

To be held at SANTA CLARITA CITY HALL  
23920 Valencia Boulevard, Santa Clarita, California

WEDNESDAY	June 19, 2013	At 6:00 P.M.
<b>Governing Body</b>	<b>Director</b>	<b>Alternate</b>
SANTA CLARITA	KELLAR	MC LEAN
SANTA CLARITA	WESTE	MC LEAN
LOS ANGELES COUNTY	RIDLEY-THOMAS	ANTONOVICH (Chairperson)

1. Approve Minutes of Regular Meeting Held April 10, 2013 and Special Meeting Held May 23, 2013

2. Approve Warrants in Amount of \$653,199.44

Summary: The warrants issued by the local District are for costs incurred for operation and maintenance, such as electricity, water, telephone, and chemicals, and for relatively small capital projects. Expenditures are made in accordance with the guidelines established by the budget procedure and the purchasing policy that has been adopted by the Board.

3. Approve Departmental Invoice in Amount of \$1,347,175.82

Summary: A departmental invoice is an internal document that transfers each District's proportionate share of expenditures made by District No. 2, the administrative District, on behalf of the participating Districts in accordance with the authority granted through the approved annual budget and applicable joint powers agreement.

4. Re: Annexations Nos. 1036, 1058, and 1066 to District

- (a) Consider Environmental Document and Adopt Resolution Making Application to Local Agency Formation Commission for Annexation
- (b) Approve and Order Executed Agreements in Form of Joint Resolutions with County of Los Angeles, Greater Los Angeles County Vector Control District, Antelope Valley Resource Conservation District, City of Santa Clarita, and Castaic Lake Water Agency Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexations Nos. 1036 and 1058
- (c) Approve and Order Executed Agreement in Form of Joint Resolution with County of Los Angeles, Antelope Valley Resource Conservation District, and Castaic Lake Water Agency Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexation No. 1066
- (d) Consent to Waiver of Protest Proceedings

Summary: For any jurisdictional change that will result in a special district providing a new service, the law requires the governing bodies of all local agencies that receive an apportionment of the property tax from the area to determine by resolution the amount of the annual tax increment to be transferred to the special district. In addition, the law requires the Local Agency Formation Commission to hold a protest proceeding before ordering an annexation unless, among other things, the agencies affected by the proposed change of organization consent to a waiver of protest proceedings. Data sheets, maps, and environmental documents are attached.

5. Authorize Issuance of Purchase Order to Rockwell Automation in Amount of \$268,000 for Replacement of Distributed Control System (DCS) at Valencia Water Reclamation Plant (WRP)

Summary: The DCS provides computer-based control of the wastewater treatment process and was installed over 20 years ago. Many of the DCS components have been declared obsolete by the manufacturer. Replacement of the DCS with a Rockwell Automation system will standardize the control system used at nine of the Districts' WRPs thus reducing maintenance costs due to improved system reliability, staff training and optimized spare parts inventory. This purchase order is for Phase I of a two phase process for replacement of the entire DCS system. Phase I includes hardware components for the Human Machine Interface (HMI) replacement and initial software development. Phase II will include programmable logic controller (PLC) hardware installation and integration. A separate Board agenda item will be submitted for Phase II.

6. Re: Energy Related Services Provided by Noble Americas Energy Solutions LLC (Noble)
- (a) Approve and Order Executed Documents for Purchase of Electricity and Related Services from July 1, 2013 Through December 31, 2016 as Follows:
    - (1) *Addendum Electricity Service Provider (ESP) Services* for ESP Services for Meters in Southern California Edison Territory
    - (2) *Supplemental Addendum for Renewable Portfolio Standards* to Provide Fixed Price for Component of Electricity Purchases
  - (b) Authorize Chief Engineer and General Manager to Execute Future Addenda, Amendments, and Confirmations with Noble Regarding Purchase and Sale of Electricity and Related Attributes Through December 31, 2016
- Summary: The District purchases 2.7 MW of electricity from an ESP under California's Direct Access (DA) program. Agreements with the District's current ESP, Noble, expire on June 30, 2013. In anticipation of the expiration of the existing agreements, a Request for Proposals (RFP) was released for comprehensive ESP services. The RFP was sent to fifteen firms, and four submitted proposals. Noble was determined to be the most qualified respondent and provided the most cost-effective proposal among those that offered to perform all the required services. The proposed agreements will allow Noble to provide ESP services through December 31, 2016. From time to time, additional addenda and confirmations are needed to execute and schedule purchases of electricity and related services to meet facility electricity needs and authority is requested for the Chief Engineer and General Manager to execute such documents.
7. Discussion and Possible Action Regarding Requests to Extend Public Review Period for Chloride Compliance Facilities Plan and Environmental Impact Report (Reports)
- Summary: On April 24, 2013, the District released the draft Reports for a 60-day public review period. The District has received requests for an extension of the public review period; most recently from the City of Santa Clarita City Council in a letter dated June 10, 2013. The Chief Engineer and General Manager will discuss this issue.
8. Re: Service Charge Report for Fiscal Year 2013-14
- (a) Hold Public Hearing on Service Charge Report
  - (b) Adopt Service Charge Report
- Summary: Service charge rates for fiscal year 2013-14 were previously adopted. A public hearing is required to be held for continued collection of the service charge on the tax roll for residential, commercial, and small industrial dischargers. A letter describing this matter, together with a copy of the Service Charge Report and preliminary budget, accompany the agenda. In this District, the current wastewater service charge rate per single-family home (SFH) is \$19.25 per month (\$231 per year). The rate for fiscal year 2013-14, as previously adopted by the Board of Directors, is \$20.58 per month (\$247 per year), an increase of \$1.33 per month per SFH. Owners of multiple dwelling units and commercial properties are charged in proportion to their use compared to a SFH. By adopting the Service Charge Report, the Board has provided for the collection on the tax roll in conformance with, and as authorized in, the District's Service Charge Rate Ordinance previously adopted on May 11, 2011.
9. Introduce *Ordinance Prescribing Fees, Tolls, Rates, Rentals, or Other Charges for Services and Facilities Furnished by or through Santa Clarita Valley Sanitation District of Los Angeles County and Providing for the Collection of Such Charges* and Waive Reading of Said Ordinance in its Entirety
- Summary: A letter discussing this matter, together with a copy of the proposed ordinance, accompanies the agenda. The existing ordinance has a provision that allows commercial parcel owners to receive a retroactive reduced charge (i.e., rebate) based on demonstrated low water use. The proposed changes to the ordinance will simplify the demonstration and qualification process, allow commercial property owners to receive the reduced rate prospectively, take into account irrigation losses by allowing use of winter water usage, and reduce the cost of administering the low water use provisions. The only proposed change for residential property owners is the ability to use winter water use, as they already receive their reduced charge prospectively.

Adjourn

**NOTE:** Prior to or during the regular 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.

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 the foyer. 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 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).

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, 90607 or at the time of the meeting at the address posted on this agenda.

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY  
**DEPARTMENTAL INVOICE**  
FOR THE MONTH ENDED 4/30/13

To: Santa Clarita Valley Sanitation District  
(Org. Receiving Services)

Date Service Accrued: April 30, 2013

From: County Sanitation District No. 2  
(Org. Providing Services)

Date Prepared: May 15, 2013

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DESCRIPTION

Santa Clarita Valley Sanitation District's share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$ 996,271.08
Joint Administration - Capital	17,603.64
Local - Capital	333,301.10

Total of all charges	<u>\$ 1,347,175.82</u>
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Recap 40

Document No. 364

Date Board Approved: \_\_\_\_\_

# SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY

## PROPOSED ANNEXATION NO. 1036

**AGENDA**

**DATE:** Resolution Making Application to LAFCO .....May 8, 2013

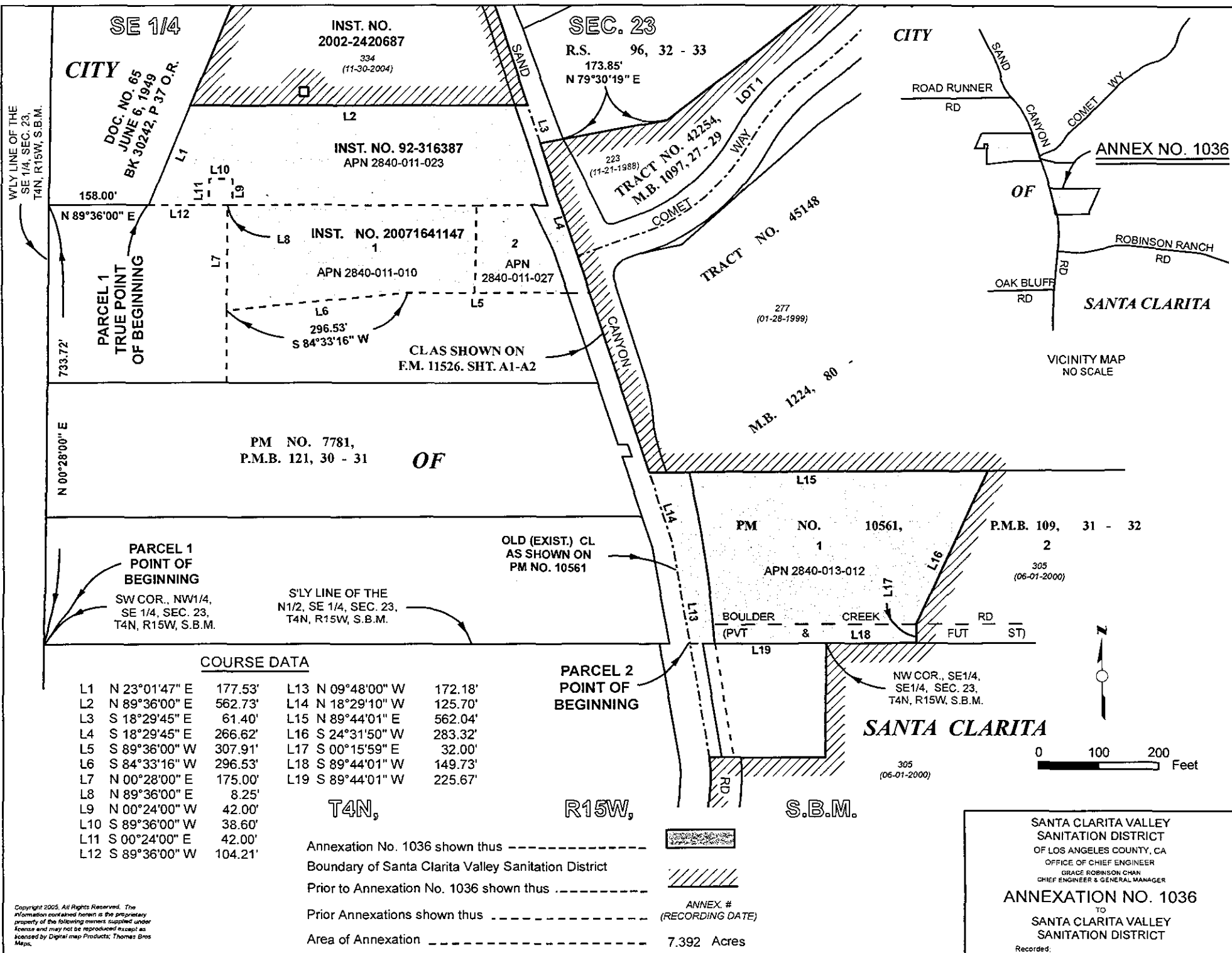
**LOCATION:** Thomas Brothers Map Page 4552, Grid D3 .....  
Parcel 1 located on Sand Canyon Road at its intersection with Comet Way, Parcel 2  
located on Sand Canyon Road approximately 400 feet south of Comet Way, all within  
the City of Santa Clarita.

**PROCESSING**

<b>FEES:</b>	District	\$ 3,120.00
	Local Agency Formation Commission	3,000.00
	State Board of Equalization	<u>700.00</u>
	Total	\$ <u>6,820.00</u>

**DESCRIPTION**

**& REMARKS:** The annexation consists of three existing single-family homes including one horse stable.



## NOTICE OF FINDING/CERTIFICATE OF FILING

ANNEXATION NO. 1036 TO SANTA CLARITA VALLEY SANITATION DISTRICT

THOMAS BROTHERS MAP PAGE 4552, GRID D3

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The project consists of three existing single-family homes including one horse stable.

1. **BASED UPON REVIEW AND STUDY, I FIND AND CERTIFY THAT:**

- ☒ The project **is exempt** from the provisions of the California Environmental Quality Act, pursuant to the State CEQA Guidelines,

Section: 15319(a)

Reason: The annexation consists of areas containing existing structures developed to the density allowed by the current zoning.

☐ The **Negative Declaration** is adequate for consideration of the project.

☐ The **Environmental Impact Report** is acceptable for consideration of the Project.

**ISSUED BY:**

☐ Los Angeles County Department of Regional Planning

☐ City of

2. The subject proposal has been set for consideration before the Board of Directors of Santa Clarita Valley Sanitation District at their meeting to be held on May 8, 2013 at the time and place as provided for the meeting of said date.
3. The subject proposal and all related documents are on file in the office of the Chief Engineer and General Manager, County Sanitation Districts of Los Angeles County, 1955 Workman Mill Road, (P.O. Box 4998) Whittier, California and may be examined by any interested person for further particulars. Telephone: (562) 908-4288, extension 2708.



David Greenwood  
Supervising Engineer  
Facilities Planning Department

**RECOMMENDATION:**

Adopt resolution making application to the Local Agency Formation Commission for annexation and approve tax sharing resulting from annexation.

**DESCRIPTION:**

PROPERTY OWNERS	ANNEX.NO.	TOTAL ACRES	PROJECT NUMBER	PROJECT DESCRIPTION	LOCATION
Adrienne Good Juliet Bringas Ernesto Zagaste	1036	7.392	2840-011-010 2840-011-023 2840-011-027 2840-013-012	Three existing single-family homes and one horse stable	Thomas Brothers Map Page 4552, D3, Parcel 1 located on Sand Canyon Road at its intersection with Comet Way, Parcel 2 located on Sand Canyon Road approximately 400 feet south of Comet Way, all within the City of Santa Clarita.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE:**

- (1) District staff review of the *Request for Annexation* has concluded that the project proposed in the application is exempt from the provisions of CEQA, pursuant to State Guidelines, Section 15319(a) since it contains existing structures developed to the density allowed by the Santa Clarita Valley Area Plan Comprehensive Update.
- (2) The estimated cumulative build out wastewater flow from all previous annexations including the subject annexation will not exceed the current Santa Clarita Valley Joint Sewerage System's (SCVJSS) permitted treatment capacity of 28.1 mgd.

**SYSTEM CAPACITY**

PROPOSED PROJECT	PROJECT ESTIMATED FLOW (MGD)	CUMULATIVE FLOW (MGD)			PRESENT AVG SYSTEM FLOW (MGD)	SYSTEM CAPACITY (MGD)
		BEFORE THIS ANX	AFTER THIS ANX	AFTER THIS BOARD MTG		
Three existing single-family homes and one horse stable	0.0003	22.0512	22.0515	22.0517	19.7	Current: 28.1 2015 Plan:34.1

Note: The cumulative flow represents the maximum potential flow assuming the annexation is built out in accordance with the application. Actual development may be less than that proposed in the application. Periodic adjustments to the calculated cumulative flow will be made to reflect actual wastewater flow measurements. Connections will not be approved unless there is sufficient system capacity.

**ADDITIONAL INFORMATION**

	YES	NO		YES	NO
Contiguous to the District?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Within the City of Santa Clarita?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The project is existing and according to the City of Santa Clarita Building and Engineering Services, permits have been issued for this site.

# SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY

## PROPOSED ANNEXATION NO. 1058

### AGENDA

**DATE:** Resolution Making Application to LAFCO .....May 8, 2013

**LOCATION:** Thomas Brothers Map Page 4552, Grid C3.....  
Located on Sand Canyon Road approximately 400 feet north of Comet Way, all within the City of Santa Clarita.

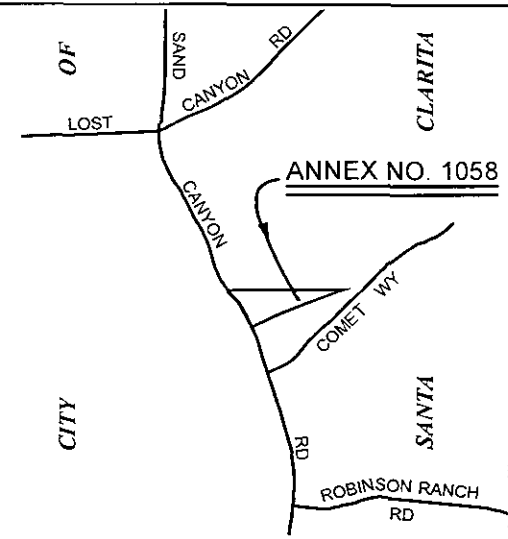
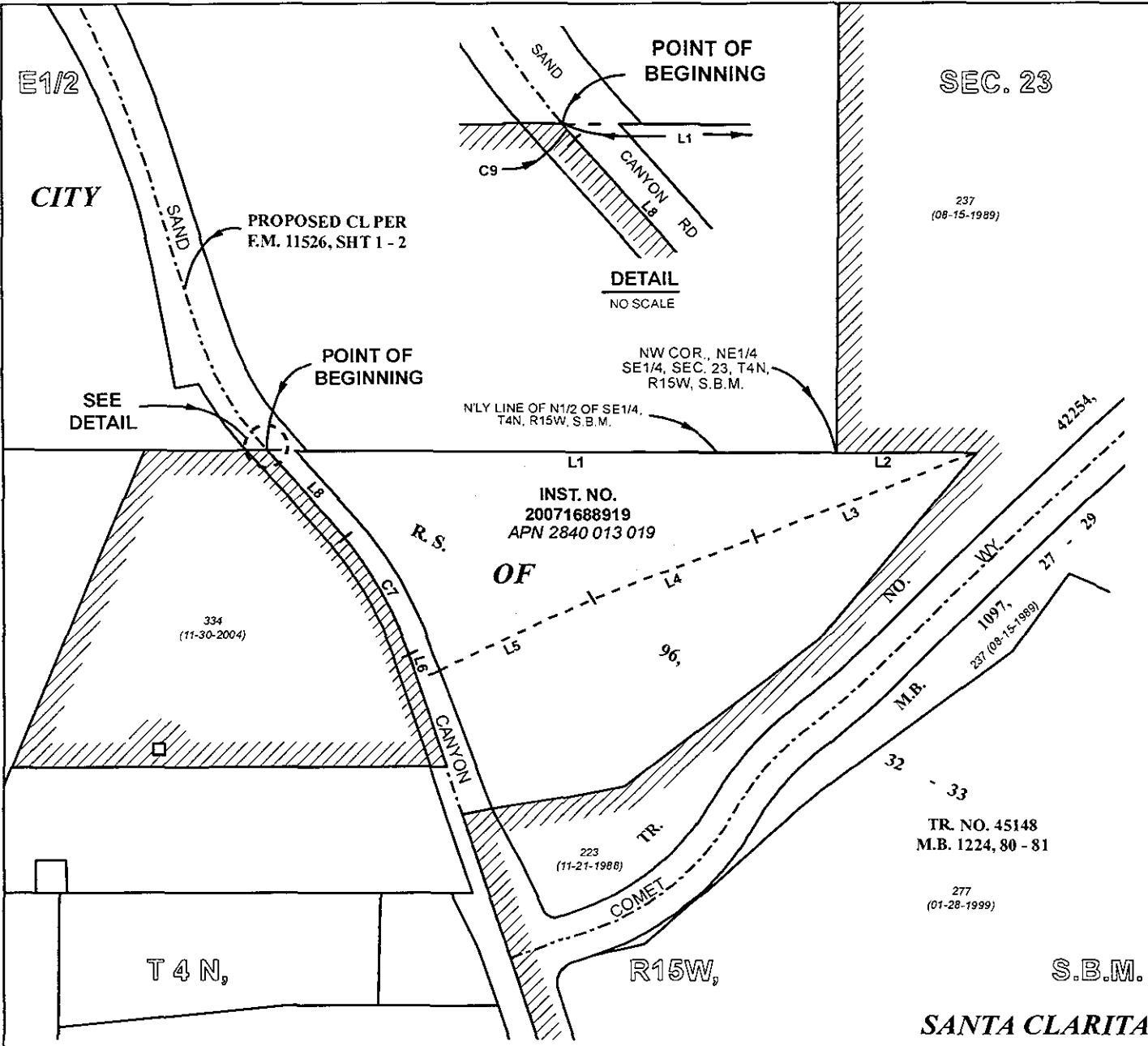
### PROCESSING

<b>FEES:</b>	District	\$ 1,950.00
	Local Agency Formation Commission	2,500.00
	State Board of Equalization	<u>350.00</u>
	Total	<u>\$ 4,800.00</u>

### DESCRIPTION

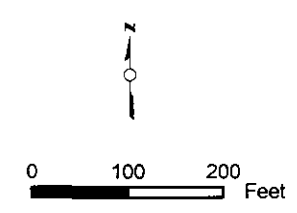
**& REMARKS:** The annexation consists of one existing church.





**COURSE DATA**

L1	N 89°51'39" E	744.70'
L2	N 89°51'39" E	180.23'
L3	S 67°39'46" W	274.47'
L4	S 68°21'45" W	262.50'
L5	S 63°53'05" W	246.99'
L6	N 18°29'45" W	27.08'
C7	R = 500' L = 201.71' D = 23°06'51"	
L8	N 41°36'35" W	144.03'
C9	R = 400' L = 1.07' D = 00°09'11"	



Annexation No. 1058 shown thus -----

Boundary of Santa Clarita Valley Sanitation District -----

Prior to Annexation No. 1058 shown thus -----

Prior Annexations shown thus -----

Area of Annexation ----- 3.043 Acres

ANNEX. NO. (RECORDING DATE)

SANTA CLARITA VALLEY  
SANITATION DISTRICT  
OF LOS ANGELES COUNTY, CA  
OFFICE OF CHIEF ENGINEER  
GRACE ROBINSON CHAN  
CHIEF ENGINEER & GENERAL MANAGER

**ANNEXATION NO. 1058**  
TO  
SANTA CLARITA VALLEY  
SANITATION DISTRICT

Recorded

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## NOTICE OF FINDING/CERTIFICATE OF FILING

ANNEXATION NO. 1058 TO SANTA CLARITA VALLEY SANITATION DISTRICT

THOMAS BROTHERS MAP PAGE 4552, GRID C3

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The project consists of one existing church.

1. **BASED UPON REVIEW AND STUDY, I FIND AND CERTIFY THAT:**

- ☒ The project is **exempt** from the provisions of the California Environmental Quality Act, pursuant to the State CEQA Guidelines,

Section: 15319(a)

Reason: The annexation consists of areas containing existing structures developed to the density allowed by the current zoning.

- ☐ The **Negative Declaration** is adequate for consideration of the project.

- ☐ The **Environmental Impact Report** is acceptable for consideration of the Project.

**ISSUED BY:**

- ☐ Los Angeles County Department of Regional Planning

- ☐ City of

2. The subject proposal has been set for consideration before the Board of Directors of Santa Clarita Valley Sanitation District at their meeting to be held on May 8, 2013 at the time and place as provided for the meeting of said date.
3. The subject proposal and all related documents are on file in the office of the Chief Engineer and General Manager, County Sanitation Districts of Los Angeles County, 1955 Workman Mill Road, (P.O. Box 4998) Whittier, California and may be examined by any interested person for further particulars. Telephone: (562) 908-4288, extension 2708.



David Greenwood  
Supervising Engineer  
Facilities Planning Department

**RECOMMENDATION:**

Adopt resolution making application to the Local Agency Formation Commission for annexation and approve tax sharing resulting from annexation.

**DESCRIPTION:**

PROPERTY OWNERS	ANNEX.NO.	TOTAL ACRES	PROJECT NUMBER	PROJECT DESCRIPTION	LOCATION
Canyon County English Congregation of Jehovah's Witnesses	1058	3.043	2840-013-019	One existing church facility	Thomas Brothers Map Page 4552, C3, located on Sand Canyon Road approximately 400 feet north of Comet Way, all within the City of Santa Clarita.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE:**

- (1) District staff review of the *Request for Annexation* has concluded that the project proposed in the application is exempt from the provisions of CEQA, pursuant to State Guidelines, Section 15319(a) since it contains existing structures developed to the density allowed by the Santa Clarita Valley Area Plan Comprehensive Update.
- (2) The estimated cumulative build out wastewater flow from all previous annexations including the subject annexation will not exceed the current Santa Clarita Valley Joint Sewerage System's (SCVJSS) permitted treatment capacity of 28.1 mgd.

**SYSTEM CAPACITY**

PROPOSED PROJECT	PROJECT ESTIMATED FLOW (MGD)	CUMULATIVE FLOW (MGD)			PRESENT AVG SYSTEM FLOW (MGD)	SYSTEM CAPACITY (MGD)
		BEFORE THIS ANX	AFTER THIS ANX	AFTER THIS BOARD MTG		
One existing church facility	0.0002	22.0515	22.0517	22.0517	19.7	Current: 28.1 2015 Plan:34.1

Note: The cumulative flow represents the maximum potential flow assuming the annexation is built out in accordance with the application. Actual development may be less than that proposed in the application. Periodic adjustments to the calculated cumulative flow will be made to reflect actual wastewater flow measurements. Connections will not be approved unless there is sufficient system capacity.

**ADDITIONAL INFORMATION**

Contiguous to the District? YES ☒ NO ☐ Within the City of Santa Clarita? YES ☒ NO ☐

The project is existing and according to the City of Santa Clarita Building and Engineering Services, permits have been issued for this site.

# SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY

## PROPOSED ANNEXATION NO. 1066

**AGENDA**

**DATE:** Resolution Making Application to LAFCO .....June 12, 2013

**LOCATION:** Thomas Brothers Map Page 4369, Grid B6.....  
Located south of Harp Canyon Road at the east and west sides of Romero Canyon Road, all within unincorporated area of Los Angeles County.

**PROCESSING**

<b>FEES:</b>	District	\$ 21,300.00
	Local Agency Formation Commission	8,000.00
	State Board of Equalization	<u>2,000.00</u>
	Total	<u>\$ 31,300.00</u>

**DESCRIPTION**

**& REMARKS:** The annexation consists of a proposed high school.

**UNINCORPORATED**

W 1/2, SW 1/4,  
SEC. 22, T5N, R17W, S.B.M.

TR.

NO. 46443

1037  
(06-07-2010)

HARP CANYON RD

1244, 20 - 46

POINT OF  
BEGINNING

L1

21

22

L2

28

27

P.M.

APN 3247-068-004

PCL 4

NE 1/4, NE 1/4, SEC. 28,  
T5N, R17W, S.B.M.

L10

L9

OF

L8

APN 3247-068-003  
PCL 3

P.M.B.

346,

7 - 17

L5

L6

L7

L4

67132

APN 3247-068-001  
PCL 1

APN 3247-068-002  
PCL 2

CREEK RD (PVT & FUT ST)

HILL RD  
(PVT & FUT ST)

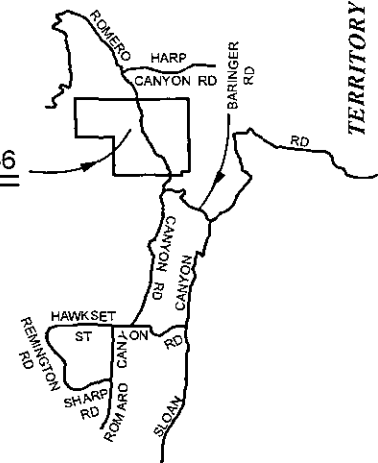
CANYON RD (PVT & FUT ST)

ROMERO CANYON RD

M. B.

ANNEX NO. 1066

UNINCORPORATED



VICINITY MAP  
NO SCALE

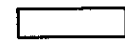
**COURSE DATA**

L1 N 89°41'01" E 1304.06'  
L2 S 89°38'16" E 1307.75'  
L3 S 89°38'16" E 1307.80'  
L4 S 00°50'39" E 2499.47'  
L5 N 89°37'41" W 270.06'  
L6 S 00°50'39" E 150.03'  
L7 N 89°37'41" W 2350.93'  
L8 N 00°43'36" W 1324.47'  
L9 S 89°38'22" W 1305.12'  
L10 N 00°40'51" W 1325.47'



0 350 700  
Feet

Annexation No. 1066 shown thus -----  
Boundary of Santa Clarita Valley Sanitation District  
Prior to Annexation No. 1066 shown thus -----  
Prior Annexations shown thus -----  
Area of Annexation -----



ANNEX. NO.  
(RECORDING DATE)

197.956 Acres

SANTA CLARITA VALLEY  
SANITATION DISTRICT  
OF LOS ANGELES COUNTY, CA  
OFFICE OF CHIEF ENGINEER  
GRACE ROBINSON CHAN  
CHIEF ENGINEER & GENERAL MANAGER  
**ANNEXATION NO. 1066**  
TO  
SANTA CLARITA VALLEY  
SANITATION DISTRICT  
Recorded:

## NOTICE OF FINDING/CERTIFICATE OF FILING

ANNEXATION NO. 1066 TO SANTA CLARITA VALLEY SANITATION DISTRICT

THOMAS BROTHERS MAP PAGE 4369, GRID B6

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The project consists of a proposed high school.

1. **BASED UPON REVIEW AND STUDY, I FIND AND CERTIFY THAT:**

☐ The project is **exempt** from the provisions of the California Environmental Quality Act, pursuant to the State CEQA Guidelines,

Section:

Reason:

☐ The **Negative Declaration** is adequate for consideration of the project.

☒ The **Environmental Impact Report** is acceptable for consideration of the project.

**ISSUED BY:**

☒ William S. Hart Union School District

☐ City of

2. The subject proposal has been set for consideration before the Board of Directors of Santa Clarita Valley Sanitation District at their meeting to be held on June 12, 2013 at the time and place as provided for the meeting of said date.
3. The subject proposal and all related documents are on file in the office of the Chief Engineer and General Manager, County Sanitation Districts of Los Angeles County, 1955 Workman Mill Road, (P.O. Box 4998) Whittier, California and may be examined by any interested person for further particulars. Telephone: (562) 908-4288, extension 2708.



David Greenwood  
Supervising Engineer  
Facilities Planning Department

**RECOMMENDATION:**

Adopt resolution making application to the Local Agency Formation Commission for annexation and approve tax sharing resulting from annexation.

**DESCRIPTION:**

PROPERTY OWNERS	ANNEX.NO.	TOTAL ACRES	PROJECT NUMBER	PROJECT DESCRIPTION	LOCATION
William S. Hart Union School District	1066	197.956	3247-068-001 3247-068-002 3247-068-003 3247-068-004	A proposed high school campus (Castaic High School) SCH #2004031110	Thomas Brothers Map Page 4369, B6, located south of Harp Canyon Road at the east and west sides of Romero Canyon Road, all within unincorporated area of Los Angeles County.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE:**

- (1) The William S. Hart Union School District prepared an Environmental Impact Report (EIR) for this project, which was approved by the School District in October 2012, State Clearing House #2004031110. The EIR describes the project as a proposed high school campus (Castaic High School) which will accommodate approximately 2,600 students.
- (2) The *Request for Annexation* application describes the project as a proposed high school campus. Based on review of the *Request for Annexation* application and the approved EIR, District staff has concluded that the project proposed is the same as that assessed in the environmental document.
- (3) The estimated cumulative build out wastewater flow from all previous annexations including the subject annexation will not exceed the current Santa Clarita Valley Joint Sewerage System's (SCVJSS) permitted treatment capacity of 28.1 mgd.

**SYSTEM CAPACITY**

PROPOSED PROJECT	PROJECT ESTIMATED FLOW (MGD)	CUMULATIVE FLOW (MGD)			PRESENT AVG SYSTEM FLOW (MGD)	SYSTEM CAPACITY (MGD)
		BEFORE THIS ANX	AFTER THIS ANX	AFTER THIS BOARD MTG		
A proposed high school campus	0.0500	22.0517	22.1017	22.1017	19.7	Current: 28.1 2015 Plan:34.1

Note: The cumulative flow represents the maximum potential flow assuming the annexation is built out in accordance with the application. Actual development may be less than that proposed in the application. Periodic adjustments to the calculated cumulative flow will be made to reflect actual wastewater flow measurements. Connections will not be approved unless there is sufficient system capacity.

**ADDITIONAL INFORMATION**

	YES	NO		YES	NO
Contiguous to the District?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Within the City of Santa Clarita?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

According to the Los Angeles County Department of Public Works, Building and Safety Division, Santa Clarita Office, no permits have been issued for this site.



## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400  
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998  
Telephone: (562) 699-7411, FAX: (562) 699-5422  
www.lacsd.org

GRACE ROBINSON CHAN  
Chief Engineer and General Manager

June 12, 2013

File: 32-00.11-00

Board of Directors  
Santa Clarita Valley Sanitation District  
of Los Angeles County

Directors:

### **Service Charge Program for Fiscal Year 2013-14**

The agenda for the June 19, 2013 Board meeting contains an item regarding a public hearing on the continued collection of previously adopted service charge rates on the property tax roll for residential, commercial and small industrial dischargers.

The current service charge rate per single-family home (SFH) is \$19.25 per month (\$231 per year). The rate for fiscal year 2013-14, as previously adopted by the Board of Directors, is \$20.58 per month (\$247 per year), an increase of \$1.33 per month per SFH. The industrial wastewater surcharge rates, as adopted by the Board, will also increase proportionally.

On April 10, 2013, a Service Charge Report was filed with the District Clerk regarding the continued collection on the property tax roll. The public hearing must be conducted before a quorum of the Board for the purpose of public discussion of the Service Charge Report. Notice of the public hearing was published twice in newspapers of general circulation within the District. Public testimony will be accepted at the hearing and all official protests must be received at or by this time. After all public input has been received by the Board, the public hearing will be closed. Following the public hearing, the Board will consider adoption of the Service Charge Report.

Enclosed with this letter are copies of the April 3, 2013 letter explaining the basis for the service charge rate, the Service Charge Report, and the preliminary budget.

Very truly yours,

Grace Robinson Chan

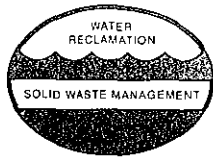
GRC:db

Enclosures

DOC 2573588







## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400  
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998  
Telephone: (562) 699-7411, FAX: (562) 699-5422  
www.lacsd.org

GRACE ROBINSON CHAN  
Chief Engineer and General Manager

Note: The recommended date for the Public Hearing has been revised to June 19, 2013 at 6:00 p.m. in the Santa Clarita City Hall.

April 3, 2013

File: 32-00.11-00

Board of Directors  
Santa Clarita Valley Sanitation District  
of Los Angeles County

Directors:

### Wastewater Revenue Programs For Fiscal Year 2013-2014

The agenda for the April 10, 2013 meeting of the Santa Clarita Valley Sanitation District Board of Directors contains an item regarding the sewerage system service charge program. Through the existing service charge rate ordinance, the Board has already adopted the service charge rates for fiscal year 2013-14 and no further action is required to set the rates. **However, under state law the Board must annually consider and take actions to continue the collection of those charges on the property tax bill.** If the Board were not to take those actions, the charges would still be in effect but would have to be collected in a more costly manner which would result in a significantly higher rate of delinquencies. Thus, it is recommended that the Board take the following actions: (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. This letter provides a review of the previously approved rate increase, the preliminary budget for fiscal year 2013-14, and upcoming significant capital expenditures.

### Service Charge Rates Background

On May 11, 2011, following extensive discussions with the Board, individual notices mailed to every property owner in the District connected to the sewerage system, and after a public hearing, service charge rates were adopted for three fiscal years (2011-12 through 2013-14), with a provision for the ensuing charges to be collected as a line item on the property tax bill. Multi-year rates were utilized as part of a planned, phased approach to service charge rate increases and to avoid the added expense of having to mail annual notices that would be required under Proposition 218 if separate rates were adopted each year. The service charge rate for the current fiscal year is \$19.25 per month per single-family home (\$231 per year). The service charge rate for 2013-14, as previously adopted by the Board, is \$20.58 per month per single-family home (\$247 per year), an increase of \$1.33 per month over the 2012-13 rate. Multi-family residential units will pay 60% of the adopted single-family home rate and condominiums will pay 75% of the adopted single-family home rate. Likewise, commercial and industrial dischargers will pay in proportion to their use of the regional wastewater management system compared to a single-family home. Dischargers with verified low water usage (particularly seniors and retirees) can also qualify for a reduced charge.

The three years of service charge increases were intended to support the continued operation and maintenance (O&M) of the existing sewers, pumping plants, and water reclamation plants (WRPs) in the most cost-efficient means available. With the exception of work being performed at the direction of the

Board to develop a chlorides management facilities plan and an outreach program for the community, none of the three-year rate increase was budgeted for the development of facilities to control chloride in the Santa Clara River. Rate increases specific to the funding of the construction and operation of facilities to support a chloride solution would be proposed only after an approved plan is developed.

As part of the continued operation of sewerage facilities in the District, the proposed three years of service charge increases included a financial plan to accomplish key goals vital to the financial health of the District, including:

- 1) Rebuild cash reserves. The rebuilding of the cash reserves is important not only for the overall financial health of the District, but it is also an important factor considered by rating agencies should the District need to utilize bond financing for major capital projects in the future. In conjunction with this, it is important to achieve and maintain a strong annual debt service coverage to position the District to obtain the best possible credit rating.
- 2) Reimburse the CIF \$5 million plus interest to repay the 2008 loan that was needed due to a significant drawdown in the District's cash reserves. The repayment of the loan would begin in fiscal year 2013-14 and would be repaid over a 10 year period at approximately \$675,000 per year; however, a shorter repayment schedule would be used depending on the overall financial position of the District.

#### Budget for Fiscal Year 2013-14

Enclosed for your review is the preliminary budget for fiscal year 2013-2014 and a list of capital projects (proposed, awarded, and/or under construction) that are impacting the budget. The budget provides a comparison with the current 2012-13 budget and a breakdown of the items included in the budget. In preparing the budget, it is projected that the general revenue sources available to the District for meeting expenses during the coming fiscal year include cash on hand, capital improvement fund monies, a pro rata share of the ad valorem (property) taxes, state low-interest loans, industrial wastewater surcharge, interest income, contract revenue, and rate stabilization fund monies. The supplemental revenue required to meet expenses will be collected through the proposed service charges. A final budget will be presented to the Board for consideration in June as part of the overall budgetary process, including approving appropriations and establishing appropriations limits administrative actions required of agencies that receive ad valorem taxes.

The budget has been prepared in accordance with the Joint Administration Agreement. This agreement allocates Joint Administration costs to each signatory District according to the ratio of the number of sewage units in a District to the total number of sewage units in all the Districts signatory to the agreement. A sewage unit represents the average daily sewage flow and strength (measured in terms of chemical oxygen demand and suspended solids) from a single-family home. This method of allocating costs considers flow as well as the strength of sewage from all types of users and is the most equitable way to distribute Joint Administration costs.

#### Significant Capital Expenditures

Increasing Water Reclamation Plants Electrical Reliability — At the Saugus and Valencia WRPs, because of age, the electrical equipment used to distribute power throughout the plants is obsolete and replacement parts are no longer available. Reliable power distribution equipment is critical for mitigating the risk of overflows or spills due to the failure of key components controlling pumping throughout the plants. Accordingly, modifications and improvements to the power distribution systems, which began in

2012-13 and will be completed by early 2015, are being made at a combined total cost of approximately \$7.5 million. The portion of the work being done during fiscal year 2013-14 will total \$300,000.

Treatment Facilities Upgrades — Capital improvements scheduled for the Valencia WRP include process control improvements (\$2 million in FY 2013-14), an upgrade to the steam boiler system to provide heating for the digesters (\$4.9 million total cost, with \$800,000 in FY 2013-14), and treatment enhancements for removal of nitrogen called nitrification-denitrification (\$300,000 in FY 2013-14). At the Saugus WRP, approximately \$350,000 will be spent in FY 2013-14 on filter control automation and sodium bisulfite facilities. Additionally, \$622,000 has been budgeted in FY 2013-14 for miscellaneous WRP and laboratory improvements.

Diversifying Biosolids Management for Reliability — The management of biosolids, the material removed from the incoming wastewater at WRPs, continues to be a costly part of the treatment process. Currently, biosolids from the Saugus and Valencia WRPs are hauled to remote locations for reuse on agricultural lands. In addition to the benefit of reclaiming and restoring depleted agricultural lands, this practice helps preserve the limited landfill capacity available in Los Angeles County. While biosolids management costs have remained relatively flat the past two fiscal years, more stringent regulatory requirements or restrictive local county ordinances in the future could result in much higher costs to develop new management alternatives for transportation of biosolids to acceptable land application sites.

Procurement of New Financial Management and Human Resources Software — The existing software for managing financial information (budgeting, finance, accounting, purchasing, etc.) and human resources information (payroll, benefits, employee services and records, etc.) is inefficient and obsolete by industry standards. In an effort to reduce costs and improve efficiencies, the Districts have been developing system requirements to procure an Enterprise Resource Planning (ERP) System that will integrate all finance and human resources data and work-flow functionality. It is anticipated this new software will be purchased in fiscal year 2013-14 at a cost of approximately \$8 million. The District's share of this cost is \$364,000.

Regulatory Compliance Alternatives — The FY 2013-14 budget includes approximately \$1.4 million of Board-directed activities to work toward a resolution of the state-mandated chloride TMDL issue. The chloride TMDL is a regulatory limit imposed pursuant to federal and state law. Legal efforts to support compliance efforts related to the Regional Board mandate are anticipated to be \$150,000 in FY 2013-14. The remainder of the funds is earmarked for the completion of the facilities plan and associated environmental impact report (EIR). The goal of the reports is to identify the most cost effective, environmentally sound approach to compliance with the regulatory mandate.

The majority of the expenses (\$875,000) are related to the efforts by Districts' staff. Those staff's efforts are focused on identifying and evaluating all of the viable potential alternatives for meeting the TMDL limit and, once the draft plan is released, assimilating public comments, refining the alternatives, and finalizing the facilities plan. The draft plan is expected to be released in April 2013, with the final plan scheduled to be complete by October 2013.

Because of the technical expertise required to prepare the EIR, the District contracted with Environmental Science Associates (ESA) for this work. In March, the Board issued a supplemental purchase order to ESA for the work to be performed following the release of the documents, with \$200,000 expected to be spent during FY 2013-14.

There is a related item on the April 10 Board meeting agenda regarding the issuance of a supplemental purchase order to Community Conservation Solutions to conduct public outreach activities during the public review of the draft EIR and preparation of the final reports. The goal of the public outreach activities is to provide clear, concise, and accurate information to the public to inform the

community of the process and promote public participation. If approved by the Board, the cost of this work during FY 2013-14 is estimated to be \$210,000.

#### Significant O&M Expenditures

Although the projected total O&M costs related to the operation of the WRPs have been held relatively flat for fiscal year 2013-14 by comparison to the budget for fiscal year 2012-13, there have been increases in chemical and fuel costs, and in the amount of work being performed at the water quality laboratories.

The budget also includes an estimated \$700,000 of Board-directed work needed for the continued removal of automatic water softeners (AWS) from residences, including monitoring and enforcement activities. The 2013-14 AWS program costs represents approximately one half of the amount originally budgeted in 2012-13, work that was deferred to allow for continued voluntary removals. While the projected AWS enforcement costs over the next three years total \$3.3 million, the District has applied for a State grant (Proposition 84) that could fund up to \$2.4 million of those costs.

#### Maximizing Outside Funding Sources to Minimize the Financial Impact of Capital Projects

Several sources of funding have been used to meet the financial needs of the Districts. These sources have included state low-interest loans, bonds previously issued by the Districts, and connection fee monies collected from new users of the sewerage system and those expanding their discharge. The loans and bond proceeds reduce the immediate impact of the capital expenditures by spreading the costs over a greater number of years, but must ultimately be repaid by the system users through the service charge (residential and commercial users) and industrial wastewater surcharge (industrial users) programs. Connection fees will be used to pay for any expansion-related capital projects so that existing users are not required to subsidize growth.

Projects that have already received state low-interest loans include power generation equipment, expansion of the Valencia WRP, modifications of the WRPs to remove nitrogen, and upgrade of the Valencia WRP steam boiler. In total, the District has received \$64 million in state low-interest loans. Taking advantage of the lower interest rate of the loans as compared to bonds has allowed the Districts to realize a net present value savings of approximately \$12 million by participating in the loan program.

The District participated in a major bond financing program for all the Districts back in 1993. The original bonds were refinanced in 2003 along with the issuance of additional bonds. In 2011, the Districts were able to refinance approximately \$150 million of these bonds, resulting in a collective net present value savings of \$10.6 million Districts-wide, of which the District's share is approximately \$1.1 million. It is proposed to issue \$107 million of refunding bonds, at a collective net present value savings of \$29 million.

#### Discussion of Service Charge Increase for Fiscal Year 2013-14

The fiscal year 2013-14 service charge rate of \$20.58 per month per single-family home (\$247 per year) representing a \$1.33 per month (\$16 per year) increase, was previously approved and adopted on May 11, 2011, with an effective date of July 1, 2013. As discussed above, this rate not only provided for both the continued operation and maintenance of the existing sewers, pumping plants, and water reclamation plants (WRPs) and the Board-directed activities related to chloride TMDL compliance, but also addressed other financial goals of paying back an internal loan, and positioning the District to obtain the best possible credit rating should the District need to utilize bond financing in the future. As discussed earlier in this letter, two important factors to achieving a good credit rating are the debt coverage ratio and the cash reserves of the District. Both of these factors are being enhanced over time

based upon the rates approved by the Board in 2011. With the Board's oversight, District's staff has been successful in keeping this fiscal year's projected O&M costs associated with the treatment facilities under budget. These savings have been reflected in the projected O&M costs for FY2013-14. In addition, the physical inspection activities associated with the AWS enforcement program were deferred until FY2013-14 and the anticipated expenditures for that year have been reduced to allow additional time for voluntary compliance.

Summary of Required Actions

State law requires the Board of Directors to order a Service Charge Report (copy attached) be filed with the District Clerk and to instruct the District Clerk to publish newspaper notices to inform the public of the date, time, and place for a public hearing on the Service Charge Report. It is recommended that the public hearing be set for May 22, 2013, at 6:00 p.m. in the Santa Clarita City Council Chambers. After the public hearing is closed, the Board must adopt the Service Charge Report in order to ensure collection of the service charge through property tax billing.

Very truly yours,

A handwritten signature in black ink that reads "Grace R. Chan". The signature is written in a cursive, flowing style.

Grace Robinson Chan

GRC:db

Enclosures

**SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY  
SEWERAGE SYSTEM PRELIMINARY BUDGET FOR 2013-14**

**REQUIREMENTS FOR FISCAL YEAR**

<u>APPROPRIATION:</u>	<b>2012-13</b>	<b>2013-14</b>
O&M - Joint Administration	\$ 499,000	\$ 530,000
O&M - Technical Services	4,250,000	4,620,000
O&M - Local District Sewers	460,000	425,000
O&M - Treatment Facilities	15,832,000	15,950,000
Capital - Joint Administration	107,000	364,000
Capital - Local Capital	5,305,000	4,372,000
Capital - Regulatory Compliance Issues	2,221,000	1,435,000
Bond Repayment	3,434,000	3,350,000
Loan Repayment	3,025,000	3,025,000
Capital Improvement Fund Loan Repayment	-	765,000
Contingency for Emergency	<u>1,000,000</u>	<u>1,000,000</u>
	\$ 36,133,000	\$ 35,836,000
CASH FLOW REQUIREMENT (for period JULY 1 THROUGH DECEMBER 31)	<u>15,642,000</u>	<u>16,123,000</u>
TOTAL BUDGET:	\$ 51,775,000	\$ 51,959,000

**ESTIMATED CASH AND REVENUE:**

Cash on Hand July 1	\$ 10,370,000	\$ 15,783,000
Transfer from Capital Improvement Fund	4,575,000	4,440,000
Taxes	5,737,000	5,902,000
Service Charge	21,597,000	22,831,000
Loans	2,000,000	736,000
Industrial Waste	423,000	454,000
Interest and Contracts	1,708,000	1,774,000
Transfer from Rate Stabilization Fund	<u>5,365,000</u>	<u>39,000</u>
TOTAL RESOURCES:	\$ 51,775,000	\$ 51,959,000

**SERVICE CHARGE CALCULATION**

Number of Sewage Units	93,494	92,432
Charge Per Sewage Unit	\$ 231.00	\$ 247.00

**SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY  
JULY 1, 2013 THROUGH JUNE 30, 2014**

**PROPOSED CAPITAL PROJECTS**

**JOINT ADMINISTRATION:** \$ 364,000

**LOCAL:**

1. Valencia WRP North Process Air Systems Improvements	\$ 1,500,000	
2. Valencia WRP Steam Boiler System Upgrade	800,000	
3. Valencia WRP Bailey Conversion to Factory Talk	500,000	
4. Valencia WRP NDN Enhancements	300,000	
5. Valencia and Saugus WRP Power Distribution	300,000	
6. Saugus WRP Filter Control Automation	200,000	
7. Saugus WRP New Sodium Bisulfite Facilities	150,000	
8. Miscellaneous WRP and Lab Improvements	<u>622,000</u>	
		\$ 4,372,000

**REGULATORY COMPLIANCE ALTERNATIVES:**

1. Legal Efforts	\$ 150,000	
2. Districts' Staff - Facilities Planning / EIR	875,000	
3. Environmental Science Associates	200,000	
4. Community Conservation Solutions	<u>210,000</u>	
		\$ 1,435,000

**TOTAL PROPOSED CAPITAL PROJECTS:** \$ 6,171,000

**SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY**  
**JULY 1, 2013 THROUGH JUNE 30, 2014**

	<b>Fiscal Year 2013-14</b>
<b>Rate Stabilization Fund</b>	
Beginning Balance	\$ 8,712,000
Interest	61,000
Expenses	<u>(39,000)</u>
Ending Balance	\$ 8,734,000



# **SANTA CLARITA VALLEY SANITATION DISTRICT SERVICE CHARGE REPORT FOR FISCAL YEAR 2013-2014**

## **INTRODUCTION**

Santa Clarita Valley Sanitation District of Los Angeles County encompasses a portion of the city of Santa Clarita and unincorporated Los Angeles County.

Santa Clarita Valley Sanitation District provides wastewater management services for the area described above. The District is responsible for the operation and maintenance of the Saugus and Valencia Water Reclamation Plants 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.

Santa Clarita Valley Sanitation District must provide the revenue required to operate and maintain its facilities. The general revenue sources currently available to Santa Clarita Valley Sanitation District include cash on hand, capital improvement fund monies, a pro rata share of the ad valorem (property) taxes, state low interest loan, industrial waste surcharge, interest income, contract revenue, and rate stabilization fund monies. For fiscal year 2013-2014, the proposed expenditures exceed these revenue sources and necessitate a service charge to supplement the other revenue sources.

## **PROPOSED SYSTEM DESCRIPTION**

The required supplemental revenue under the Service Charge Ordinance 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 Santa Clarita Valley Sanitation District 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:

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

where:

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

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

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

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

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

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

For fiscal year 2013-2014, 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 Santa Clarita Valley Sanitation District.

Based upon presently anticipated sources of funds, the service charge rate for fiscal year 2013-2014 is \$247 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 Santa Clarita Valley 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 2013-14 Tax Rate Areas as shown in Table 2 are receiving or benefiting from the services and facilities of Santa Clarita Valley Sanitation District. Additionally, the parcels listed in Table 3, which do not fall within the Tax Rate Areas shown in Table 2, are receiving or benefiting from the services and facilities of Santa Clarita Valley Sanitation District. Said parcels are more particularly described in maps prepared in accordance with Section 327, Revenue and Taxation Code, which are on file in the office of the County Assessor, which maps are hereby incorporated herein by reference.

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

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

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

<b><u>DESCRIPTION</u></b>	<b><u>UNIT OF MEASURE</u></b>	<b><u>FLOW (Gallons per Day)</u></b>	<b><u>COD (Pounds per Day)</u></b>	<b><u>SUSPENDED SOLIDS (Pounds per Day)</u></b>
<b>RESIDENTIAL</b>				
Single Family Home	Dwelling Unit	260	1.22	0.59
Condominiums	Dwelling Unit	195	0.92	0.44
Multi-Unit Residential	Dwelling Unit	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
<b>COMMERCIAL</b>				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft <sup>2</sup>	100	0.43	0.23
Supermarket	1000 ft <sup>2</sup>	150	2.00	1.00
Shopping Center	1000 ft <sup>2</sup>	325	3.00	1.17
Regional Mall	1000 ft <sup>2</sup>	150	2.10	0.77
Office Building	1000 ft <sup>2</sup>	200	0.86	0.45
Medical, Dental, Veterinary Clinic or Building	1000 ft <sup>2</sup>	300	1.29	0.68
Restaurant	1000 ft <sup>2</sup>	1,000	16.68	5.00
Indoor Theatre	1000 ft <sup>2</sup>	125	0.54	0.28
Car Wash				
Tunnel - No Recycling	1000 ft <sup>2</sup>	3,700	15.86	8.33
Tunnel - Recycling	1000 ft <sup>2</sup>	2,700	11.74	6.16
Wand	1000 ft <sup>2</sup>	700	3.00	1.58
Bank, Credit Union	1000 ft <sup>2</sup>	100	0.43	0.23
Service Shop, Vehicle Maintenance & Repair Shop	1000 ft <sup>2</sup>	100	0.43	0.23
Animal Kennels	1000 ft <sup>2</sup>	100	0.43	0.23
Gas Station	1000 ft <sup>2</sup>	100	0.43	0.23
Auto Sales	1000 ft <sup>2</sup>	100	0.43	0.23
Wholesale Outlet	1000 ft <sup>2</sup>	100	0.43	0.23
Nursery/Greenhouse	1000 ft <sup>2</sup>	25	0.11	0.06
Manufacturing	1000 ft <sup>2</sup>	200	1.86	0.70
Light Manufacturing	1000 ft <sup>2</sup>	25	0.23	0.09
Lumber Yard	1000 ft <sup>2</sup>	25	0.23	0.09
Warehousing	1000 ft <sup>2</sup>	25	0.23	0.09
Open Storage	1000 ft <sup>2</sup>	25	0.23	0.09
Drive-in Theatre	1000 ft <sup>2</sup>	20	0.09	0.05
Night Club	1000 ft <sup>2</sup>	350	1.50	0.79
Bowling/Skating	1000 ft <sup>2</sup>	150	1.76	0.55
Club & Lodge Halls	1000 ft <sup>2</sup>	125	0.54	0.27
Auditorium, Amusement	1000 ft <sup>2</sup>	350	1.50	0.79
Golf Course and Park (Structures and Improvements)	1000 ft <sup>2</sup>	100	0.43	0.23
Campground, Marina, Recreational Vehicle Park	Sites, Slips, or Spaces	55	0.34	0.14
Convalescent Home	Bed	125	0.54	0.28
Horse Stables	Stalls	25	0.23	0.09
Laundromat	1000 ft <sup>2</sup>	3,825	16.40	8.61

<b><u>DESCRIPTION</u></b>	<b><u>UNIT OF MEASURE</u></b>	<b><u>FLOW (Gallons per Day)</u></b>	<b><u>COD (Pounds per Day)</u></b>	<b><u>SUSPENDED SOLIDS (Pounds per Day)</u></b>
<b>COMMERCIAL</b>				
Mortuary, Funeral Home	1000 ft <sup>2</sup>	100	1.33	0.67
Health Spa, Gymnasium				
With Showers	1000 ft <sup>2</sup>	600	2.58	1.35
Without Showers	1000 ft <sup>2</sup>	300	1.29	0.68
Convention Center,	Average Daily	10	0.04	0.02
Fairground, Racetrack,	Attendance			
Sports Stadium/Arena				
<b>INSTITUTIONAL</b>				
College/University	Student	20	0.09	0.05
Private School	1000 ft <sup>2</sup>	200	0.86	0.45
Library, Museum	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Local)	1000 ft <sup>2</sup>	100	0.43	0.23
Post Office (Regional)	1000 ft <sup>2</sup>	25	0.23	0.09
Church	1000 ft <sup>2</sup>	50	0.21	0.11

**TABLE 2****TAX RATE AREAS IN SANTA CLARITA VALLEY SANITATION DISTRICT**

000221	000708	001623	006646	008690
000223	000717	001635	006648	008704
000227	000719	001689	006665	008706
000274	000729	001731	006705	008710
000275	000732	001753	006707	008712
000281	000746	001754	006786	008717
000282	000749	001778	006818	008733
000325	000769	001811	006819	008742
000326	000777	001862	006822	008762
000330	000801	002242	006823	008777
000331	000802	002469	006825	008779
000332	000803	002473	006828	008780
000351	000824	002477	006838	008828
000353	000826	002500	006865	008845
000360	000837	002504	007152	008847
000362	000887	002603	007231	008857
000364	000896	002628	007643	008858
000386	000906	002694	007646	008861
000387	000907	002764	007647	008865
000389	000908	002910	007648	008866
000390	000918	002927	007649	008900
000391	000933	002933	007650	008905
000393	000935	003693	007651	008907
000397	000936	003767	007652	008912
000405	000937	003819	007653	008913
000409	000939	003823	007655	008951
000420	000947	003826	007669	008970
000431	000948	003889	007670	008971
000439	000955	004624	007673	008972
000442	000965	004749	007676	008973
000448	000966	004951	007677	008980
000450	000967	004957	007679	008982
000472	000975	004967	007711	008999
000508	000976	005006	007822	009004
000520	000977	005796	008014	009276
000550	000978	005797	008015	009298
000554	000979	005798	008046	009313
000564	001274	006285	008129	009314
000567	001297	006419	008379	009322
000569	001299	006477	008387	009341
000570	001300	006562	008544	009358
000584	001301	006594	008556	009360
000597	001302	006595	008581	009370
000601	001303	006606	008582	009406
000603	001327	006614	008586	009423
000612	001340	006633	008659	009425
000613	001369	006634	008672	009441
000621	001403	006635	008674	009481
000699	001574	006641	008675	009523
000704	001616	006642	008676	009533

009541	010796	011766	012457	012878
009573	010798	011782	012458	012887
009579	010804	011828	012459	012925
009718	010805	011829	012461	012926
009729	010811	011830	012474	012927
009755	010812	011833	012475	012928
009785	010813	011834	012478	012929
009786	010814	011835	012488	012936
009797	010815	011836	012490	012937
009807	010816	011850	012491	012947
009863	010817	011860	012492	012999
009864	010818	011879	012493	013000
009865	010819	011885	012494	013072
009875	010820	011886	012500	013073
009879	010821	011888	012501	013076
009980	010823	011889	012502	013089
009981	010840	011892	012541	013122
009982	011073	011901	012543	013123
009984	011129	011904	012544	013129
009987	011158	011906	012551	013142
010216	011165	011915	012552	013145
010286	011166	012067	012557	013147
010292	011167	012081	012569	013149
010293	011181	012096	012574	013150
010294	011237	012097	012589	013151
010494	011238	012098	012594	013153
010522	011239	012135	012595	013163
010523	011244	012137	012596	013164
010524	011245	012147	012597	013166
010526	011246	012148	012605	013202
010527	011317	012162	012610	013203
010535	011327	012169	012613	013225
010536	011351	012176	012651	013301
010571	011371	012193	012655	013313
010577	011372	012194	012676	013317
010578	011413	012195	012686	013319
010579	011428	012196	012687	013322
010582	011432	012202	012688	013348
010595	011454	012204	012692	013349
010596	011506	012205	012702	013350
010618	011620	012283	012707	013351
010721	011631	012289	012756	013352
010727	011634	012310	012757	013373
010732	011637	012311	012758	013379
010738	011638	012436	012778	013380
010742	011639	012438	012780	013429
010743	011668	012440	012781	013442
010746	011675	012446	012782	013443
010754	011682	012448	012783	013444
010764	011683	012449	012794	013445
010769	011704	012450	012820	013448
010770	011735	012451	012849	013449
010771	011736	012452	012876	013450
010791	011737	012453	012877	013460

014473	014669	014910	015081	015366
014474	014683	014911	015083	015372
014475	014684	014912	015084	015378
014477	014685	014914	015089	015380
014482	014686	014915	015090	015381
014483	014687	014916	015092	015382
014484	014689	014917	015095	015384
014493	014695	014918	015098	015386
014497	014696	014920	015100	015387
014526	014698	014921	015108	015392
014528	014699	014922	015109	015396
014529	014700	014923	015110	015397
014534	014701	014924	015111	015403
014535	014706	014925	015113	015405
014539	014708	014926	015114	015407
014546	014718	014927	015115	015408
014547	014719	014931	015119	015409
014550	014720	014932	015125	015411
014552	014730	014933	015137	015412
014556	014739	014935	015138	015416
014557	014741	014936	015156	015426
014559	014792	014937	015162	015427
014565	014793	014938	015165	015428
014568	014794	014939	015193	015432
014569	014795	014940	015216	015434
014570	014796	014942	015220	015438
014577	014809	014953	015221	015441
014578	014810	014956	015222	015442
014579	014812	014957	015235	015443
014584	014813	014960	015237	015446
014606	014814	014961	015238	015447
014611	014820	014962	015241	015475
014617	014821	014963	015242	015476
014632	014822	014966	015243	015478
014633	014832	015017	015244	015480
014642	014836	015022	015245	015481
014643	014845	015023	015246	015505
014644	014857	015024	015306	015506
014645	014859	015025	015307	015507
014647	014862	015040	015317	015508
014650	014865	015041	015331	015509
014656	014866	015044	015349	015529
014657	014867	015065	015350	015536
014661	014868	015070	015351	015540
014662	014875	015071	015352	015546
014663	014877	015072	015353	015549
014664	014880	015074	015359	015552
014665	014902	015077	015360	
014667	014903	015078	015363	
014668	014908	015079	015364	

013462	013698	013902	014049	014218
013473	013699	013912	014050	014219
013487	013700	013963	014051	014221
013488	013701	013964	014052	014222
013489	013702	013965	014053	014223
013492	013703	013967	014054	014224
013493	013704	013968	014056	014225
013495	013705	013969	014059	014226
013496	013706	013970	014069	014227
013497	013707	013971	014076	014232
013499	013727	013972	014083	014233
013500	013728	013973	014084	014234
013503	013737	013974	014085	014235
013505	013744	013976	014086	014236
013507	013745	013977	014087	014237
013513	013746	013978	014088	014238
013552	013757	013979	014089	014239
013577	013759	013981	014090	014240
013578	013760	013982	014091	014241
013579	013761	013989	014092	014242
013580	013762	013990	014093	014243
013581	013763	013994	014094	014261
013593	013768	013995	014095	014262
013597	013769	014005	014096	014269
013598	013777	014006	014097	014272
013600	013778	014007	014098	014277
013601	013783	014009	014099	014278
013611	013784	014010	014100	014280
013612	013787	014013	014101	014282
013613	013788	014014	014102	014285
013614	013793	014015	014103	014286
013624	013794	014016	014104	014287
013626	013796	014017	014105	014309
013641	013797	014018	014106	014409
013642	013798	014021	014107	014410
013643	013814	014022	014108	014411
013644	013816	014023	014109	014412
013645	013818	014025	014110	014423
013646	013819	014026	014111	014424
013647	013828	014027	014112	014454
013648	013830	014028	014113	014455
013649	013835	014029	014114	014457
013652	013840	014032	014115	014458
013653	013854	014033	014116	014460
013654	013855	014034	014121	014462
013655	013866	014035	014127	014464
013656	013867	014036	014128	014465
013658	013873	014037	014129	014466
013682	013878	014041	014147	014467
013689	013879	014043	014148	014468
013690	013880	014044	014166	014469
013692	013882	014045	014176	014470
013696	013888	014047	014177	014471
013697	013894	014048	014178	014472



**TABLE 3****PARCEL NUMBERS SERVED BY  
SANTA CLARITA VALLEY SANITATION DISTRICT**

2803024023	2830020029	2840011010	2854051073
2803024024	2830020030	2840011023	2854052001
2803024025	2833007032	2840012013	2854052002
2803024026	2833007034	2840013012	2854052003
2803024027	2833007035	2840013019	2854052004
2803024028	2833012024	2841001022	2854052005
2803024029	2834021124	2841012020	2854052032
2803024030	2834033003	2841012023	2854052035
2803024031	2834033004	2841013026	2854055040
2803024032	2834033031	2841013030	2854055041
2803024033	2834037004	2841014033	2865015040
2803024034	2834037005	2841018046	2865015047
2803024035	2834037006	2841018063	2865015048
2803024036	2834037007	2841063011	2865015049
2803024040	2834037008	2841063013	2865015050
2803024041	2834037010	2841063015	2865015051
2803024042	2834037011	2841063016	2865015052
2803024043	2834037012	2841063017	2865015053
2803024044	2834037013	2841064001	2865015054
2803024045	2834037014	2841064002	2865015055
2803024046	2834037015	2841064003	2865015056
2803024047	2834037016	2841064005	2865015057
2803024048	2834037017	2841064006	2865015058
2803024049	2834037018	2841064007	2865015059
2803024050	2834037019	2841064008	2865015060
2803024051	2836060041	2844037008	2865015061
2803024052	2837003040	2854011031	2865015062
2803024053	2839014042	2854051016	2865015063
2803024054	2839015005	2854051017	2865015064
2803024055	2839015022	2854051020	2865093066
2803025013	2839016020	2854051061	2865093103
2805012014	2839019013	2854051066	3231009009
2805017021	2839019026	2854051068	3231010014
2825013014	2839019027	2854051071	4459002035
2830020028	2839021001	2854051072	



## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998  
Telephone: (562) 699-7411, FAX: (562) 699-5422  
www.lacsd.org

GRACE ROBINSON CHAN  
*Chief Engineer and General Manager*

June 12, 2013

File No. 32-00.11.00

Board of Directors  
Santa Clarita Valley Sanitation District  
of Los Angeles County

Directors:

### **Proposed Amendments to the Master Service Charge Ordinance** **Regarding Low Water Use**

The agenda for the June 19, 2013, meeting of the Board of Directors of Santa Clarita Valley Sanitation District contains an item regarding proposed changes to the Master Service Charge Ordinance. This is the ordinance that defines the service charge program, the program under which all residential and commercial dischargers pay for the service they receive. One of the key features of the program is the low-water reduced charge option that helps ensure that users don't overpay when they have low water use compared to other dischargers. Some recommended changes to this feature are being proposed to make it more user friendly, while still maintaining fairness and cost effectiveness.

#### **Background – Existing Program**

Historically, the discharge from residential and commercial parcels has been estimated using standardized loadings based on user categories (e.g., single-family home, store, restaurant, etc.) and units of usage (e.g. square footage, number of rooms, etc.). This methodology was developed because metering of individual parcels is cost prohibitive and impractical. However, to take into account those parcels that discharge significantly less sewage than the average (as seen by their lower water use), the low-water reduced charge option was developed, first for residential parcels and then for commercial parcels.

*Residential Program* — The normal single-family home pays on the basis of one sewage unit (SU). Depending on their actual low water use, single-family homes can qualify for a reduced charge equal to that of a condominium (0.75 SU, a 25% reduction) or that of an apartment (0.6 SU, a 40% reduction). Likewise, condominiums with low water use can qualify for a reduced charge equal to that of an apartment (a 20% reduction). In order to apply for the reduced charge, they submit a claim form with copies of their water bills for a continuous 12-month period. Once they have qualified for a reduced charge, they will continue to receive that reduced charge in subsequent years without having to reapply every year, unless the property changes ownership.

*Commercial Program* — Under the existing program for commercial dischargers, the charge that appears on their property tax bill is based on the standardized loadings and must be paid in full. At the end of the fiscal year, the parcel owner may submit the water use information for that parcel and receive a rebate if the actual usage is less than the standardized loadings. The amount of the rebate is in proportion to the amount their actual use is less than the standardized loading; e.g. if the actual use is 88% of the standardized loading, they would qualify for a 12% rebate. This process is repeated every year to account for variations in water use, with no automatic renewal process.

### Proposed Changes

*Winter Water Use* — One of the most common concerns that has been raised is that annual water use may not be representative of sewer use in that it does not account for water used for irrigation that does not reach the sewer. To address this concern, staff will evaluate water use during the winter months when irrigation is at a minimum. If the average daily winter water use is lower than the average daily annual use, the winter water use will be utilized for estimating wastewater discharge. If the average daily winter use is higher (this happens for about 20% of the commercial parcels), the annual water use will be utilized.

*Prospective Program* — The residential program will continue to be prospective with automatic reduced charges in subsequent years. The commercial program will convert from the current rebate program to a prospective reduced charge program. This will allow commercial dischargers to pay a lower up front amount and not have to wait the entire year to receive a rebate.

*Frequency of Data Submittal* — Residential parcel owners will continue to only have to qualify once and then continue to receive the reduced charge until the property is sold. Once the property is sold, the new owner will have to qualify for a reduced charge based on their water usage. Commercial property owners will have the option of locking in for 5 years, receiving the same reduced charge each year without having to reapply annually, or they can continue to apply each year, adjusting the reduced charge annually based on the preceding year's water use. Provisions have been made so that property owners that are locked in for 5 years can get out if they have made a change in their business operation that significantly reduces their water use.

*Brackets* — Water use for any given parcel typically varies from year to year. This would suggest that commercial property owners should be required to submit water consumption data annually; something that they have indicated is a burden. The use of discrete ranges (e.g. 90-70%, 70-50%, etc.), using the mid-point of the range as the basis for the prospective charge, would mitigate this variability and allow data to be submitted on a less frequent basis. The following table illustrates the percentage of the full charge that a user would pay based on the ratio of their water use to the estimated category flow.

If the Ratio is Less Than	But Greater Than or Equal To	% of Charge
90%	70%	80%
70%	50%	60%
50%	30%	40%
30%	—	20%

*Transition* — In order to reduce the number of applications that must be processed each year (minimizing staffing needs), it is recommended that the lock in option be phased in over the initial five year period. Factors such as the number of years of data previously submitted and annual variability will be used to help prioritize the phase in timing.

Recommendation

The proposed changes presented above were discussed with the Personnel Committee (comprised of the chairpersons of each of the Districts) on March 27, 2013, with a general concurrence to move forward with their implementation. Accordingly, it is recommended that the Board introduce the proposed Master Service Charge Ordinance at its June 19, 2013, Board meeting. If introduced, the Board should adjourn to June 26, 2013, for consideration of adoption. Upon its adoption, the Ordinance will apply to service charges imposed on or after July 1, 2013.

Very truly yours,



Grace Robinson Chan

GRC:db

Enclosures

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

**THE BOARD OF DIRECTORS OF SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY ORDAINS AS FOLLOWS:**

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**TABLE OF CONTENTS**

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**PART I -- GENERAL PROVISIONS**

- Section 1.01 – Short Title
- Section 1.02 – Purpose
- Section 1.03 – Authority
- Section 1.04 – Additional Revenue
- Section 1.05 – Administration
- Section 1.06 – Validity
- Section 1.07 – Supersession
- Section 1.08 – Effective Date

**PART II -- DEFINITIONS**

- Section 2.01 – Apartment
- Section 2.02 – Billable Sewage Unit or BSU
- Section 2.03 – Board of Directors
- Section 2.04 – Chief Engineer
- Section 2.05 – COD or Chemical Oxygen Demand
- Section 2.06 – Connection Fee Rate Ordinance
- Section 2.07 – District
- Section 2.08 – Estimated Flow
- Section 2.09 – Facility
- Section 2.10 – Fiscal Year
- Section 2.11 – Local Agency
- Section 2.12 – Local Governmental Facility
- Section 2.13 – Master Annexation Fee Ordinance
- Section 2.14 – Master Connection Fee Ordinance
- Section 2.15 – Notice of Charges

- Section 2.16 – Parcel
- Section 2.17 – Prime Interest Rate
- Section 2.18 – Rebate
- Section 2.19 – Reduced Charge
- Section 2.20 – Refund
- Section 2.21 – Service Charge
- Section 2.22 – Service Charge Rate Ordinance
- Section 2.23 – Sewerage System
- Section 2.24 – Suspended Solids
- Section 2.25 – Tax Roll
- Section 2.26 – Unit of Usage
- Section 2.27 – User Category
- Section 2.28 – Verifiable Tenant Use List
- Section 2.29 – Verifiable Water Consumption Records
- Section 2.30 – Wastewater
- Section 2.31 – Wastewater Ordinance

**PART III -- CHARGES**

- Section 3.01 – Imposition of Charges
- Section 3.02 – Calculation of the Service Charge
- Section 3.03 – Determination of the Service Charge Rate
- Section 3.04 – Calculation of the Number of Billable Sewage Units
- Section 3.05 – Refunds
- Section 3.06 – Rebates and Reduced Charges
- Section 3.07 – Interest
- Section 3.08 – Verification and Audit

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

- Section 4.01 – Collection on Tax Roll
- Section 4.02 – Collection by Direct Bill
- Section 4.03 – Manner of Payment

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## **PART I - GENERAL PROVISIONS**

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### **SECTION 1.01 – SHORT TITLE**

This Ordinance will be known as the *Master Service Charge Ordinance of Santa Clarita Valley 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 – SUPERSESSON**

This Ordinance supersedes the *Amended Master Service Charge Ordinance of Santa Clarita Valley Sanitation District of Los Angeles County* adopted November 12, 2008, with respect to any rights, duties, or privileges arising after the effective date of this Ordinance.

### **SECTION 1.08 – EFFECTIVE DATE**

This Ordinance becomes effective 30 days after its adoption and will apply to service charges imposed on or after July 1, 2013.

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## PART II – DEFINITIONS

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This Ordinance will be construed according to the following definitions:

### SECTION 2.01 – APARTMENT

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

### SECTION 2.02 – BILLABLE SEWAGE UNIT OR BSU

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

### SECTION 2.03 – BOARD OF DIRECTORS

Board of Directors means the Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County.

### SECTION 2.04 – CHIEF ENGINEER

Chief Engineer means the Chief Engineer and General Manager of Santa Clarita Valley Sanitation District of Los Angeles County or her 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 Santa Clarita Valley Sanitation District of Los Angeles County* adopted by the Board of Directors.

### SECTION 2.07 – DISTRICT

District means Santa Clarita Valley 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 *Master Annexation Fee Ordinance of Santa Clarita Valley Sanitation District of Los Angeles County* adopted June 13, 2007 and as thereafter amended.

## SECTION 2.14 – MASTER CONNECTION FEE ORDINANCE

Master Connection Fee Ordinance means the *Master Connection Fee Ordinance of Santa Clarita Valley Sanitation District of Los Angeles County* adopted June 13, 2007 and as thereafter amended.

## 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 Santa Clarita Valley 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 TENANT USE LIST

Verifiable tenant use list means a listing of all tenants on a parcel characterized with a user category of "shopping center" or "regional mall", including the user category and units of usage that best characterize each tenant use, and substantiated by documentary evidence as described in Section 3.04.

## SECTION 2.29 – 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 2.30 – 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 2.31 – WASTEWATER ORDINANCE

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

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# **PART III – CHARGES**

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## SECTION 3.01 – IMPOSITION OF CHARGES

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

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

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

## SECTION 3.02 – CALCULATION OF THE SERVICE CHARGE

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

## SECTION 3.03 – DETERMINATION OF THE SERVICE CHARGE RATE

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

- (1) For parcels within the District, the Chief Engineer will first determine the total operation and maintenance and capital costs, including repayment of any outstanding financial obligations, required for conveyance, treatment, and disposal of wastewater along with a reserve for contingency for the District for each fiscal year under consideration plus a cash flow requirement for the following six month period ("**Expenses**"). The Chief Engineer will then determine all available sources of funds, including any charges under Section 3.01 paid by the owner of a parcel not within the District, the beginning cash on hand, and any anticipated transfers from reserves ("**Revenues**"). The difference between the Expenses and Revenues will equal the supplemental revenue required for each relevant fiscal year ("**Supplemental Revenue Required**"). The Chief Engineer will then divide the Supplemental Revenue Required by the total number of billable sewage units attributable to all parcels within the District that are subject to a service charge pursuant to Section 3.01. The resulting value will be the service charge rate for that fiscal year for parcels within the District, and will be adopted periodically by the Board of Directors in the form of the Service Charge Rate Ordinance.
- (2) For parcels not within the District, the Chief Engineer will first determine the Expenses for each fiscal year under consideration. The Chief Engineer will subtract any funding source contributed by the owner of a parcel within the District but not similarly contributed by the owner of a parcel not within the District, from the Revenues ("**Adjusted Revenues**"). The difference between the Expenses and the Adjusted Revenues will equal the adjusted supplemental revenue that will be required for each relevant fiscal year ("**Adjusted Supplemental Revenue Required**"). The Chief Engineer will then divide the Adjusted Supplemental Revenue Required by the total number of billable sewage units attributable to all parcels that are subject to a charge pursuant to Section 3.01. The resulting value will be the "**Operational Component**" and will be added to the Grandfathered Capital Rental Component or the Capital Rental Component, as applicable and as set forth below.
  - (a) If all the facilities located on the parcel were connected to the sewerage system prior to or on July 1, 2007, for each relevant fiscal year, the Chief Engineer will divide the connection fee rate established by the Connection Fee Rate Ordinance by 40. The resulting value will be the "**Grandfathered Capital Rental Component**." The Grandfathered Capital Rental Component is not a connection fee and no capacity units will be attributed to the parcel.

The sum of the Operational Component and the Grandfathered Capital Rental Component for each relevant fiscal year will constitute the service charge rate for parcels not within the District and for which all of the facilities located on the parcel were connected to the sewerage system prior to or on July 1, 2007.

- (b) If some or all of the facilities located on the parcel were connected to the sewerage system after July 1, 2007, for each relevant fiscal year, the Chief Engineer will divide the connection fee rate established by the Connection Fee Rate Ordinance by 5. The resulting value will be the "**Capital Rental Component.**" The Capital Rental Component is not a connection fee and no capacity units will be attributed to the parcel.

The sum of the Operational Component and the Capital Rental Component for each relevant fiscal year will be the service charge rate for parcels not within the District and for which all or some of the facilities located on the parcel were connected to the sewerage system after July 1, 2007.

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

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

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

FLOW<sub>avg</sub> = Estimated flow of wastewater that will enter the sewerage system from a facility in gallons per day;

COD<sub>avg</sub> = Estimated loading of COD that will enter the sewerage system from a facility in pounds per day;

SS<sub>avg</sub> = 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<sub>sfh</sub>, COD<sub>sfh</sub>, and SS<sub>sfh</sub>.

FLOW<sub>avg</sub>, COD<sub>avg</sub>, and SS<sub>avg</sub>, 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.
3. Exception for Shopping Center/Regional Mall Claims Prior to July 1, 2015. If the owner of a parcel classified as a shopping center or regional mall is unable to provide verifiable water consumption records for the parcel despite reasonable efforts to obtain verifiable water consumption records, then the District may establish an assumed average daily water consumption based on a verifiable tenant use list to calculate the WCF.
  - A. For the purpose of this section, "reasonable efforts to obtain verifiable water consumption records" must be demonstrated by showing that the owner has requested verifiable water consumption data (from all tenants and from the water purveyor) by providing the



District with copies of all letters to and from the tenants and the water purveyor.

- B. The assumed average daily water consumption will be sum of the estimated flow for each tenant based on the individual user categories that best reflect the actual use of each tenant. The owner must substantiate its tenant list, each user category, and each unit of usage by providing current leases, business permits, occupancy permits, floor plans, and other documentation that provides sufficient evidence that the information in the tenant use list is accurate.
  - C. A verifiable tenant use list detailing the size and type of use for each tenant must be submitted each year and must be supported by substantial documentary evidence of each tenant's use. Failure to provide adequate documentation on tenant uses, or failure to provide this information annually will result in the WCF being re-set equal to 1.0 for the following fiscal year.
  - D. Use of a verifiable tenant use list to determine an assumed average daily water consumption will only be allowed for complete claims received prior to July 1, 2015, after which the average daily water consumption for a parcel categorized as shopping center or regional mall will only be determined based on verifiable water consumption data.
4. Exception for Rebate Applications for Fiscal Years Prior to July 1, 2013. Rebate applications for fiscal years ending prior to July 1, 2013 must be accompanied by verifiable water consumption records for each of the entire fiscal years for which the application is made. For rebate applications for fiscal years ending prior to July 1, 2013, total annual water usage, without any adjustment for low irrigation months, will be used to estimate the daily wastewater discharge.

(c) Applications for Rebates for Fiscal Years Ending Before July 1, 2013

- 1. Residential Only. For parcels with only residential uses, the WCF will be determined in accordance with Section 3.04(4)(a)1.
- 2. Commercial/Institutional Only. For parcels with only commercial or institutional uses, the WCF will be equal to the average daily water consumption for the parcel divided by the estimated flow for all commercial and institutional uses on the parcel.
- 3. Combined Residential & Commercial/Institutional. For parcels having both residential and 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 equal to the average daily water consumption attributable to the commercial and institutional uses divided by the estimated flow for all commercial and institutional uses on the parcel. If the commercial and institutional uses do not have

separate water meters from the residential uses, the average daily water consumption attributable to the commercial and institutional uses will be determined in accordance with Section 3.04(4)(a)3B.

### 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, except that completed applications received prior to July 1, 2015 may be made for the 4 most recently-ended fiscal years.
  - (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). The lock-in period is subject to phasing during Fiscal Years 2013-14 through 2016-17 as described in Section 3.06(4)(c)2B.
- B. Phased Lock-Ins. For parcels that had qualified for a rebate for Fiscal Year 2011-12 as of the effective date of this Ordinance, the Chief Engineer will phase-in the lock-in program by assigning roughly equal numbers of parcels to varying durations of one, two, three, four, or five years. The Chief Engineer will assign parcels to durations based on longevity in the historic rebate program, availability of verifiable water consumption records, and consistency of historic water consumption volumes. At the end of an applicable phase, the parcel owner will be eligible to apply for a renewal pursuant to Section 3.06(4)(c)2D.
- C. 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.
- D. 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.
- E. 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.
- F. 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.

- G. 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.
- H. Audit. If the Chief Engineer becomes aware that a locked-in parcel has increased water consumption by more than 25% above the three-year average daily water consumption used to calculate the locked-in WCF, then the Chief Engineer may request current verifiable water consumption records for the most recently-ended fiscal year and re-establish the WCF prior to the expiration of the five-year period.

#### SECTION 3.07 – INTEREST

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

#### SECTION 3.08 – VERIFICATION AND AUDIT

- (1) The owner of a parcel shall provide reasonable access to the Chief Engineer to inspect facilities in order to verify each user category and the unit of usage for each category assigned to the parcel. If the owner fails to provide reasonable access, the Chief Engineer will assign a user category and unit of usage to the parcel that will result in the highest reasonable charge to be collected from the parcel owner. The parcel will not be eligible for reclassification or reduction until access is provided to the Chief Engineer for verification of the parcel information.
- (2) For parcels with a WCF less than 1.0, if there is a change in ownership, a change in the number of billable sewage units attributable to the parcel because of a change in user categories or the number of units of usage on the parcel, or the Chief Engineer

determines that the water consumption of the parcel no longer meets the established criteria, then the WCF will be re-set equal to 1.0 in the following fiscal year. The owner of a parcel that is receiving a reduced charge shall provide, upon written request of the Chief Engineer, the verifiable water consumption records for the parcel for the most recently-ended fiscal year. If the owner of the parcel fails to provide verifiable water consumption records demonstrating continued qualifying low usage within 60 days of the written request, then the WCF will be equal to 1.0 in the following fiscal year.

- (3) Penalty. The falsification of an application for a rebate or reduced charge is a misdemeanor, punishable as provided by law. In addition, any person who falsifies an application for a rebate or reduced charge shall be civilly liable to the District in the maximum sum provided by law.

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

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### **SECTION 4.01 – COLLECTION ON TAX ROLL**

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

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

### **SECTION 4.02 – COLLECTION BY DIRECT BILL**

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

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

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

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



SECTION 4.03 – MANNER OF PAYMENT

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

ATTEST:

\_\_\_\_\_  
Clerk, Board of Directors  
Santa Clarita Valley Sanitation District  
of Los Angeles County

\_\_\_\_\_  
Chairperson, Board of Directors  
Santa Clarita Valley Sanitation District  
of Los Angeles County

PASSED AND ADOPTED by the Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County on \_\_\_\_\_ by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Secretary of the Board of Directors  
Santa Clarita Valley Sanitation District  
of Los Angeles County