FARMING COMPANY (A CALIFORNIA LIMITED PARTNERSHIP)**, a California limited partnership (“**Newhall**”).

A. The District and Newhall entered into a Property Acquisition Agreement dated December 10, 2019 (“**Agreement**”).

B. Newhall owns the land and improvements defined in the Agreement as the Property, and as more particularly described in Exhibit A attached hereto and made a part hereof.

C. Newhall has agreed to dedicate to the District and the District has agreed to accept from Newhall the Property described in the Agreement in accordance with and upon satisfaction of the terms and conditions set forth therein.

D. This Memorandum is not intended to change any of the terms of the Agreement and in the event of any inconsistency, the Agreement controls.

E. This Memorandum shall terminate automatically upon the recordation in the official records of the Irrevocable Offer of Dedication (“**IOD**”) against the Property as contemplated in the Agreement. Without limiting the automatic termination of this Memorandum as provided above, upon request of Newhall, District will execute and record a written instrument evidencing the termination of this Memorandum and the Agreement upon the recordation of the IOD.

The District and Newhall have executed this Memorandum as of the Effective Date.

**Newhall Ranch Sanitation District  
of Los Angeles County**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Robert C. Ferrante  
Chief Engineer and General Manager

**The Newhall Land and Farming Company  
(A California limited partnership),  
a California limited partnership**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_