

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICT NO. 2

To be held at the OFFICE OF THE DISTRICT
1955 Workman Mill Road, Whittier, California

In response to concerns about the Novel Coronavirus (COVID-19), and in accordance with the provisions of California Government Code Section 54953(e), Directors will attend these meetings via teleconference. To join the meeting, click <https://us02web.zoom.us/j/8091438308> or enter the Meeting ID 809 143 8308 into the Zoom app on your smartphone or computer. Alternatively, you may join by phone by calling (669) 900-9128 and entering the Meeting ID. You may find further information at: <http://www.lacsd.org/agendas>

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

WEDNESDAY	November 9, 2022	At 1:30 P.M.
Governing Body	Director	Alternate
ALHAMBRA	MALONEY	ANDRADE-STADLER
ARTESIA	RAMOSO	TAJ
BELL	ARROYO	SALEH
BELL GARDENS	PULIDO	FLORES
BELLFLOWER	DUNTON	SANTA INES
CERRITOS	VO	BARROWS
COMMERCE	REBOLLO	ALTAMIRANO
COMPTON	SHARIF	-----
DOWNEY	PACHECO	FROMETA
LONG BEACH	R. GARCIA	-----
LOS ANGELES CITY	KREKORIAN	BUSCAINO
MONTEBELLO	COBOS-CAWTHORNE	PERALTA
MONTEREY PARK	H. LO	-----
NORWALK	RAMIREZ	PEREZ
PARAMOUNT	CUELLAR STALLINGS	AGUAYO
PICO RIVERA	SANCHEZ	CAMACHO
SAN GABRIEL	DING	MENCHACA
SOUTH GATE	RIOS	DAVILA
VERNON	LOPEZ	W. DAVIS
WHITTIER	VINATIERI	WARNER (Chairperson)
LOS ANGELES COUNTY	MITCHELL	SOLIS

CONSENT AGENDA

1. Public Comment
2. Approve Minutes of Regular Meeting Held October 26, 2022
3. Approve August 2022 Expenses in Amount of \$22,771,993.09

Summary: Local District expenses represent costs incurred for operations, maintenance, and capital projects that are the sole responsibility of the individual District. Allocated expenses represent the District’s proportionate share of expenses made by District No. 2, the Administrative District, on its behalf pursuant to either the Joint Administration Agreement or the Joint Outfall Agreement. These Agreements provide for the joint administration, technical support and management of the operations, maintenance, and capital costs associated with all of the shared facilities for all of the signatory Districts, along with the methodology for determining the proportionate costs for each participating District. District No. 2 also acts as the Administrative District for the Solid Waste System expenses which are managed pursuant to the Solid Waste Management System Agreement, the Los Angeles County Refuse Disposal Trust Fund Agreement, and a series of Joint Powers Agreements. District No. 2 also acts as the Administrative District for Stormwater Management expenses the Districts incur, and are later reimbursed for, in assisting their member cities and unincorporated Los Angeles County address stormwater compliance issues. Note that certain allocated expenses were negative in August due to an accounting error. This error has been corrected and will be reflected in September’s expense report. A listing of Districts’ payments and previously approved budgets can be found on the Districts’ website at lacsd.org/financial-documents. This item is consistent with the Districts’ Guiding Principle of commitment to fiscal responsibility and prudent financial stewardship.

3. Contd.

Local District Expenses:	
Operations & Maintenance	\$ 10,709.69
Capital	581.25
Allocated Expenses:	
Technical Support	(48.23)
Joint Outfall	(118,428.85)
Joint Outfall System Expenses:	
Allocated Expenses	6,738,394.78
Solid Waste System Expenses:	
Operations & Maintenance	12,366,879.06
Allocated Expenses	1,493,410.13
Capital	2,273,206.58
Stormwater Expenses:	
Operations & Maintenance	7,288.68
Total Expenses	<u>\$22,771,993.09</u>

REGULAR AGENDA

1. Report on Bids and Award of Orders as Follows:

(a) *Replace Protective Membrane at Calabasas Landfill*

Summary: A protective membrane protects the composite liner system installed on cut slopes of a landfill from ultraviolet light damage. The membrane at the landfill has degraded and requires replacement. The contractor will replace approximately 400,000 square feet of protective membrane. The bid summary/recommendation to award is attached. This item is consistent with the Districts' Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

(b) *Furnish and Deliver a Solid Phase Extraction Unit for the San Jose Creek Water Quality Laboratory*

Summary: The proposed equipment will replace a 12-year-old system that has reached the end of its service life, is no longer supported by the manufacturer, and for which most replacement parts are no longer available. The system is currently used to fulfill regulatory requirements for the preparation of semi-volatile organic compounds in sample extracts of wastewater, stormwater, groundwater, and biosolids. The bid summary/recommendation to award is attached. This item is consistent with the Districts' Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

2. Authorize Issuance of Purchase Orders as Follows:

(a) To Horizons Construction Co. Int'l, Inc., in Amount of Approximately \$149,155 for Replacement of *Biosolids Storage Silos Building West Wall* at Joint Water Pollution Control Plant (JWPCP)

Summary: The JWPCP produces up to 1,300 wet tons of biosolids per day. Biosolids are stored in the Biosolids Storage Silos (Silos) until they are loaded onto trucks for hauling to reuse sites. The Silos are approximately 49 years old and the metal exterior siding on the west end of the building, which houses the Silos, is in poor condition due to long term exposure to biosolids. Therefore, it is recommended that the siding be replaced. The project will be completed utilizing the Job Order Contracting Program which relies on pre-established competitively bid construction tasks that will accelerate project delivery and reduce administration and design costs. Staff has determined that the activities described herein are exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21084 and Title 14 of the California Code of Regulations (CEQA Guidelines) Section 15301. This item is consistent with the Districts' Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

(b) To Haaker Equipment Company (Haaker) in Amount of Approximately \$405,036 for One Closed Circuit Television (CCTV) Inspection Truck with Envirosight High Definition (HD) Inspection System; Find that Existing CCTV Truck is No Longer Suitable for Districts' Purposes and Authorize Disposal

Summary: The purchase of one replacement CCTV inspection truck is required for routine and emergency inspection of sewers. One of the existing CCTV inspections trucks, which is 17 years old, has outdated technology and it is no longer cost-effective to maintain. To improve the Districts' sewerage maintenance

2. Contd.

program it is recommended to implement new HD CCTV inspection technology. Envirosight is a leading manufacturer of HD CCTV inspection technology for larger diameter sewers and is the only HD CCTV equipment provider with local technical and maintenance support in the Southern California region. Haaker can provide the truck and is the local distributor for the Envirosight equipment. Staff recommends to purchase the new CCTV truck through the Sourcewell Cooperative Purchase Agreements (Sourcewell). Sourcewell provides nationally leveraged and competitively solicited purchasing contracts. Based upon the most recent Districts purchase of similar equipment, purchasing the truck through Sourcewell would be the most cost-effective and timely approach to procurement. The existing CCTV truck will be disposed in a manner and at a time determined to best serve the interests of the Districts. This item is consistent with the Districts' Guiding Principles to protect financial and facility assets through prudent investment and maintenance programs; and commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

3. Re: New Vehicles

- (a) Authorize Issuance of Purchase Order to Downtown Ford Sales in Amount of Approximately \$1,052,500 for 20 Ford Medium-Duty Vehicles
- (b) Authorize Issuance of Purchase Order to Watsonville Fleet Group in Amount of Approximately \$772,500 for 16 Ford Medium-Duty Vehicles
- (c) Find that 33 Vehicles are No Longer Required for Districts' Purposes and Authorize Disposal

Summary: These medium-duty vehicles are required for operating and maintaining Districts' facilities. Thirty-three existing vehicles are no longer cost-effective to maintain. The majority of the new vehicles will be modified to operate on renewable natural gas, making a concerted effort to reduce fuel consumption and emissions at the facilities. Staff recommends the purchase of the vehicles through State of California contracts since recent purchases of these types of vehicles have proven the state contracts to be the most cost-effective means of procurement. Downtown Ford Sales and Watsonville Fleet Group have state contracts for Ford medium-duty vehicles. The cost estimate is based on 2022 model year vehicle pricing with a 15 percent anticipated increase. Actual state contract pricing for 2023 model year vehicles will not be released until later in November. Due to anticipated high demand for medium-duty vehicles and limited production because of supply chain constraints, it is expected that the ordering window for these vehicles will be closed before the end of November. These purchases will be for truck chassis only. Bids will be solicited for the required upfits including utility bodies, natural gas fuel systems, and ancillary equipment. This item is consistent with the Districts' Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness).

4. Approve and Order Executed [Stormwater Services Agreement](#) (Agreement) with City of Redondo Beach for On-Call Services Related to Stormwater Projects

Summary: Senate Bill 485 authorizes the District to provide stormwater services. The City of Redondo Beach has requested the District's assistance to evaluate sanitary sewer diversion projects for the City's Supplemental Environmental Project, the *Redondo Beach Sanitary Sewer Diversion Alternative Analysis, Preliminary Engineering Design & Permitting Project*. Under the proposed Agreement, the District would provide the City of Redondo Beach with as-needed support to identify one or more locations for a new or enhanced diversion to the sanitary sewer system. All work performed by the Districts under the Agreement will be reimbursed by the City of Redondo Beach. This item is consistent with the Districts' Guiding Principle to maximize use of our assets and resources (recycled water, recyclables, and energy).

5. Re: Tulare Lake Compost (TLC)

- (a) Approve and Order Executed [State Water Service Contract for Agricultural Water Service](#) with Tulare Lake Basin Water Storage District (TLBWS) (TLBWS)
- (b) Delegate Authority to Chief Engineer and General Manager to Execute This and Future State Water Service Contracts with TLBWS

Summary: The TLC facility and agricultural land properties have an allocation of approximately 8,800 acre-feet per year of water from the California State Water Project, and delivery of this water is administered by the TLBWS. The current five-year contract with the TLBWS to maintain this allocation expires December 31, 2022. The water allocated to the District will be used to support farming operations at TLC. Staff recommends that the District enter into a new five-year contract in order to retain this valuable water right. Further, it is recommended that authority to execute this and future state

5. Contd.

water service contracts with TLBWSO be delegated to the Chief Engineer and General Manager. Staff has determined that the Project is exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15301. This item is consistent with the Districts’ Guiding Principle to plan for both short-term and long-term needs to minimize the need for significant rate increases.

6. Approve Action by District No. 8 to Approve and Order Executed First Amendment to Lease Agreement (Amendment) with City of Carson (City) for Districts’ Property Adjacent to Joint Water Pollution Control Plant (JWPCP)

Summary: In 2020, the Districts leased a 10-acre vacant property adjacent to the JWPCP to the City for expansion of Carriage Crest Park. The lease agreement provides the City a due diligence period to conduct site investigations to confirm the suitability of the property for park use. The due diligence period expires on December 15, 2022, and the City desires to extend it by two years to allow additional time to complete site investigations and secure funding for the proposed park improvements. The proposed Amendment extends the due diligence period through December 15, 2024. Staff has determined that approval of the Amendment does not constitute a “Project” under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations (“CEQA Guidelines”) Section 15378. As fee title holder of the property, District No. 8 must approve the Amendment, and District No. 2, as the administrative District, must approve the action by District No. 8. This item is consistent with the Districts’ Guiding Principle to maximize use of our assets and resources (recycled water, recyclables, and energy).

7. Introduce *An Ordinance Prescribing Fees for the Annexation of Territory to County Sanitation District No. 2 of Los Angeles County* and Waive Reading of Said Ordinance in its Entirety

Summary: Properties outside the jurisdictional boundary of the District must be annexed to the District before sewerage service can be provided. The cost of processing the annexation application is borne by the applicant pursuant to the District’s existing Master Annexation Fee Ordinance and Annexation Fee Rate Ordinance (Existing Ordinances), which were both adopted in 2007. The current method of calculating the fee is a tiered acreage-based approach. However, this method results in inequities in certain circumstances. Furthermore, the cost to process an annexation application does not vary significantly between a large or small property. The proposed ordinance, which is attached, supersedes the Existing Ordinances and establishes a flat fee of \$2,000 per annexation application, which is more equitable and representative of the actual cost to process each annexation. In October 2022, the Personnel Committee, comprised of the Chairs of all active Districts, unanimously endorsed the proposed ordinance. This item is consistent with the Districts’ Guiding Principles of commitment to continual improvement; and commitment to fiscal responsibility and prudent financial stewardship.

Adjourn to Monday, November 14, 2022, 1:30 p.m., via teleconference

Status Report: Prior to or during the meeting session, the Chief Engineer and General Manager may update the Directors on various matters concerning the Districts that may be of current interest to the Directors.

Public Comment: Members of the public may address the Board of Directors on any item shown on the agenda or matter under the Board’s authority. A “Request to Address Board of Directors” form is available. In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Secretary to the Boards’ Office (562) 908-4288, extension 1100. Notification of 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.101 et seq. ADA Title II).

Document Requests: Links to supporting documents are available online at the time of posting. Agendas and supporting documents or other writings that will be distributed to Board members in connection with matters subject to discussion or consideration at this meeting that are not exempt from disclosure under the Public Records Act are available for inspection following the posting of this agenda at the office of the Secretary to the Boards of Directors located at the Districts’ Joint Administration Building, 1955 Workman Mill Road, Whittier, California, 90601, or at the time of the meeting at the address posted on this agenda.

TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. R-1(a) FOR BOARD MEETING NOVEMBER 09, 2022

BIDS were received at the District Office on Wednesday, September 21, 2022, at 11:00 a.m.

FOR REPLACE PROTECTIVE MEMBRANE AT CALABASAS LANDFILL

No. of Bids Received: 2

<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
EC Applications, Inc.	\$ 520,800.00
COMANCO Environmental Corp.	1,180,000.00

RECOMMENDATION:

Award purchase order to EC Applications, Inc., the lowest responsive and responsible bidder, in the amount of approximately \$520,800.00 for Replace Protective Membrane at Calabasas Landfill.

Engineer's Estimate: \$600,000



Robert C. Ferrante
Chief Engineer and
General Manager

TO: BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 2 OF LOS ANGELES COUNTY

RE: AGENDA ITEM NO. R-1(b)

FOR BOARD MEETING NOVEMBER 9, 2022

BIDS were received at the District Office on Thursday, August 4, 2022, at 3:00 p.m.

FOR FURNISH AND DELIVER A SOLID PHASE EXTRACTION UNIT FOR THE SAN JOSE CREEK
WATER QUALITY LABORATORY

No. of Bids Received: 2

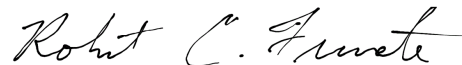
<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
Biotage	<u>\$175,653.51</u>
Thermo Electron North America LLC. *	201,577.75

*Bidder deemed non-responsive; did not meet bid Specifications.

RECOMMENDATION:

Award purchase order to Biotage, the lowest responsive and responsible bidder, in the amount of approximately \$175,653.51 for Furnish and Deliver a Solid Phase Extraction Unit for the San Jose Creek Water Quality Laboratory.

Engineer's Estimate: \$178,000



Robert C. Ferrante
Chief Engineer and
General Manager

**AN ORDINANCE PRESCRIBING FEES FOR THE ANNEXATION OF TERRITORY TO
COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY**

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 2 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 *Annexation Fee Ordinance of County Sanitation District No. 2 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 California 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 – SUPERSESSION

This Ordinance shall supersede the *Master Annexation Fee Ordinance of County Sanitation District No. 2 of Los Angeles County* and the *Annexation Fee Rate Ordinance of County Sanitation District No. 2 of Los Angeles County*, both adopted on May 9, 2007, with respect to any rights, duties or privileges arising after the effective date of this Ordinance.

SECTION 1.07 – 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 (California 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 California Government Code §56383, by the SBE pursuant to California 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

Annexation Fee shall mean the sum of the District Fee and Agency Fees.

SECTION 2.04 – BOARD OF DIRECTORS

Board of Directors shall mean the Board of Directors of County Sanitation District No. 2 of Los Angeles County.

SECTION 2.05 – CHIEF ENGINEER

Chief Engineer shall mean the Chief Engineer and General Manager of County Sanitation District No. 2 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 County Sanitation District No. 2 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 -- ANNEXATION FEE

SECTION 3.01 – IMPOSITION OF ANNEXATION FEE

The applicant requesting or petitioning for annexation to the District shall pay an Annexation Fee. The application for annexation may be for more than one parcel, subject to Section 3.05.

SECTION 3.02 – AMOUNT OF 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 \$2,000 per single application for annexation to the District, regardless of the number of parcels in the application or if the parcels are contiguous.
- (3) Agency Fees shall be determined in accordance with the procedures established by LAFCO, SBE, and any other 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 involving multiple parcels shall be equal to the sum of:
 - (a) the District Fee divided by the number of parcels in the application; and
 - (b) 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
 - (c) 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.

SECTION 3.03 – ADJUSTMENT OF DISTRICT FEE

The Chief Engineer may periodically review the amount of the District Fee and adjust it as necessary to recover the District's cost of furnishing administrative services for the annexation of territory to the District. Any adjustment in the District Fee shall be prescribed in a new Annexation Fee Ordinance that shall be adopted by the Board of Directors and supersede this 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 making application to LAFCO, 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 – REFUND OF FEES

- (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 portion of the Annexation Fee payment attributable to the District Fee. The District is not responsible for determining or refunding any excess portion of the Annexation Fee payment attributable to the Agency Fees.
- (2) In the event that the Annexation Fee payment is in excess of the final Annexation Fee due pursuant to Section 5.02, the Chief Engineer shall refund the difference to the owner of the affected parcel(s).
- (3) Refunds shall be issued to the parcel owner(s) of record at the time the refund is paid.
- (4) Annexation Fee payments 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

SECTION 5.01 – PAYMENT OF ANNEXATION FEE

The Annexation Fee is due and payable at the time a request for annexation is made to the District. The Annexation Fee shall be paid to the District either:

- (1) in person at the Joint Administration Office of the Los Angeles County Sanitation Districts, located at 1955 Workman Mill Road, Whittier, California 90601, or

- (2) by mailing the payment to the Los Angeles County Sanitation Districts, Attn: Annexations Program, P.O. Box 4998, Whittier, California 90607, or
- (3) electronically through the District's online payment portal.

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 making application to LAFCO. The final Annexation Fee shall be the sum of the District Fee plus the Agency Fees based on the total acreage of each parcel in the application, as determined by the Chief Engineer, and calculated pursuant to Section 3.02 using the 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 paid at the time of application, the owner of each parcel seeking annexation shall pay the difference before the Board of Directors considers the resolution of making application to LAFCO.

If the final Annexation Fee is less than the Annexation Fee paid at the time of application, 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 the sum of the District Fee plus the Agency Fees based on the total acreage of each parcel in the application, as determined by the Chief Engineer, and calculated pursuant to Section 3.02 using the Agency Fees 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 the Annexation Fee 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.

[signature page follows]

ATTEST:

Clerk, Board of Directors
County Sanitation District No. 2
of Los Angeles County

Chairperson, Board of Directors
County Sanitation District No. 2
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 2 of Los Angeles County on _____ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary, Board of Directors
County Sanitation District No. 2
of Los Angeles County