

November 5, 2019

Board of Directors
Newhall Ranch Sanitation District
of Los Angeles County

Directors:

Wastewater Ordinances

The Newhall Ranch Sanitation District (NRSD) was formed in March 2014. As development continues within the District, certain administrative actions are necessary in order for the District to commence operations and provide wastewater services for future residential, commercial and industrial dischargers. The agenda for the November 19, 2019 meeting of the Board of Directors includes 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. In addition, in order to collect the service charge on the property tax roll the Board must: (1) order a Service Charge Report be filed with the District Clerk, (2) establish the date, time, and place for a public hearing on the report; and (3) direct the publication of the required notices.

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, Newhall Land and Farming Co., (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. An agreement with NLFC is required to establish the parameters of this commitment. These proposed ordinances and rates are based on the Engineer's Report and the commitment made by NLFC and thus are also contingent on the District and NLFC entering into an Operating Cost Reimbursement Agreement. It is anticipated that the Operating Cost Reimbursement Agreement will be brought for District consideration at the December 10, 2019 Board meeting.

Additional details on the proposed ordinances follow:

MASTER SERVICE CHARGE AND MASTER CONNECTION FEE ORDINANCES

The Master Service Charge Ordinance provides the District with the legal authority to impose charges for services and facilities furnished by, or available from, the District in connection with its sewerage system. The service charge will be based on use and will equal the product of the service charge rate and the estimated number of billable sewage units for the parcel. A sewage unit (SU) represents the wastewater discharge from a single-family home.

The Master Connection Fee Ordinance provides the District with the legal authority to impose fees for the privilege of connecting facilities to the sewerage system or for increasing the strength or quantity of wastewater discharged from connected facilities. The connection fee will be equal to the product of the rate and the added burden placed on the sewerage system. 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.

PROPOSED SERVICE CHARGE AND SURCHARGE RATES

In March 2019, the NRSD Board adopted the NRSD Engineer's Report. This report included proposed annual sewer service charge rates such that revenue will equal the NRSD's ongoing expenses when 75 percent of the initial NRWRP capacity has been utilized. Until service charges are sufficient to fund ongoing expenses, NLFC has committed, in a previous agreement, to provide funding to supplement any shortfall in revenue from service charges. The proposed service charge rates for fiscal years 2019-20, 2020-21, 2021-22, and 2022-23 are \$53.13 per month (\$637.50 per year), \$54.72 per month (\$656.60 per year), \$56.36 per month (\$676.30 per year), and \$58.05 per month (\$696.60 per year), respectively, an increase of 3 percent per year. Multi-family residential units will pay 60% of the single-family home rate and condominiums will pay 75% of the single-family home rate. Likewise, commercial and small industrial dischargers will pay in proportion to their use compared to a single-family home. Dischargers with verified low water usage (particularly seniors and retirees) can also qualify for a reduced charge. Industrial Dischargers will be charged based on their proposed use of the system as compared to a single-family home. As data for the NRSD system is not yet available, Industrial Dischargers rates will be split between their measured flow and wastewater strength in the same proportions as is done in the Santa Clarita Valley Sanitation District.

In order to implement new rates, the District must comply with the requirements of Proposition 218 and the California Health & Safety Code. The first step is to mail individual notices to every property owner in the District. The notice must provide information about the proposed rates and the date, time, and place for a public hearing on those rates. These notices were sent to the property owners in the District on October 25, 2019. Next, the Service Charge Report must be ordered to be filed with the District Clerk. This report contains a description and the amount of the proposed service charge for each parcel. At least 45 days after the Proposition 218 notices are mailed, the Board must hold a public hearing on the proposed rates. It is recommended that the public hearing be set for December 10, 2019, at 9:30 a.m., in the Kenneth Hahn Hall of Administration. After the public hearing is closed, the Board will consider adoption of the Service Charge Report in order to ensure collection of the service charge through property tax billing, and adoption of the service charge and industrial wastewater surcharge rate ordinances to ensure the new rates become effective 30 days after the ordinance is adopted.

PROPOSED CONNECTION FEE RATES

The Connection Fee Rate Ordinance prescribes the connection fee rate and mean loadings per unit of usage for NRSD. NLFC is responsible for constructing the treatment plant and conveyance infrastructure detailed in the Engineer's Report. When a connection to the sewer will be made, customers will submit plans to the District for review, however the first recorded use on each NRSD parcel will not be charged an NRSD connection fee and will be granted a capacity unit baseline for that first use. Any increases in the flow or strength discharged to the system above the baseline capacity would require a connection fee for

the increase at these proposed rates. The proposed connection fee is \$9,410, which is based on the NRSD Engineer's Report.

PROPOSED MASTER ANNEXATION FEE ORDINANCE AND ANNEXATION FEE RATES

The Master Annexation Fee Ordinance provides the District with the legal authority to recover the District's cost of furnishing administrative services for the annexation of territory to the District. The owner of each parcel requesting or petitioning for annexation to the District shall pay an annexation fee established in the Annexation Fee Rate Ordinance. The District fee will 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.

The Annexation Fee Rate Ordinance lists the charge rates for annexing territory in to the District. The annexation fee rate shall be the sum of the District fee and any Agency fees, which are established by the Local Agency Formation Commission of Los Angeles County (LAFCO) and the State Board of Equalization.

Copies of the proposed ordinances, the Service Charge Report, and the Proposition 218 notices are attached.

Very truly yours,



Robert C. Ferrante

RF:gc
Enclosures

Call, Notice, and Agenda

SPECIAL MEETING — BOARD OF DIRECTORS — 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		November 19, 2019		At 9:30 A.M.
BARGER	KUEHL	HAHN (Chairperson)	RIDLEY-THOMAS	SOLIS

At the call of the Chairperson, a special meeting of the Board of Directors of Newhall Ranch Sanitation District of Los Angeles County will be held at the above time and place for the purpose of:

1. Recommendation: Re: Newhall Ranch Specific Plan and Wastewater Revenue Program
 - (a) Introduce the following ordinances and waive reading of said ordinances in their entirety
 - (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).
 - (b) Order wastewater service charge report, containing description of each parcel and amount of proposed wastewater service charge for fiscal year 2020-21 for each parcel, filed with clerk of board of directors of district
 - (c) Establish date, time, and place for public hearing on report; and order publication of required public notices

Adjourn

NRSD
DOC 5385673

NOVEMBER 19, 2019

NEWHALL LAND AND FARMING CO
25124 SPRINGFIELD CT, STE 300
VALENCIA CA, 913550000

**NOTICE OF PUBLIC HEARING
NEWHALL RANCH COUNTY SANITATION DISTRICT OF LOS ANGELES COUNTY
REGARDING A PROPOSED SEWER SERVICE CHARGE RATE IMPLEMENTATION
TO THE OWNER OF RECORD OF**

APNs 2826122001, 2826123003, 2826122008, 2826122004, 2826122005, 826122010, 2826122006, 2826122007, 2826122009, 2826123001, 2826123002, 2826002022, 2826001037, 2826002021, 2826002023, 2826002020, 2826002018, 2826002019, 2826003026, 2826003029, 2826003027, 2826003028, 2826003021, 2826003024, 2826003023, 2826002025, 2826003022, 2826011029, 3271003039, 2826122011, 3272024004, 3272024003, 2826001039, 2826001034, 3271003041, 3271003036, 3271003038, 2826003034, 3271003040, 3271003033, 3271003031, 3272023008, 3271003043, 3271003037, 3271003035, 3271003034, 2826122012, 2826002024, 3272039020, 3272039018, 3272038023, 3272038024,

Newhall Ranch County Sanitation District of Los Angeles County (the District) will be responsible for wastewater management for the unincorporated county area known as Newhall Ranch. You are receiving this notice because you are the owner of real property that will receive sewer service from the District and that will be subject to the District's sewer service charge. The District charges these rates in order to fund the costs of providing the wastewater service.

Each property owner will pay for their use of the wastewater system based on the amount they discharge. Rates are set on a per sewage unit (SU) basis where one SU is equal to the equivalent discharge from one single-family home. These rates are based on the costs to operate the District and SU projections in the Engineer's Report adopted on March 26, 2019. Copies of Engineer's Report is available upon request. The service charge rate will be set at \$637.50 per SU for the 2019-20 fiscal year and then increase at a rate of 3% per year per single family home in each of the next three years. This would bring the annual rate to \$696.60 per SU by fiscal year 2022-23. During the fourth year, the rates will be reevaluated based on actual costs of the immediate work and the estimated cost of the project identified by the facilities planning process, and then recommendations for adjustment will be made as necessary.

You are currently not paying for the wastewater services on your property since your property has not yet been connected to the sewer system. If the proposed rates are approved, your charges per SU in fiscal years 2019-20, 2020-21, 2021-22, and 2022-23 will be \$637.50 per year (\$53.13 per month), \$656.60 per year (\$54.72 per month), \$676.30 per year (\$56.36 per month), and \$696.60 per year (\$58.05 per month), respectively.

The District's Board of Directors will hold a public hearing on December 10, 2019, to consider public input on the proposed sewer service charge rates. The hearing will be held at 9:30 a.m. in the Kenneth Hahn Hall of Administration located at 500 West Temple Street, Room 383, Los Angeles, CA 90012. Written comments may also be submitted through the mail to the District at P.O. Box 4000, Whittier, CA 90607-4000.

Proposition 218 requires that protests of the proposed rate increase must be submitted in writing prior to the conclusion of the public hearing. A protest must identify your parcel by including the Assessor's ID provided above and be signed by the owner. Your protest can be mailed to the Sanitation Districts at P.O. Box 4000, Whittier, CA 90607-4000, or be turned in at the public hearing, or a scanned copy of your signed protest can be emailed to rates@lacsd.org.

For more information, you can call us at (562) 908-4288 ext. 2750 between 7:00 am and 3:00 pm Monday through Friday, or write to us at P.O. Box 4000, Whittier, CA 90607-4000. Please include your name, address, telephone number, and Assessor's Parcel Number (shown above) with any correspondence to help us promptly respond.

VALENCIA CORP
23823 VALENCIA BLVD
VALENCIA CA, 913550000

**NOTICE OF PUBLIC HEARING
NEWHALL RANCH COUNTY SANITATION DISTRICT OF LOS ANGELES COUNTY
REGARDING A PROPOSED SEWER SERVICE CHARGE RATE IMPLEMENTATION
TO THE OWNER OF RECORD OF**

APNs 3272039021, 3272040022, 3272040023, 3272040009, 3272040008, 3272039024, 3272040019, 3272040017, 3272040021, 3272039023, 3272040018, 3272040020, 3272039022, 3272038021, 3272038002, 3272038006, 3272038020, 3272038026, 272038027, 3272038001, 3272038025, 3272038022, 3272039026, 3272039008, 3272039007, 3272039009

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You are currently not paying for the wastewater services on your property since your property has not yet been connected to the sewer system. If the proposed rates are approved, your charges per SU in fiscal years 2019-20, 2020-21, 2021-22, and 2022-23 will be \$637.50 per year (\$53.13 per month), \$656.60 per year (\$54.72 per month), \$676.30 per year (\$56.36 per month), and \$696.60 per year (\$58.05 per month), respectively.

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For more information, you can call us at (562) 908-4288 ext. 2750 between 7:00 am and 3:00 pm Monday through Friday, or write to us at P.O. Box 4000, Whittier, CA 90607-4000. Please include your name, address, telephone number, and Assessor's Parcel Number (shown above) with any correspondence to help us promptly respond.

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

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.

PART II – DEFINITIONS

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.

PART III – CHARGES

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.

PART IV - COLLECTION OF SERVICE CHARGES

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:

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 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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PART I - GENERAL PROVISIONS

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.

PART II – DEFINITIONS

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.

PART III – FEES

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
- $FLOW_{sfh}$ = Average flow of wastewater from a single-family residential dwelling unit in gallons per day
- COD_{sfh} = Average loading of COD in the wastewater from a single-family residential dwelling unit in pounds per day
- SS_{sfh} = Average loading of suspended solids in the wastewater from a single-family residential dwelling unit in pounds per day
- $FLOW_c$ = Actual or anticipated flow of wastewater, in gallons per day, that will enter the sewerage system from the parcel or industrial operation
- COD_c = Actual or anticipated loading of COD, in pounds per day, that will enter the sewerage system from the parcel or industrial operation
- SS_c = 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, $FLOW_{sfh}$, COD_{sfh} , and SS_{sfh} .

- (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.

PART IV – COLLECTION AND PAYMENT

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.

PART V – FUNDS

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:

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 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>
RESIDENTIAL				
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
COMMERCIAL				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft ²	100	0.43	0.23
Supermarket	1000 ft ²	150	2.00	1.00
Shopping Center	1000 ft ²	325	3.00	1.17
Regional Mall	1000 ft ²	150	2.10	0.77
Office Building	1000 ft ²	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft ²	300	1.29	0.68
Restaurant	1000 ft ²	1,000	16.68	5.00
Indoor Theatre	1000 ft ²	125	0.54	0.28
Car Wash				
Tunnel - No Recycling	1000 ft ²	3,700	15.86	8.33
Tunnel - Recycling	1000 ft ²	2,700	11.74	6.16
Wand	1000 ft ²	700	3.00	1.58
Bank, Credit Union	1000 ft ²	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft ²	100	0.43	0.23
Animal Kennels	1000 ft ²	100	0.43	0.23
Gas Station	1000 ft ²	100	0.43	0.23
Auto Sales	1000 ft ²	100	0.43	0.23
Wholesale Outlet	1000 ft ²	100	0.43	0.23
Nursery/Greenhouse	1000 ft ²	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>
COMMERCIAL				
Manufacturing	1000 ft ²	200	1.86	0.70
Light Manufacturing	1000 ft ²	25	0.23	0.09
Lumber Yard	1000 ft ²	25	0.23	0.09
Warehousing	1000 ft ²	25	0.23	0.09
Open Storage	1000 ft ²	25	0.23	0.09
Drive-in Theatre	1000 ft ²	20	0.09	0.05
Night Club	1000 ft ²	350	1.50	0.79
Bowling/Skating	1000 ft ²	150	1.76	0.55
Club & Lodge Halls	1000 ft ²	125	0.54	0.27
Auditorium, Amusement	1000 ft ²	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1000 ft ²	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 ²	3,825	16.40	8.61
Mortuary, Funeral Home	1000 ft ²	100	1.33	0.67
Health Spa, Gymnasium				
With Showers	1000 ft ²	600	2.58	1.35
Without Showers	1000 ft ²	300	1.29	0.68
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
INSTITUTIONAL				
College/University	Student	20	0.09	0.05
Private School	1000 ft ²	200	0.86	0.45
Library, Museum	1000 ft ²	100	0.43	0.23
Post Office (Local)	1000 ft ²	100	0.43	0.23
Post Office (Regional)	1000 ft ²	25	0.23	0.09
Church	1000 ft ²	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 ³ lbs	\$ 573.20/10 ³ lbs	\$ 590.40/10 ³ lbs	\$ 608.10/10 ³ lbs
SS (c)	\$1,367.40/10 ³ lbs	\$1,408.40/10 ³ lbs	\$1,450.70/10 ³ lbs	\$1,494.20/10 ³ 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>
RESIDENTIAL				
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
COMMERCIAL				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft ²	100	0.43	0.23
Supermarket	1000 ft ²	150	2.00	1.00
Shopping Center	1000 ft ²	325	3.00	1.17
Regional Mall	1000 ft ²	150	2.10	0.77
Office Building	1000 ft ²	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft ²	300	1.29	0.68
Restaurant	1000 ft ²	1,000	16.68	5.00
Indoor Theatre	1000 ft ²	125	0.54	0.28
Car Wash				
Tunnel - No Recycling	1000 ft ²	3,700	15.86	8.33
Tunnel - Recycling	1000 ft ²	2,700	11.74	6.16
Wand	1000 ft ²	700	3.00	1.58
Bank, Credit Union	1000 ft ²	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft ²	100	0.43	0.23
Animal Kennels	1000 ft ²	100	0.43	0.23
Gas Station	1000 ft ²	100	0.43	0.23
Auto Sales	1000 ft ²	100	0.43	0.23
Wholesale Outlet	1000 ft ²	100	0.43	0.23
Nursery/Greenhouse	1000 ft ²	25	0.11	0.06
Manufacturing	1000 ft ²	200	1.86	0.70
Light Manufacturing	1000 ft ²	25	0.23	0.09
Lumber Yard	1000 ft ²	25	0.23	0.09
Warehousing	1000 ft ²	25	0.23	0.09
Open Storage	1000 ft ²	25	0.23	0.09
Drive-in Theatre	1000 ft ²	20	0.09	0.05
Night Club	1000 ft ²	350	1.50	0.79
Bowling/Skating	1000 ft ²	150	1.76	0.55
Club & Lodge Halls	1000 ft ²	125	0.54	0.27
Auditorium, Amusement	1000 ft ²	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>
COMMERCIAL				
Golf Course and Park (Structures and Improvements)	1000 ft ²	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 ²	3,825	16.40	8.61
Mortuary, Funeral Home	1000 ft ²	100	1.33	0.67
Health Spa, Gymnasium				
With Showers	1000 ft ²	600	2.58	1.35
Without Showers	1000 ft ²	300	1.29	0.68
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
INSTITUTIONAL				
College/University	Student	20	0.09	0.05
Private School	1000 ft ²	200	0.86	0.45
Library, Museum	1000 ft ²	100	0.43	0.23
Post Office (Local)	1000 ft ²	100	0.43	0.23
Post Office (Regional)	1000 ft ²	25	0.23	0.09
Church	1000 ft ²	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

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.

PART II – DEFINITIONS

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.

PART III – FEES

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.

PART IV – TERMINATION OF APPLICATION

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.

PART V – PAYMENT OF ANNEXATION FEES

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

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_{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 which will enter the sewerage system from a user in gallons per day;
- COD_{avg} = Estimated loading of COD which will enter the sewerage system from a user in pounds per day;
- SS_{avg} = 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**

<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>
RESIDENTIAL				
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
COMMERCIAL				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft ²	100	0.43	0.23
Supermarket	1000 ft ²	150	2.00	1.00
Shopping Center	1000 ft ²	325	3.00	1.17
Regional Mall	1000 ft ²	150	2.10	0.77
Office Building	1000 ft ²	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft ²	300	1.29	0.68
Restaurant	1000 ft ²	1,000	16.68	5.00
Indoor Theatre	1000 ft ²	125	0.54	0.28
Car Wash				
Tunnel - No Recycling	1000 ft ²	3,700	15.86	8.33
Tunnel - Recycling	1000 ft ²	2,700	11.74	6.16
Wand	1000 ft ²	700	3.00	1.58
Bank, Credit Union	1000 ft ²	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft ²	100	0.43	0.23
Animal Kennels	1000 ft ²	100	0.43	0.23
Gas Station	1000 ft ²	100	0.43	0.23
Auto Sales	1000 ft ²	100	0.43	0.23
Wholesale Outlet	1000 ft ²	100	0.43	0.23
Nursery/Greenhouse	1000 ft ²	25	0.11	0.06
Manufacturing	1000 ft ²	200	1.86	0.70
Light Manufacturing	1000 ft ²	25	0.23	0.09
Lumber Yard	1000 ft ²	25	0.23	0.09
Warehousing	1000 ft ²	25	0.23	0.09
Open Storage	1000 ft ²	25	0.23	0.09
Drive-in Theatre	1000 ft ²	20	0.09	0.05
Night Club	1000 ft ²	350	1.50	0.79
Bowling/Skating	1000 ft ²	150	1.76	0.55
Club & Lodge Halls	1000 ft ²	125	0.54	0.27
Auditorium, Amusement	1000 ft ²	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1000 ft ²	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 ²	3,825	16.40	8.61
COMMERCIAL				
Mortuary, Funeral Home	1000 ft ²	100	1.33	0.67
Health Spa, Gymnasium With Showers	1000 ft ²	600	2.58	1.35
Without Showers	1000 ft ²	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
INSTITUTIONAL				
College/University	Student	20	0.09	0.05
Private School	1000 ft ²	200	0.86	0.45
Library, Museum	1000 ft ²	100	0.43	0.23
Post Office (Local)	1000 ft ²	100	0.43	0.23
Post Office (Regional)	1000 ft ²	25	0.23	0.09
Church	1000 ft ²	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	