



AGENDA REPORT

Meeting Date: December 18, 2012
Item Number: E-1
To: Honorable Mayor & City Council
From: Christian Di Renzo, Senior Management Analyst
Subject: RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS APPROVING THE SANITARY SEWER MANAGEMENT PLAN (SSMP) IN COMPLIANCE WITH THE STATEWIDE GENERAL WASTE DISCHARGE REQUIREMENTS FOR SANITARY SEWER SYSTEMS
Attachments: 1. Resolution with Sanitary Sewer Management Plan Exhibit

RECOMMENDATION

Staff recommends that City Council approve the Resolution entitled "A Resolution of the City Council of the City of Beverly Hills Approving the Sanitary Sewer Management Plan (SSMP) in Compliance with the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems.

BACKGROUND

On May 2, 2006, the State Water Resources Control Board (SWRCB) adopted Water Quality Order No. 2006-003 which established Statewide General Waste Discharge Requirements (WDR) for all publicly owned or operated sanitary sewer system within the State of California. The WDR requires all federal, state, municipalities, counties, districts, and other public entities that own or operate sanitary sewer systems greater than one mile in length that collect and/or convey untreated or partially treated wastewater to a publicly owned treatment facility in California to report Sanitary Sewer Overflows (SSOs) to SWRCB and to develop, adopt and implement a system-specific Sewer System Management Plan (SSMP).

The new State regulations have required the City to formally and systemically re-evaluate the day to day (short-term) and lifecycle (long-term) operation and maintenance of the sanitary sewer system pipelines. The new State regulations also require the owners of collection systems to be directly responsible for the implementation and operational integrity of their systems by way of formally adopting the plan in a public meeting and then ensuring implementation (including funding), and periodic updating, of

all elements of the (adopted) Sewer System Management Plan. The City of Beverly Hills is directly responsible for the operation, maintenance, and capacity needs of the collection system. Several City programs required for compliance with the WDR were already in place and only needed to be documented or adapted to the SSMP format, or enhanced. Additions to existing City programs include: enhanced coordination between programs; expanded documentation, auditing, reporting on each element; and, more frequent and comprehensive system analyses.

On October 2, 2007, City Council moved to approve a resolution to commence a waste discharge requirement compliance audit as a preliminary phase of the assessment process, however, further action to complete and certify a SSMP was never undertaken. This step has now been completed and, upon approval by City Council, the City's SSMP will be transmitted to the California Regional Water Quality Control Board and certified online at the California Integrated Water Quality System (CIWQS) as fulfillment of its obligation. In order to complete this task staff issued a Request For Proposal to six firms and received submittals from two. Cannon Corporation was selected in July of 2012 as the most qualified and lowest bidder at the cost of \$41,300.

Plan Highlights

The SSMP compiles the City's existing and planned programs to provide proper and efficient management, operation, and maintenance of its sanitary sewer system, including a spill response plan to ensure a standard and effective response to SSOs.

The Plan has eleven elements, described below.

- 1. Goals.** The City's SSMP includes ten goals in order to reduce and prevent sanitary sewer overflows and mitigate any overflows that may occur.
- 2. Organization.** This section identifies the responsible City representatives for implementing specific measures in the SSMP including the chain of communication for reporting sanitary sewer overflows.
- 3. Legal Authority.** This section describes the authority the City has to implement the provisions of the SSMP from the Municipal Code.
- 4. Operation and Maintenance.** This section summarizes the City's preventive and area maintenance programs, CCTV inspections, lift station maintenance, the computerized maintenance management system, collection system mapping, ongoing training required for the Wastewater Collection staff to comply with State Regulations in order to minimize and prevent sanitary sewer overflows and maintenance equipment and replacement part inventories.
- 5. Design and Performance Provisions.** This section describes the City's standards for installation, rehabilitation and repair of the collection system and inspection and testing requirements for new and rehabilitated facilities.
- 6. Overflow Emergency Response Plan.** This section details the history of stoppages and overflow events in the City and how Wastewater Collection staff responds to overflow emergencies.
- 7. Fats, Oils and Grease Control Program.** This section describes the City's FOG program including requirements for grease removal devices and efforts to educate facilities on the disposal of fats, oils and grease.

8. System Evaluation and Capacity Assurance. This section summarizes past and planned efforts related to capacity assessment and enhancement, identifies future wastewater collection system capital projects and describes the City's voluntary service lateral program.

9. Monitoring, Measurement and Program Modifications . This section describes how the City will monitor and measure its performance through the implementation of the Plan and make necessary modifications to improve the management of the City's collection system in the future. Indicators are identified that will be use to measure the performance of its wastewater collections system and the effectiveness of its SSMP.

10. Program Audits. This section outlines the process that the City will follow to evaluate the effectiveness of the SSMP to identify updates that may be needed for a more effective program. Audits are proposed to be conducted on a biennial basis.

11. Communication Program. This section describes how the City will communicate with the public and regulatory agencies on the performance of the SSMP.

FISCAL IMPACT

No fiscal impact at this time. However, as part of implementing the different elements of the SSMP, the City will incur annual operating and maintenance and capital improvement costs that will be reviewed as part of the City's annual budget adoption process.



David Gustavson
Approved By

Attachment 1

RESOLUTION NO. 12-R-_____

**RESOLUTION OF THE COUNCIL OF THE CITY
OF BEVERLY HILLS APPROVING THE SANITARY
SEWER MANAGEMENT PLAN (SSMP) IN
COMPLIANCE WITH THE STATEWIDE GENERAL
WASTE DISCHARGE REQUIREMENTS FOR
SANITARY SEWER SYSTEMS**

WHEREAS, the State Water Resources Control Board has adopted Order No. 2006-0003, requiring all public wastewater collection system agencies in California that own or operate a collection system comprised of more than one mile of pipe or sewer line, which convey untreated wastewater to a publicly owned treatment facility, to prepare a Sanitary Sewer Management Plan; and

WHEREAS, the City of Beverly Hills is subject to Order No. 2006-0003, which also requires that the City Council take action to approve the Sanitary Sewer Management Plan.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Beverly Hills, California, as follows:

SECTION 1. The Sanitary Sewer Management Plan attached hereto as Exhibit "A" is hereby adopted, and the Director of Public Works and Transportation, or his designee, is hereby authorized and directed to amend the Sanitary Sewer Management Plan as necessary to reflect current regulatory requirements and best practices.

SECTION 2. This Resolution shall take effect immediately upon its adoption.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and his certification to be entered in the Book of Resolutions of the council of this City.

Adopted:

WILLIAM W. BRIEN, M.D.
Mayor of the City of Beverly Hills, California

ATTEST:

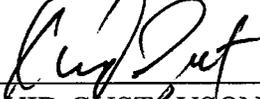
_____(SEAL)
BYRON POPE
City Clerk

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



DAVID GUSTAVSON
Director of Public Works

EXHIBIT A

SANITARY SEWER MANAGEMENT PLAN



Sewer System Management Plan

City of Beverly Hills
Public Works and Transportation Department
345 Foothill Road
Beverly Hills, California 90210

December 2012

Prepared by



SEWER SYSTEM MANAGEMENT PLAN



City of Beverly Hills
Public Works and Transportation Department
345 Foothill Road
Beverly Hills, CA 90210

December 2012

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INTRODUCTION

A Sewer System Management Plan (SSMP) is defined as a document that describes the activities an agency uses to effectively manage its wastewater collection system with the ultimate goal of protecting human health and the environment. Effective management of a wastewater collection system includes the following:

- Maintaining or improving the condition of the collection system infrastructure in order to provide reliable service into the future;
- Cost-effectively minimizing infiltration/inflow (I/I) and providing adequate sewer capacity to accommodate design storm flows; and
- Minimizing the number and impact of sanitary sewer overflows (SSO's) that occur.

In order to achieve these management objectives, the State Water Resources Control Board and its subsidiary Regional Water Quality Control Boards require that each wastewater collection system agency develop and implement its own unique SSMP.

The City of Beverly Hills has prepared the following SSMP in accordance with the guidelines of the California Water Environment Association (CWEA). The resultant document is a compendium of the existing policies, procedures, and activities that are included in the planning, management, operation, and maintenance of the City's sanitary sewer system.

The structure (section numbering and nomenclature) of this SSMP follows the General Waste Discharge Requirements for Wastewater Collection Agencies (GWDR), State Water Resources Control Board Order Number 2006-0003 dated May 2, 2006. In summary, the required elements of this SSMP are:

1. Collection system management goals
2. Organization of personnel, including the chain of command and communications
3. Legal authority for permitting flows into the system, inflow/infiltration control as well as enforcement for proper design, installation, and testing standards, and inspection requirements for new and rehabilitated sewers
4. Operations and maintenance activities to maintain the wastewater collection system
5. Design and performance provisions
6. Overflow emergency response plan
7. Fats, Oils, and Greases (FOG) control program
8. System evaluation and capacity assurance program
9. Monitoring, measurement, and modifications plan for SSMP program effectiveness
10. Periodic internal SSMP audits
11. SSMP communication program



DEFINITIONS/ABBREVIATIONS/ACRONYMS

Terms That Appear in This Guide (Glossary)

Some terms and acronyms used in this document (and/or the Statewide GWDR), along with their definitions, are as follows:

Authorized Representative – The person designated, for a municipality, state, federal or other public agency, as either a principal executive officer or ranking elected official, or a duly authorized representative of that person.

Blockage – Something that partially or fully blocks the wastewater from flowing through a sewer pipeline. The blockage can be caused by debris in the sewer, grease buildup, root intrusion, or a partial or full collapse of the pipeline. If not caught in time, the blockage may cause an overflow. This is also called a stoppage.

California Association of Sanitation Agencies (CASA) – CASA is a non-profit, statewide trade association representing 16 public agencies that provide wastewater collection, treatment, disposal, and water reclamation services to 90 percent of the sewered population in California. CASA's mission is to provide proactive leadership, innovative solutions, timely education and information to members, legislators, and the public, and to promote partnerships on wastewater issues with other organizations, so that sound public health and environmental goals may be achieved. Website: <http://casaweb.org/>

California Emergency Management Agency (CalEMA) – A cabinet-level agency responsible for overseeing and coordinating emergency preparedness, response, recovery and homeland security activities within the state.

California Integrated Water Quality System (CIWQS) – Refers to the State Water Resources Control Board online electronic reporting system that is used to report SSOs, certify completion of the SSMP, and provide information on the sanitary sewer system.

California Water Environment Association (CWEA) – CWEA is an association of 8,000-plus professionals in the wastewater industry. CWEA is committed to keeping California's water clean. CWEA trains and certifies wastewater professionals, disseminates technical information, and promotes sound policies to benefit society through protection and enhancement of the water environment. CWEA offers services at the state level and locally through 17 geographical local sections. Through their on-line bookstore, CWEA offers technical references for sewer system operation and maintenance. Website: <http://www.cwea.org/>

CIP – Capital Improvement Plan.

Closed Circuit Television (CCTV) – The use of video cameras to inspect the interior of the sewer system and record that data onto a DVD.



Dynamic Model – Computer hydraulic model simulation which solves the complete dynamic flow routing equations (St. Venant's equations) for accurate simulation of backwater, looped connections, surcharging, and pressure flow in a collection system.

Enrollee – The legal public entity that owns a sanitary sewer system, as defined by the GWDR, which has submitted a complete and approved application for coverage under the GWDR. This is also called a sewer system agency or wastewater collection system agency.

Environmental Protection Agency (EPA) – Refers to the United States Environmental Protection Agency.

Fats, Oils and Grease (FOG) – Fats, oils, and grease that are discharged into the sanitary sewer collection system by food service establishments (FSE), homes, apartments and other sources. FOG is a major cause of blockages leading to increased maintenance and sometimes SSO's.

FOG Control Program – To be implemented at the Enrollee's discretion. May include public education program; plan and schedule for the disposal of FOG; legal authority to prohibit FOG related discharges; requirement to install grease removal devices; authority to inspect grease producing facilities; identification of sanitary sewer system sections subject to FOG blockages and the establishment of a cleaning schedule for each section; development and implementation of source control measures for all sources of FOG.

Geographical Information System (GIS) – A database linked with mapping, which includes various layers of information used by government officials. Examples of information found on a GIS can include a sewer map; sewer features such as pipe location, diameter, material, condition, last date cleaned or repaired. The GIS also typically contains base information such as streets and parcels.

Governing Board – This is the governing board of the sewer entity developing the SSMP. Examples would be the Board of Directors, the City Council, or the County Board of Supervisors.

GWDR – General Waste Discharge Requirements – Similar to a NPDES permit but with significant differences. A WDR is an authorization to discharge waste with certain conditions, which can be issued on an individual basis or to a group of dischargers. WDR's do not sunset, unlike NPDES permits, and are most commonly issued by the Regional Water Boards. The Statewide General WDR for Sanitary Sewer Systems was adopted by the SWCRB and will be implemented by the Regional Water Boards and SWRCB.

Groundwater Induced Infiltration (GWI) – Infiltration attributed to groundwater entering the sewer system.



Infiltration – The seepage of groundwater into a sewer system, including service connections. Seepage frequently occurs through defective or cracked pipes, pipe joints, connections or manhole walls and joints.

Inflow – Water discharged into a sewer system and service connections from such sources as, but not limited to, roof leaders, cellars, yard and area drains, foundation drains, cooling water discharges, drains from springs and swampy areas, around manhole covers or through holes in the covers, cross connections from storm and combined sewer system, catch basins, storm waters, surface runoff, street wash waters or drainage. Inflow differs from infiltration in that it is a direct discharge into the sewer rather than a leak into the sewer itself.

I/I – Infiltration and Inflow

Lateral – The portion of sewer that connects a home or business with the main line in the street. Sometimes sewer system agencies own or maintain a portion of the lateral.

Upper Lateral: Portion of lateral from building to property line (or easement line), usually privately owned and maintained.

Lower Lateral: Portion of lateral from property line (or easement line) to sewer mainline in the street or easement. This portion of the lateral is sometimes privately owned and maintained and sometimes publicly owned and maintained.

Los Angeles Regional Water Quality Control Board – Also known as Regional Water Board or RWQCB. The mission of this state regulatory agency is to: preserve, enhance and restore the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations. Website: <http://waterboards.ca.gov/losangeles/>

Manhole (MH) – Refers to an engineered structure that is intended to provide access to a sanitary sewer for maintenance and inspection.

MRP – Monitoring and Reporting Program – The Monitoring and Reporting Program established in the WDR that establishes monitoring, record keeping, reporting and public notification requirements for the GWDR.

OERP – Overflow Emergency Response Plan – Identifies measures to protect public health and the environment. A plan must include the following: notification procedure, appropriate response plan, regulatory notification procedures, employee training plan, procedures to address emergency operations, a program that ensures all reasonable steps are taken to contain and prevent discharges.

Private Lateral – That portion of the Lateral that is owned and maintained by the private property owner that it serves. Based on an individual agency's ordinance, this may just be the Upper Lateral or can include the Lower Lateral.

Preventative Maintenance – Regularly scheduled servicing of machinery, infrastructure or other equipment using appropriate tools, tests, and lubricants. This type of maintenance can prolong



the useful life of equipment, infrastructure, and machinery and increase its efficiency by detecting and correcting problems before they cause a breakdown of the equipment, or failure of the infrastructure.

R-Value – The amount of rainfall that reaches the collection system via infiltration and inflow. This value is typically expressed as a percentage of total rainfall volume that reaches the collection system.

Rainfall Dependent Infiltration and Inflow (RDII) – Infiltration and Inflow that is attributed directly to rainfall.

Regional Water Board – Short name for any of the nine regional boards including the Los Angeles Area Regional Water Quality Control Board.

Rehabilitation and Replacement Plan (also referred to as Capital Improvement Plan) – Identifies and prioritizes system deficiencies and implement short-term and long-term rehabilitation actions to address each deficiency.

Sanitary Sewer Overflow (SSO) – The Statewide GWDR defines an SSO as any overflow, spill, release, discharge or diversion of untreated or partially treated wastewater from a sanitary sewer system, including overflows or releases that reach waters of the United States, overflows or releases that *do not* reach water of the United States, and backups into buildings and/or private property caused by conditions within the publicly owned portion of the sewer system.

Sanitary Sewer Overflow Categories –

- Category 1 – All discharges of sewage resulting from a failure in the Enrollee's sanitary sewer system that equals or exceeds 1000 gallons; or result in a discharge to a drainage channel and/or surface water; or discharge to a storm drainpipe that was not fully captured and returned to the sanitary sewer system.
- Category 2 – All other discharges of sewage resulting from a failure in the Enrollee's sanitary sewer system
- Private Lateral Sewage Discharges – Sewage discharges that are caused by blockages or other problems within a privately owned lateral

Sanitary Sewer Systems – Any system of pipes, pump stations, sewer lines, or other conveyances, upstream of a wastewater treatment plant headworks used to collect and convey wastewater to the publicly owned treatment facility. Temporary storage and conveyance facilities are considered to be part of the sanitary sewer system and discharges into these temporary storage facilities are not to be considered SSO's.

Santa Monica Bay Restoration Commission – SMBRC – The SMBRC is a coalition of environmentalists, government, scientists, business and the public that was formed in 1988 to develop a Santa Monica bay Restoration Plan. One of the first among 27 National Estuary Programs nationwide, the SMBRC is funded by the US Environmental Protection Agency, the State of California, and the Santa Monica Bay Restoration Foundation. Its mission has been to



create a comprehensive plan to ensure the long-term health of Santa Monica Bay, the 266-square-mile body of water located adjacent to the heavily urbanized, second most populous region in the United States.

Satellite Collection System – The portion, if any, of a sanitary sewer system owned or operated by a different public agency than the agency that owns and operates the wastewater treatment facility to which the sanitary sewer system is tributary.

Sewer System Management Plan – SSMP – A series of written site specific programs that address how a collection system owner/operator conducts their daily business as is outlined in the WDR. Each SSMP is unique for an individual discharger. Includes provisions to provide proper and efficient management, operation, and maintenance of sanitary sewer system, while taking into consideration risk management and cost benefit analysis. Also must contain a spill response plan. Certification is offered by technically qualified and experienced persons and provides a useful cost effective means for ensuring that SSMP's are developed and implemented appropriately.

Southern California Alliance of Publicly Owned Treatment Works (SCAP) – SCAP is a non-profit organization comprised of Publicly Owned Treatment Works (POTW's) including wastewater treatment plants (WWTP) and public collection system owner/operators dedicated to assisting its member cities and agencies in achieving regulatory compliance. Website: <http://scap1.org/>

State Water Resources Control Board (SWRCB) – Also called the State Board. This is the State agency that developed and passed the GWDR for collection systems and the agency that maintains the SSO reporting web site.

Static Model – A computer hydraulic model that uses the Manning's Equation to determine hydraulic capacity of the gravity pipelines and either the Manning's or Hazen-Williams Equations to determine the hydraulic capacity of the pressure pipeline system. The capacity is compared to the peak hydraulic flow in the system to determine potential deficiencies. The static model assumes the peak hydraulic flow occurs at all locations within the collection system at the same time.

Stoppage – Something that partially or fully blocks the wastewater from flowing through a sewer pipeline. A stoppage can be caused by debris in the sewer, grease buildup, root intrusion, or a partial or full collapse of the pipeline. If not caught in time, a stoppage may cause an overflow. This is also called a blockage.

System Evaluation and Capacity Assurance Plan – A required component of an agency's SSMP and an important part of any agency's overall Capital Improvement Plan that provides hydraulic capacity of key sanitary sewer system elements for dry weather peak flow conditions, as well as the appropriate design storm or wet weather event.

Wastewater Collection System – See Sanitary Sewer System.



WDR – General Waste Discharge Requirements (GWDR) – Similar to a NPDES permit but with significant differences. A WDR is an authorization to discharge waste with certain conditions, which can be issued on an individual basis or to a group of dischargers. WDR's do not sunset, unlike NPDES permits, and are most commonly issued by the Regional Water Boards. The Statewide General WDR for Sanitary Sewer Systems was adopted by the SWCRB and is implemented by the Regional Water Boards and SWRCB.



SECTION 1. GOALS

1.1 Introduction

This section of the Sewer System Management Plan (SSMP) identifies goals the City has set for the management, operation and maintenance of the sewer system and discusses the role of the SSMP in supporting these goals. These goals provide focus for City staff to continue high-quality work and to implement improvements in the management of the City's wastewater collection system. This section fulfills the Goals requirement of the General Waste Discharge Requirements (GWDR) of the State Water Resources Control Board (SWRCB) Element 1 SSMP Requirements.

1.2 Regulatory Requirements for Goals Section

The summarized requirements for the Goals section of the SSMP are:

GWDR (Element 1 - Goals) Requirement:

The collection system agency must develop goals to properly manage, operate, and maintain all parts of its wastewater collection system in order to reduce and prevent SSO's, as well as mitigate any SSO's that occur.

Each wastewater collection system agency shall develop goals for the Sewer System Management Plan as follows:

- *To properly manage, operate, and maintain all parts of the wastewater collection system;*
- *To provide adequate capacity to convey peak flows;*
- *To minimize the frequency of sanitary sewer overflows (SSO's); and*
- *To mitigate the impact of SSO's.*

1.3 SSMP Goals

The goals of the City of Beverly Hills are to:

- Properly manage, operate, and maintain the wastewater collection system;
- Maintain design construction standards and specifications for the installation of new wastewater systems and upgrades to existing infrastructure;
- Verify the wastewater collection system has adequate capacity to convey sewage during peak events;
- Minimize the frequency of sanitary sewer overflows;
- Respond to sanitary sewer overflows quickly and mitigate the impact of overflows;
- Provide training on a regular basis for staff in collection system maintenance and operations;
- Encourage and support participation in the California Water Environment Associations' voluntary Wastewater Certification Program and on-going training programs;



- Implement a Regular, proactive Fats, Oil, and Grease (FOG) maintenance program to limit fats, oils, grease, and other debris that may cause blockages in the sewer collection system;
- Identify and prioritize structural deficiencies and implement short-term and long-term maintenance and rehabilitation actions to address each deficiency;
- Protect the environment and prevent public health hazards;
- Use funds available for sewer operations in the most efficient manner;
- Perform all operations in a safe manner to avoid personal injury and property damage;
- Meet all applicable regulatory notification and reporting requirements;
- Provide a fair and equitable method of imposing wastewater charges;
- Facilitate the enactment of regulations for the wastewater system that are mandated by the Environmental Protection Agency and the State of California;
- Maintain public education outreach in support of the SSMP program; and
- Provide excellent customer service.

This SSMP supplements and supports the City's existing Operations & Maintenance program and goals by providing high-level, consolidated guidelines and procedures for all aspects of the City's sewer system management. The SSMP will contribute to the proper management of the collection system and assist the City in minimizing the frequency and impacts of SSO's by providing guidance for appropriate maintenance, capacity management, and emergency response.



SECTION 2. ORGANIZATION

2.1 Introduction

This section of the SSMP identifies City staff responsible for implementing this SSMP, responding to SSO events, and meeting the SSO reporting requirements. This section also includes the designation of the Authorized Representative to meet SWRCB requirements for completing and certifying spill reports. This section fulfills the Organization requirement of the GWDR Element 2 - Organization SSMP Requirements.

2.2 Regulatory Requirements for Organization Section

The summarized requirements for the Organization section of the SSMP are:

GWDR (Element 2 - Organization) Requirement:

The collection system agency's SSMP must identify:

- *The name of the responsible or authorized representative;*
- *The names and telephone numbers for management, administrative, and maintenance positions responsible for implementing specific measures in the SSMP program. Include lines of authority as shown in an organization chart or similar document with a narrative explanation; and*
- *The chain of communication for reporting SSO's, from receipt of a complaint or other information, including the person responsible for reporting SSO's to the State and Regional Water Board and other agencies if applicable (such as County Health Officer, County Environmental Health Agency, and/or California Emergency Management Agency (CAL E.M.A.)).*

2.3 Organization

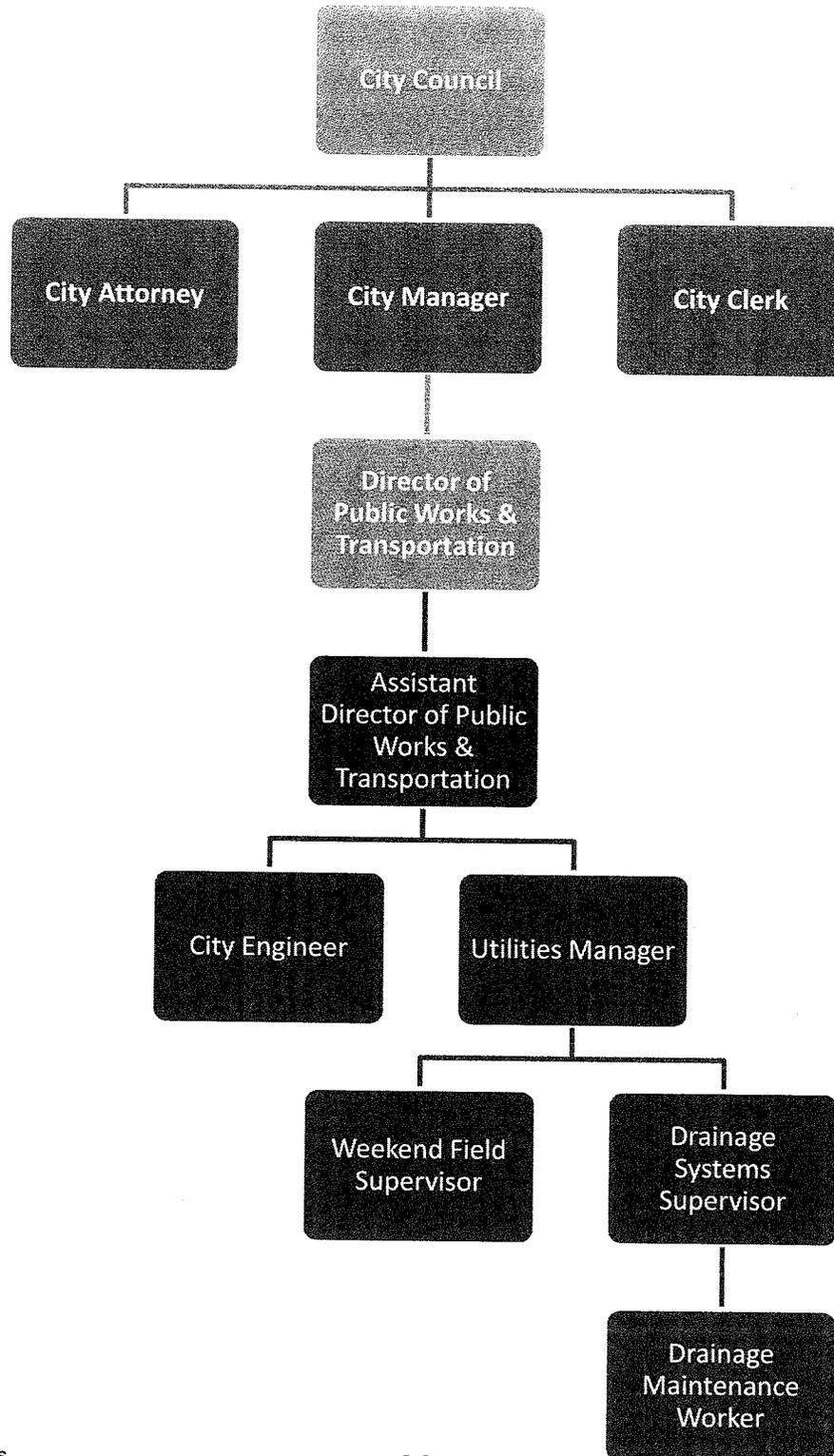
2.3.1 Reporting Structure

The City of Beverly Hills is operated under the City Council/City Manager form of government. The City Manager reports to the Council and is responsible for city-wide operations. The Director of Public Works and Transportation reports to the City Manager and is responsible for the Water and Wastewater Divisions and provides updates to the City Council on the status of water and wastewater operations. The Drainage Systems Supervisor is responsible for the daily operation of the collection system. Collection System Operators (Operators) report to and are given direction from the Drainage Systems Supervisor.

The organization chart for the management, operation, and maintenance of the City's wastewater collection system is shown on Figure 2-1.



Figure 2-1. Organization Chart



2.3.2 Service Calls/Sanitary Sewer Overflow Reporting

Service Calls:

The City of Beverly Hills operates two main communication centers (Public Works and Transportation Customer Service Center and Police/Fire Dispatch) that receive calls from the general public. During normal business hours (7:30 a.m. to 5:30 p.m., Monday through Thursday and 8:00 a.m. to 5:00 p.m. on Fridays) all wastewater related phone calls are transferred to the Drainage Systems Supervisor. During all other hours, phone calls to City Hall are automatically transferred to the Police/Fire Dispatch for routing to the Drainage Systems Supervisor if related to wastewater.

The collection system is staffed from 6:30 a.m. to 4:00 p.m. Tuesday through Thursday, and 6:30 a.m. to 5:00 p.m. Friday through Monday. Operators are designated weekly to carry a cellular telephone for after-hour emergencies. (Note: The City has an automated telephone system which notifies the operator and supervisor for after-hour emergencies).

The Drainage Systems Supervisor is required to carry the wastewater division cellular telephone at all times. Immediately after Operators receive a call, they shall call the telephone number sent on the telephone, and acknowledge receipt of the call. The Operator shall respond to the emergency as required.

In the absence of the Drainage Systems Supervisor (after hours), Drainage Maintenance Workers are responsible to respond as required for collection system and emergencies. A situation may occur where Drainage Maintenance Workers will need specialized equipment, physical assistance, and (or) technical advice. If needed, Drainage Maintenance Workers may call in other employees, and/or contractors for assistance during an emergency. Drainage Maintenance Workers are instructed to contact the Drainage Systems Supervisor in case of any emergency. If the Supervisor cannot be reached, Drainage Maintenance Workers are instructed to contact the Utilities Manager. If the Utilities Manager is not available, contact the Director of Public Works and Transportation. The Utilities Manager acts as shift supervisor when the Drainage Systems Supervisor is not present.



Sanitary Sewer Overflow Reporting:

Once notified, Drainage Maintenance Workers on duty will be dispatched to the location for immediate response.

All Wastewater personnel shall document all spills in the following reports and actions. The reports shall be forwarded to the Drainage Systems Supervisor for investigation and/or follow-up.

- Hansen work order and/or stoppage sheet
- Sewer Spill Report Form (RWQCB)
- Phone calls to CAL-E.M.A., LACDPH, and RWQCB
- Complete online reporting to CIWQS by designated data entry staff and certified by an LRO

2.3.3 Authorized Representative

The City's Authorized Representative in all wastewater collection system matters is the Utilities Manager and his/her designee. The Utilities Manager and Drainage Systems Supervisor are authorized to certify electronic spill reports submitted to the SWRCB.

The Drainage Systems Supervisor is authorized to act in the Utilities Manager's absence. The Drainage Systems Supervisor is authorized to submit SSO reports to the appropriate government agencies.

2.3.4 Responsibility for SSMP Development, Implementation, and Maintenance

The Utilities Manager is responsible for implementing all elements of this SSMP. The Utilities Manager has the responsibility for developing, periodically auditing, and maintaining the City's SSMP. The Utilities Manager may delegate the responsibility for developing, periodically auditing, and maintaining portions of this SSMP to his/her staff.

2.3.5 SSO Reporting Chain of Communication

Figure 2-2 contains a flowchart depicting the chain of communication for responding to and reporting SSO's, from observation of an SSO to reporting the SSO to the appropriate regulatory agencies. Table 2-1 lists contact phone numbers for the parties included in the chain of communication. The SSO Reporting process is described in more detail in Section 6: Overflow Emergency Response Plan.

Table 2-1. Contact Numbers for SSO Chain of Communication

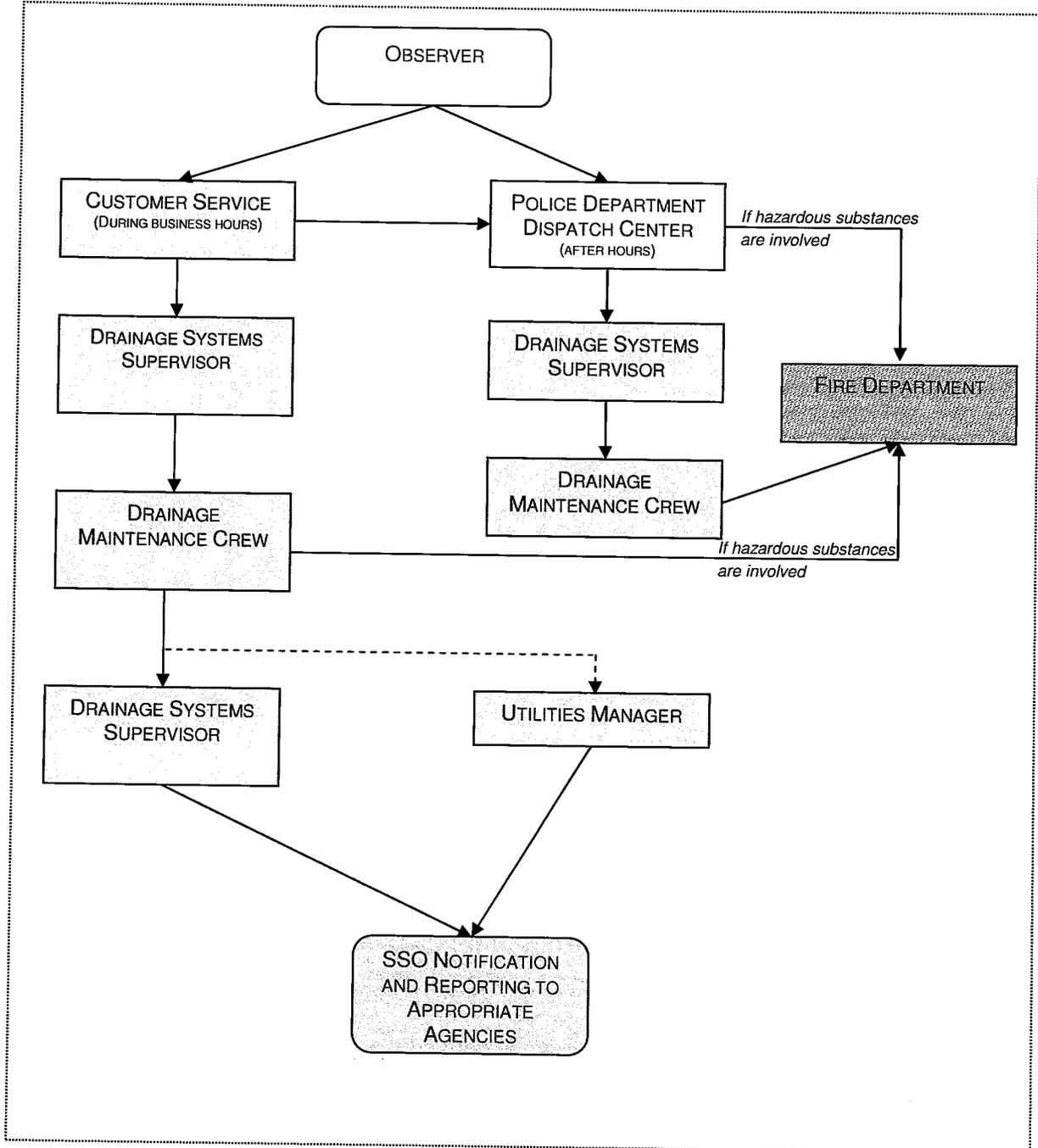
CONTACT	TELEPHONE NUMBER
City of Beverly Hills, Utilities Manager VACANT	
City of Beverly Hills, Senior Management Analyst Christian Di Renzo	(310) 285-2821



City of Beverly Hills, Drainage Systems Supervisor Ken Gettler	(310) 285-2469 (310) 487-3293
City of Beverly Hills, Senior Drainage System Worker Fausto Zagal	(310) 285-2467
City of Beverly Hills, Drainage Maintenance Worker II D'Andre Williams	(310) 285-2467
City of Beverly Hills, Drainage Maintenance Worker II Gardner McKay	(310) 285-2467
City of Beverly Hills, Drainage Maintenance Worker II Paul Marquez	(310) 285-2467
City of Beverly Hills, Drainage Maintenance Worker II Salvador Gomez	(310) 285-2467
City of Beverly Hills, Drainage Maintenance Worker II Andrew Diaz	(310) 285-2467
City of Beverly Hills, Drainage Maintenance Worker I Daniel S. Boyle	(310) 285-2467
City of Beverly Hills, Drainage Maintenance Worker I Jose Alvarez	(310) 285-2467



Figure 2-2. SSO Response Chain of Communication



SECTION 3. LEGAL AUTHORITY

3.1 Introduction

This section of the SSMP discusses the City's Legal Authority, including the Municipal Code and agreements with other agencies. This section fulfills the Legal Authority requirement of the GWDR Element 3 – Legal Authority SSMP Requirements.

3.2 Regulatory Requirements for Organization Section

The summarized requirements for the Legal Authority section of the SSMP are:

GWDR (Element 3 – Legal Authority) Requirement:

The wastewater collection system agency must demonstrate, through collection system use ordinances, service agreements, or other legally binding procedures, that it possesses the necessary legal authority to:

- *Prevent illicit discharges into its wastewater collection system (examples may include infiltration and inflow (I/I), storm water, chemical dumping, unauthorized debris and cut roots, etc.);*
- *Require that sewer and connections be properly designed and constructed;*
- *Ensure access for maintenance, inspection, or repairs for portions of the lateral owned or maintained by the City;*
- *Limit the discharge of fats, oils, and grease and other debris that may cause blockages;*
- *Enforce violation of its sewer ordinances;*
- *Authority to inspect grease producing dischargers; and*
- *Authority to enforce sewer-related ordinances.*

3.3 Municipal Code

The City of Beverly Hills' City Code, Title 6, Chapter 1, Article 3, describes the City's current legal authorities. The legal authorities provided by the City Code and other sources that address the regulatory requirements are summarized on Table 3-1. A copy of the current version of Chapter 1, Article 3 is included in Appendix 3-A.



Table 3-1. Summary of Legal Authority in Municipal Code and Other Sources

REQUIREMENT	MUNICIPAL CODE REFERENCE	MEETS GWDR REQUIREMENTS?
General		
Prevent illicit discharges into the wastewater collection system	Section 6-1-304.B Section 6-1-307.K Section 6-1-308.A	Yes
Limit the discharge of fats, oils, and grease and other debris that may cause blockages	Section 6-1-311.C	Yes
Require that sewer and connections be properly designed and constructed	Section 6-1-308.C Section 6-1-308.F.1-7	Yes
Require proper installation, testing, and inspection of new and rehabilitated sewers	Section 6-1-308.E Section 6-1-307.A,B,C	Yes
Laterals		
Clearly define City responsibility and policies	Section 6-1-306 Section 6-1-307.A,B,C,H	Yes
Ensure access for maintenance, inspection, or repairs for portions of the service lateral owned or maintained by the City	Section 6-1-308.E Section 6-1-307.C Section 6-1-315	Yes
Control infiltration and inflow (I/I) from private service laterals	Section 6-1-307	Yes
FOG Source Control		
Requirements to install grease removal devices (such as traps or interceptors), design standards for the grease removal devices, maintenance requirements, BMP requirements, record keeping and reporting requirements	Section 6-1-311.A Section 6-1-311.C City Standard Plan (Industrial Waste Only)	Yes
Authority to inspect grease producing facilities	Section 6-1-315	Yes
Enforcement		
Enforce any violation of its sewer ordinances	Section 6-1-305 Section 6-1-316	Yes

Note: Sections 6-1-309 to 6-1-316 deal with industrial discharges.



3.4 Agreements with Other Agencies

1. **City of Los Angeles:** The City of Beverly Hills entered into an agreement with the City of Los Angeles on March 9, 1999 for the conveyance, treatment and disposal of wastewater. This agreement is included as Appendix 3-B in this SSMP.
2. **County of Los Angeles:** The City of Beverly Hills entered into an agreement with the County of Los Angeles on August 14, 1990 for the enforcement of the industrial waste provisions of the City's Municipal code. These services include, but are not limited to providing inspections, filing of required reports, and issuing permits. The services shall also include the inspection of open sanitary spills only in the event that the City, by action of City Council, requests such services. This agreement is included as Appendix 3-C in this SSMP.



APPENDIX 3-A. CITY OF BEVERLY HILLS CITY CODE, CHAPTER 1, ARTICLE 3

**ARTICLE 3
WASTEWATER SYSTEM**

- 6-1-301: Title
- 6-1-302: Purpose
- 6-1-303: Definitions
- 6-1-304: Applicability
- 6-1-305: Penalties For Violation Of Provisions
- 6-1-306: Record Keeping By City
- 6-1-307: Wastewater System; General Regulations
- 6-1-308: Sewer Connection Regulations
- 6-1-309: Permit Requirements And Regulations For Industrial Discharge
- 6-1-310: Industrial Discharge Fees
- 6-1-311: General Requirements For Industrial Discharge
- 6-1-312: Industrial Waste And Discharge Limits
- 6-1-313: Environmental Impact Report
- 6-1-314: Self-Monitoring And Reporting
- 6-1-315: Compliance Inspection And Reporting
- 6-1-316: Remedial Actions, Revocations And Suspensions

6-1-301: TITLE:

This article shall be referred to as the WASTEWATER ORDINANCE OF THE CITY OF BEVERLY HILLS. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)

6-1-302: PURPOSE:

The purpose of this article is to protect the environment and public health by providing for the regulation of the construction and operation of wastewater systems and the discharge of wastewater into the city of Beverly Hills wastewater system, to provide a fair and equitable method of imposing wastewater charges, and to facilitate enactment of regulations for the wastewater system that are mandated by the environmental protection agency and the state of California. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)

6-1-303: DEFINITIONS:

For the purpose of this article, the following words and phrases shall be construed herein as set forth in this section:

ACT: The federal water pollution control act, also known as the clean water act, as amended, 33 USC 1251, et seq. (40 CFR 403.3(B)).



AVERAGE DAILY FLOW: The number of gallons of sewage discharged into the public sewers during a twenty four (24) hour period.

BOD OR BIOCHEMICAL OXYGEN DEMAND: The measure of decomposable organic material in domestic or industrial wastewaters as represented by the oxygen utilized over a period of five (5) days at twenty degrees centigrade (20°C) and as determined by the appropriate procedure in "standard methods".

BACKWATER VALVE OR DEVICE: A valve installed in a house or industrial connection sewer to prevent sewage backflows into the internal plumbing facilities.

CITY BUILDING OFFICIAL: The chief administrative official for the building and safety department of the city or his duly authorized representative.

CLARIFICATION: The process of removal and retention of turbidity, settleable solids, and deleterious, hazardous, or undesirable matter from wastes by sedimentation or flotation.

CLARIFIER: A device or structure which separates and retains suspended solids, settleable solids, deleterious, hazardous, or undesirable matter from wastes prior to discharge into public sewer.

COMMERCIAL USE: Any commercial or business establishment, office, hotel, motel, or hospital.

DIRECTOR OF PUBLIC WORKS AND TRANSPORTATION: The chief administrative official of the transportation and engineering department of the city or his duly authorized representative.

DISCHARGER: Any person who discharges or causes a discharge to a public sewer.

DOMESTIC WASTEWATER: The water carried wastes not produced from commercial or industrial activity and which result from normal human living processes.

EPA: The United States environmental protection agency.

FACILITY: A pipe or structure constructed for the purpose of collecting, conveying, pumping, treating and disposing of industrial wastewater and sewage.

GREASE TRAP: A device that separates grease or oil from wastewater flows prior to discharge to the industrial connection sewer.

GROSS FLOOR AREA: The area included within the exterior of the surrounding walls of a building or portions thereof, exclusive of courts.

HOUSE CONNECTION SEWER: That part of the sewer piping that connects to the internal structure plumbing and connects with the public sewer in the public right of way.

INDIRECT CHARGE (Into A Sewer): The introduction of pollutants into a POTW from any nondomestic source regulated under section 307 (B), (C) or (D) of the act (40 CFR 401.11 (C)).



INDUSTRIAL CONNECTION SEWER: A house connection sewer used primarily for the discharge of industrial waste.

INDUSTRIAL USER: A source of indirect discharge.

INDUSTRIAL WASTE: Liquid or solid waste, except domestic sewage, including radioactive substances and explosives, and noxious or toxic gas in the sewer system.

INDUSTRIAL WASTE PRETREATMENT OR TREATMENT FACILITY: Any works or device for the treatment of industrial waste, prior to discharge into the public sewer.

INDUSTRIAL WASTEWATER: All water carried wastes and wastewater excluding domestic wastewater and uncontaminated water, and shall include all wastewater from commercial, manufacturing, institutional, agricultural, or other operations where it includes significant quantities of wastes of nonhuman origin.

INSPECTOR: A person authorized by the public works administrator to inspect wastewater facilities.

INTERFERENCE: A discharge which, or in conjunction with a discharge or discharges from other sources: a) inhibits or disrupts the POTW, its treatment processes or operations or its sludge processes, use or disposal; and b) is therefore a cause of a violation of any requirement of the POTW's NPDES permit (including an increase in the magnitude or duration of a violation) or of the prevention of a sewage sludge use or disposal in compliance with the following statutory provision and regulations or permits issued thereunder (or more stringent state or local regulation): section 405 of the clean water act, the solid waste disposal act (SWDA) (including title II, more commonly referred to as the resource conservation and recovery act (RCDA)), and including state regulations contained in any sludge management plan prepared pursuant to subtitle D of the SWDA, the clean air act, and the marine protection, research and sanctuaries act (40 CFR 403.3 (I)).

LOT: Any parcel of land occupied or to be occupied for use permitted by this code.

NPDES PERMIT: A national pollution discharge elimination system permit issued pursuant to section 402 of the act (40 CFR 404.3 (K)).

NATIONAL CATEGORICAL PRETREATMENT STANDARD, NCPS, NATIONAL PRETREATMENT STANDARD, PRETREATMENT STANDARD, OR STANDARD: Any regulation containing pollutant discharge limits promulgated by the EPA in accordance with sections 307 (B) and (C) of the act which applies to industrial users. This term includes prohibitive discharge limits established pursuant to section 403.5 of title 40 of the code of federal regulations (40 CFR 404.3 (J)).

NEW SOURCE: Any building, structure, facility, or installation from which there is or may be a discharge of pollutants, the construction of which commenced after the publication of proposed pretreatment standards under section 307 (C) of the act applicable to such source.



OFF SITE DISPOSAL: The disposal or removal of industrial wastes or other materials regulated by this article to a site other than the premises where the wastes are generated whether or not such site is under the control of the industrial waste disposal permittee.

ON SITE DISPOSAL: The management, treatment, control or disposal, other than to the public sewer system, of industrial wastes or other materials within the premises named in an industrial waste permit whether or not the wastes were generated at the permitted site or by the permittee.

PASS THROUGH: A discharge which exits the POTW into the waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge from other sources, is a cause of a violation of any requirement of the POTW's NPDES permit (including an increase in the magnitude or duration of a violation) (40 CFR 403.3 (N)).

PEAK FLOW OR PEAK FLOW RATE: The maximum thirty (30) minute rate of sewage flow to be generated from the premises as estimated by the public works administrator.

POLLUTION OF UNDERGROUND OR SURFACE WATERS: Affecting the chemical, physical, biological and radiological integrity of such waters by manmade or man induced activities.

PRETREATMENT OR TREATMENT: The reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater to a less harmful state prior to or in lieu of discharging or otherwise introducing such pollutants into a POTW or disposal facility. The reduction or alteration can be obtained by physical, chemical or biological processes or process changes by use of an industrial waste treatment facility or other means, except as prohibited by 40 CFR section 403.6 (D). (40 CFR 403.3 (Q).)

PUBLIC SEWER: A main line sanitary sewer, dedicated to public use and owned by the city.

PUBLIC WORKS ADMINISTRATOR: The chief administrative official of the public works department of the city or the duly authorized representative.

RESIDENTIAL USE: Any single-or multiple-family dwelling.

SEWAGE OR WASTEWATER: The wastewater of the community received by the sewer system consisting of the liquid and water carried wastes from residences, commercial and industrial buildings, and institutions, and of such a character as to permit satisfactory disposal without special treatment into the public sewer system.

SEWER DISPOSAL: The disposal of industrial waste or other materials by means of a connection to the public sewer system from the premises named in an industrial waste permit.

SOLID WASTES: Wastes that are not water carried and that are suitable for disposal with refuse at sanitary landfill refuse disposal site.



STANDARD INDUSTRIAL CLASSIFICATION: A classification pursuant to the "Standard Industrial Classification Manual" issued by the Executive Office of the President, Office of Management and Budget, 1972, as amended.

STANDARD METHODS: The current edition of "Standard Methods For The Examination Of Water And Wastewater", published by the American Public Health Association.

SUSPENDED SOLIDS OR SS: The insoluble solid matter suspended in wastewater that is separable by filtration in accordance with the procedure described in "standard methods".

TAPPING: The forming of a connection to a public sewer after the sewer is in place.

TEE SADDLE: A short pipe fitting with a shoulder at one end to allow the application of the fitting to a hole tapped in the public sewer forming a ninety degree (90°) angle to the public sewer pipe.

UNCONTROLLED DISCHARGE: Any discharge, intentional or accidental, occurring in such a manner that the discharger is unable to determine or regulate the quantity, quality or effects of the discharge.

WYE SADDLE: A short pipe fitting with a shoulder at one end to allow the application of a fitting to a hole tapped in the public sewer forming a forty five degree (45°) angle to the public sewer pipe. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304).

6-1-304: APPLICABILITY:

A. Facilities: This article shall apply to all sewer facilities in the city, including house connection sewers, industrial connection sewers, clarifiers, grease traps, and their appurtenances, except that nonconforming facilities may be continued in use as determined by the public works administrator in determining the best interests of the city.

B. Discharges: This article shall apply to the direct or indirect discharge of all liquid carried wastes to the sewer system of the city. Generally, liquid wastes originating within the city will be removed by the city sewer system, unless the wastes cause damage to structures, create nuisances such as odors, menace to public health, impose unreasonable collection, treatment or disposal costs on the city, violate quantity and quality requirements prescribed by state and federal laws, interfere with wastewater treatment processes, violate applicable state and federal laws, or detrimentally affect the environment.

C. Limitations On Effect Of Permit: Permits issued pursuant to this article and subsequent amendments do not authorize the commission of any act causing injury to the property of another, nor protect the discharger from his liabilities under federal, state, or local law, nor guarantee the discharger a capacity right in the receiving waters. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)

6-1-305: PENALTIES FOR VIOLATION OF PROVISIONS:



A. Penalties: It shall be unlawful to violate any provision of this article, the conditions or limitations or any permit issued under this article, or any rule or regulation prescribed and adopted pursuant to this article.

B. Unlawful To Violate: Violation of this article or any condition or limitation of the permits issued pursuant to this article is a misdemeanor punishable by a fine not exceeding one thousand dollars (\$1,000.00) or six (6) months in jail, and may be prosecuted as a misdemeanor unless prosecuted as a civil administrative matter pursuant to title 1, chapter 3, article 3 or 4 of this code. Each day that a violation continues is a separate violation of this article. Violations of limitations or regulations of industrial waste permits are also subject to civil damages up to one thousand dollars (\$1,000.00) per day per violation. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304; amd. Ord. 00-O-2356, eff. 11-3-2000)

6-1-306: RECORD KEEPING BY CITY:

The Director of Public Works and Transportation shall keep complete records of all permit applications and permits issued for sewer construction. All permit applications and permits issued under this article for industrial discharges shall be maintained by the public works administrator or his duly authorized representative. All applications shall include location, plans and specific description of the use, and the names and addresses of applicants and permittees. All records of fee payments made in compliance with this article shall be maintained by the director of finance administration. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)

6-1-307: WASTEWATER SYSTEM; GENERAL REGULATIONS:

A. Inspection: Inspection of every facility involved with the discharge of wastewater to the city sewer system may be made by the public works administrator, or a duly authorized representative, as often as is deemed necessary for the proper operation of the city sewer system. These facilities shall include, but not be limited to, sewers, clarifiers, grease traps, pollution control devices, all industrial processes, industrial wastewater generation, conveyance and pretreatment facilities, and similar facilities. Inspection may be made to determine whether such facilities comply with the provisions of this article.

B. Required Access For Inspection: No person shall interfere with, delay, or refuse entrance to authorized city personnel attempting to inspect any facility connected directly or indirectly to the city sewer system.

C. Authority To Enter In Emergency: If the public works administrator has reasonable cause to believe that there are violations of this article occurring that are so hazardous, unsafe or dangerous as to require immediate inspection to protect the public health or safety, the public works administrator shall have the right to immediately enter and inspect such property, and may use any reasonable means required to effect such entry and make such inspection, whether such property is occupied or unoccupied and whether or not permission to inspect has been obtained. If the property is occupied, he shall first present proper credentials, as authorized by the public works administrator, to the occupant and demand entry, explaining his reasons therefor and the purpose of his inspection. No person shall fail or refuse to permit reasonable inspection.



D. House Connection Sewers To Serve Only One Lot: No more than one lot shall be connected to any one house connection sewer.

E. Cesspools And Septic Tanks Prohibited: The disposal of sewage by means of septic tanks and cesspools or leach fields is a nonconforming sewer facility in the city and their use is to be discontinued within a time frame deemed reasonable by the city building official.

F. Maintenance Of Sewers, Clarifiers, Sewage Plants, And Appurtenances: All house connection sewers, house sewers, industrial connection sewers, clarifiers, sewage and industrial waste treatment facilities, private pretreatment plants, grease traps, and their appurtenances shall be maintained in good operating condition and in conformity with applicable law by the owner of the property to which such facilities serve.

G. Responsibility For Maintenance: Maintenance and repair of house connection sewers and industrial connection sewers from the point of connection with the internal facility plumbing to the connection to the public sewer shall be the sole responsibility of the property owner.

H. Disconnection Of Unlawful Connection: The Director of Public Works and Transportation may order disconnection of any house connection sewer installed or maintained in violation of the provisions of this article. Reconnection of such a disconnected sewer shall be made only upon issuance of a permit as provided in this article. Before such permit is issued or considered, the applicant shall reimburse the city for all cost resulting from the disconnection.

I. Cost Of Repair To A Public Sewer: Any person, who unlawfully obstructs, damages, destroys, or removes any public sewer, or appurtenance thereof, shall be liable for the reconstruction of the sewer and associated structures and/or the reasonable cost of necessary flushing, cleaning, and inspection.

J. Discharges Of Water On Streets Prohibited: No person shall negligently, wilfully or maliciously discharge, throw or deposit water on any street or alley in such a manner as to obstruct or damage the street or alley, or to create a nuisance or hazard to persons or property, or to prevent or interfere with the free and uninterrupted use of the street by the public.

K. Unlawful Discharge Or Pollution: No person shall discharge any waste or sewage into any watercourse, flood control channel or tributaries or into the ground by percolation or injection.

1. No person shall discharge or deposit waste or sewage which creates a public nuisance, a menace to the public safety, pollution or contamination of underground or surface waters, or impairs the use of any public sewer, storm drain channel, or public or private property.

2. Any person who unlawfully discharges or causes wastewater to be discharged into the public sewer or storm drain systems is in violation of this article and shall be deemed to be liable for all damages, costs, fines or charges incurred. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)

6-1-308: SEWER CONNECTION REGULATIONS:



- A. Permit: No person shall connect to or tap a public sewer of the city or maintain a connection or tap to such sewer without obtaining a permit from the transportation and engineering department.
- B. Easement Requirements: No permit shall be issued to connect a house sewer or house connection sewer to a public sewer if the connection or any portion thereof is in, under, or on a lot not owned by the person whose house is to be connected and no recorded easements exists authorizing the connection of such lot.
- C. Capacity Requirements For Discharge Of Sewage: No permit shall be issued to connect to or tap a public sewer unless said sewer has sufficient sewage capacity to receive the intended discharge. The Director of Public Works and Transportation may require the discharger to restrict the discharge until sufficient capacity is available, or to construct a public sewer to provide sufficient capacity. The Director of Public Works and Transportation may refuse service to persons locating facilities in areas where their proposed quantity or quality of sewage or industrial wastewater is unacceptable to the available treatment facility.
- D. Tapping Public Sewer: When, in the opinion of the Director of Public Works and Transportation, a house connection sewer should be connected to a public sewer at a point where there is no connection facility, application for a public sewer tap shall be submitted and upon approval by the Director of Public Works and Transportation a permit will be issued for construction of the house connection sewer.
- E. Tapping To Be Performed In The Presence Of A City Employee: All tapping of public sewers shall be made by a licensed sewer contractor in the presence of and to the satisfaction of an inspector acting under the authority of the Director of Public Works and Transportation.
- F. Specifications And Grades: Connections to public sewers shall comply with the following:
1. House connection sewers shall be made with pipe of cast iron, clay or other material, approved by the city building official;
 2. The pipe of the house connection sewer shall be laid in conformity with city specifications for public sewers as determined by the Director of Public Works and Transportation;
 3. The pipe shall be laid in a straight alignment and at a uniform slope, and shall have a fall of at least one foot (1') in fifty feet (50') unless the Director of Public Works and Transportation determines that an exception is warranted;
 4. The pipe must be at least three and one-half feet (3 1/2') below an established street or alley grade where it crosses the property line on the date of installation unless the Director of Public Works and Transportation determines that an exception is warranted;
 5. A collar wye or tee saddle shall be installed in tapped public sewers by cutting a property proportioned hole in the public sewer and fitting the saddle tightly in place. Wye saddles shall be placed in the side of the public sewer with the wye branch so pointed as to direct the flow from the house connection sewer downstream at approximately a forty five degree (45°) angle with the public sewer, and tilted upward at approximately forty five degrees (45°) from the horizontal. Tee saddles shall be used for connections to



twelve inches (12") diameter and larger public sewers and tilted upward at approximately forty five degrees (45°) from the horizontal or as approved by the Director of Public Works and Transportation;

6. No house or industrial waste connection to a public sewer shall be made, except through a wye or tee branch, without written permission from the Director of Public Works and Transportation;

7. The city building official may require the installation of a backwater valve by the property owner under conditions specified in the uniform plumbing code, section 409, or under other conditions that warrant installation as determined by the city building official.

G. Opening Manhole: No person shall open, enter, or allow to remain open, any manhole in any public sewer without a permit from the Director of Public Works and Transportation.

H. Disposal Of Effluent In Manhole; Prohibition: No person shall deposit cesspool effluent or any waste or sewage into a manhole. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)

6-1-309: PERMIT REQUIREMENTS AND REGULATIONS FOR INDUSTRIAL DISCHARGE:

A. Purpose: The highest and best use of the city's wastewater system is the conveyance of domestic wastewater. The use of the city's wastewater system for the conveyance of industrial wastewater is subject to additional regulation and permits.

B. Industrial Waste Permit: No person shall discharge any industrial waste into any city sewer without first obtaining an industrial waste permit from the public works administrator.

C. Industrial Waste Disposal, Off Site: If a person chooses to dispose of industrial waste material by hauling said material to an authorized disposal site, he shall apply for an industrial waste permit as provided herein.

D. Industrial Waste Disposal, On Site: If a person chooses to operate a pretreatment facility for the disposal of industrial waste, he shall apply for an industrial waste permit as provided herein.

E. Application For Industrial Waste Permit: Applications for industrial waste permits shall be filed in writing with the public works administrator or his duly authorized representative and shall be supplemented by such additional information as he may require.

F. Permit Fee: Applications for industrial waste permits shall be accompanied by an application fee as set forth in section 6-1.310 of this article.

G. Review Of Applications: The public works administrator shall review all applications for industrial waste permits to determine that the proposed discharge of waste will not violate any provision of this article or state and federal laws.

1. Within thirty (30) days after the public works administrator receives an application for an industrial waste permit he shall, pursuant to this article, grant or deny the permit and notify the applicant of the



action taken. Such time limit may be extended by mutual agreement between the public works administrator and the applicant.

H. Permit Conditions: The public works administrator, in granting a permit, may impose conditions consistent with the purpose of this article, including, but not limited to, pretreatment of wastewater before discharge, installation of clarifiers or grease traps, restriction of peak flow discharges or of discharge of certain substances, limitation of discharge to certain hours, and payment of additional charges to defray increased costs to the city created by the discharge. The public works administrator may establish a maximum permissible rate of discharge for each permittee.

1. Whenever the operators of the treatment facilities, through which effluent from the city's wastewater system is discharged, require any modification of the conditions or composition of the effluent, the public works administrator may impose conditions upon any industrial waste permit in order to conform with such requirements.

I. Permit Expiration: The public works administrator shall have the authority to impose a permit expiration date not to exceed a term of five (5) years, where he determines such a date is necessary to ensure compliance with all applicable laws and regulations governing the disposal of industrial wastes. Application for renewal of such a permit shall be made not later than one hundred eighty (180) days prior to the expiration date of the existing permit.

J. Permit Transfer Prohibited: Permits issued under this article are not transferable from one location to another.

K. Confidential Information; Public Access: Information and data concerning an industrial user obtained from reports, questionnaires, permit application, permits, monitoring programs and inspections shall be available to the public or other governmental agency without restriction unless the user specifically requests and is able to demonstrate to the satisfaction of the public works administrator that the release of such information would divulge information, processes or methods of production entitled to protection as trade secrets of the user, as exempted by the California public records act or applicable federal regulations (40 CFR 403.14). Wastewater constituents and characteristics will not be recognized as confidential information. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)

6-1-310: INDUSTRIAL DISCHARGE FEES:

A. Fees; General: The fees established in this article and subsequent amendments shall be set annually by council in the resolution of the council of the city of Beverly Hills amending comprehensive schedule of municipal fees and charges. All fees established in this article shall be applicable to all sewer connections within the city, except that, those portions of the city within the Los Angeles County sanitation district no. 4 shall not be subject to any of the fees set forth in the foregoing sections where a fee for similar service is imposed by the Los Angeles County sanitation district no. 4.

B. Industrial Waste Permit Fees: Each applicant for an industrial waste permit shall pay a fee, at the time of application, that shall be separate and apart from any fee or deposit collected for industrial waste plan review or imposed under any other provisions of this article, or other city ordinance or regulation or by



reason of any license, agreement or contract between the applicant and other public agency. Such application fee shall not be refundable even though the application is denied.

C. **Industrial Waste Plan Review Fee:** A plan review fee shall be paid to the city, at the time of submittal, for each set of plans received for any single site or location. Such fee shall be separate and apart from any fee or deposit collected for any permit or inspection or imposed by any other city ordinance or regulation. Such plan review fee shall be applied to any submittal required by the public works administrator and shall not be refundable even though the submittal may be rejected or project terminated.

1. The public works administrator may impose a reinstatement fee of one-half (1/2) of the plan review fee if the applicant fails to correct any plans or submittal upon written notice of correction or request for additional information by the public works administrator after three (3) attempts have been made to gain such correction.

D. **Annual Inspection Fee:** Every person granted an industrial waste permit under this article shall pay a fee to the city for inspection and control and such fee shall be fixed and established from time to time by the city council.

1. Immediately upon issuance of a new permit, the permittee shall be billed a percentage of the inspection fee, determined by the days remaining in the billing period, as scheduled below:

Days Remaining	Fee Percentage
1 – 60	0%
61 – 120	25%
121 – 210	50%
211 – 300	75%
301 – 365	100%

E. **Inspection Classifications:** The public works administrator may establish a classification system based on the minimum number of inspections per year which the public works administrator determines to be necessary for the property enforcement of this article and subsequent amendments.

F. **Due Dates:** The annual inspection fee shall be paid annually in advance of one of four (4) dates as follows:

If the permit is granted between:	Due Date Of Annual Fee
January 1 and March 31, inclusive	April 1
April 1 and June 30, inclusive	July 1
July 1 and September 30, inclusive	October 1
October 1 and December 31, inclusive	January 1



G. Wastewater Sampling And Analysis Fee: The public works administrator may charge the discharger a fee for each analysis performed by or on behalf of the city on wastewater samples taken from the discharger. Said fee shall be set by city council and reflect the city's cost for sampling. The sampling and analysis fee shall be paid by the discharger within thirty (30) days of the statement date.

H. Quality Surcharge Fee: The city council may establish a charge for each pound of suspended solids and for each pound of biochemical oxygen demand. Every person granted an industrial waste permit under this article shall pay an annual quality surcharge fee for wastes discharged into the sanitary sewer system pursuant to the following formula:

$$C = V [a(SS - 250) + b(BOD - 230)] k$$

Where:

C is the quality surcharge fee.

V is the chargeable volume of waste discharged in gallons, based in: 1) the volume of water supplied to the premises less an amount determined by the public works administrator to account for water not discharged into the sanitary sewer system, or 2) the metered volume of waste discharged into the sanitary sewer system according to a measuring device approved by the public works administrator, or 3) a figure determined by the public works administrator based on any other equitable method.

SS is the suspended solids in the waste discharged, expressed in milligrams per liter.

BOD is the five (5) day biochemical oxygen demand of the waste discharged, expressed in milligrams per liter.

a is the cost assessed for each pound of suspended solids, and such cost shall be fixed and established from time to time by the city council.

b is the cost assessed for each pound of biochemical oxygen demand, and such cost shall be fixed and established from time to time by the city council.

k is a dimensional constant to convert C to dollars.

If the term containing SS or BOD is negative, a value of zero shall be used for that term.

SS and BOD analyses shall be made in accordance with "standard methods". In determining the quality surcharge fee, the public works administrator may use industrial averages for SS and BOD values. The public works administrator may group permit holders into discharge volume ranges where volume measurement at the premises of a permit holder is impractical for physical, economic or other reasons, these volume ranges may be used in establishing the quality surcharge fee.



I. Appeal From Quality Surcharge Fee: Any permit holder whose quality surcharge fee has been determined in the manner provided may appeal the fee amount by submission of engineering data to the public works administrator. If the public works administrator finds the discharge of the permit holder differs significantly from the volume range which was applied, he may adjust the fee.

J. Due Date For Quality Surcharge Fee: The quality surcharge fee will be separate charge to be included in the bimonthly water/wastewater utility billing and due in full on the day the notice is received. Water/wastewater utility bills not paid within fifteen (15) days of receipt are delinquent.

K. Penalty For Delinquency: All fees required by this article shall be due and payable on the billing date established by director of finance administration. Fees not paid within thirty (30) calendar days from the billing date shall be subject to a ten percent (10%) penalty fee for each thirty (30) day period beyond the billing date that the fee is due. Permits for which the inspection fee is delinquent for ninety (90) days or more are subject to suspension. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)

6-1-311: GENERAL REQUIREMENTS FOR INDUSTRIAL DISCHARGE:

A. Unlawful Discharge Of Industrial Waste: No person shall directly or indirectly discharge industrial waste into the city sewer system unless the public works administrator has determined that the substance to be discharged will not violate the provisions of this article or the water quality standard for receiving waters established by other government agencies.

B. Facility Maintenance: The discharger shall maintain in good working order and operate as efficiently as possible any pretreatment or monitoring facility or control system installed by the discharger to achieve compliance with the permit requirements.

1. Access to such pretreatment or monitoring facilities by authorized personnel will remain unobstructed at all times.

C. Facility Requirements: All permittees shall comply with the following regulations and restrictions:

1. The industrial waste discharger shall provide, install and operate a clarifier or grease trap of adequate capacity and at a location, as determined by the public works administrator, prior to connection with the public sewer, unless it is waived by the public works administrator. Approval for the size, type and location of clarifier shall be obtained from the public works administrator and the building official prior to installation.

2. Sanitary wastes from rest rooms, lavatories, drinking fountains, showers, etc., shall be segregated from the process wastewaters, until necessary pretreatment and/or clarification, flow, and quality monitoring steps are completed.

3. Cleansers utilized in wastes discharged into the public sewer shall be limited to soap, similarly acting biodegradable synthetic detergents, and/or sodium or potassium compounds of phosphates, polyphosphates, silicates, sulfates, carbonate, bicarbonate, or hydroxide. No organic solvents shall be discharged into the public sewers.



4. A copy of the industrial waste permit shall be maintained at the facility so as to be available at all times to operating personnel and inspectors.

5. Any change in the applicant's industrial process or an increase in volume of wastes to a level in excess of twenty five thousand (25,000) gallons per day shall require notification of the public works administrator before initiation of the proposed change in the waste discharge. The public works administrator may require a new application for the issuance of an industrial discharge permit pursuant to section 6-1-309 of this article.

6. In the event of any change in name, ownership, or control of the company, or any change referred to in subsection C5 of this section, the discharger shall notify the public works administrator of such change, and shall notify the succeeding owner or operator of the existence of this permit by letter, copy of which shall be forwarded to the public works administrator, at least thirty (30) days prior to such change. The public works administrator may require a new application to be submitted and compliance with all applicable sections of this article.

7. The top of the pretreatment facilities, clarifier and inspection chamber shall be at least one inch (1") above the ground level when provided in an unroofed area. Provisions shall also be made to divert storm water away from the pretreatment facilities, clarifier and inspection chambers.

8. If changes should occur in plumbing layout subsequent to the issuance of an industrial waste permit, the discharger shall submit as built plumbing plans of building showing clearly the origin of wastewater, identifying the process creating the wastewater, and listing accurately for each wastewater discharge point the total daily flow in gallons and the peak flow rate in gallons per minute including location and details of pretreatment facilities, clarifier and its connection to the public sewer system for approval by the public works administrator and the building official.

9. A means shall be provided to effect immediate cessation of discharge of liquid chemicals, process solutions, or spent process solutions into the city sewer as a result of spills, overflows, leaks, failure of containers or inadvertent discharges. Such means of cessation shall include, but not be limited to, installation of automatic valves, gates, or bypasses to impervious containers which when activated will stop water supply to and the discharge from industrial processes. The discharger shall submit details of the proposed measures and drawings before installation and obtain approval from the public works administrator and the building official.

D. Uncontrolled Discharge: In the event of an uncontrolled discharge, the discharger or permittee shall immediately notify the public works administrator of the incident by telephone. The notification shall include the location of the discharge, type of material, concentration and volume, and corrective action.

1. Within ten (10) working days after the uncontrolled discharge, the discharger or permittee shall submit to the public works administrator a detailed written report describing the cause of the discharge, the corrective action taken and the measures to be taken to prevent future incidents. Such notification shall not relieve the discharger or permittee of liability or fines that may result from the uncontrolled discharge. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)



6-1-312: INDUSTRIAL WASTE AND DISCHARGE LIMITS:

A. List Of Allowable Concentrations Of Certain Wastes: The public works administrator shall from time to time prepare a list of allowable quantities or concentrations of certain constituents in industrial wastewater flows and shall issue directions for meeting the requirements of this section.

B. Scope And Compliance: No person shall introduce wastewater in the sewer system or POTW that exceeds local limits which have been developed by the treatment system NPDES permit holder. Said local limits shall not apply where more restrictive limitations are imposed by permit or NCPS limitations. Except as provided above, dischargers tributary to the Hyperion POTW operated by the city of Los Angeles shall comply with the following local limits:

Constituent	Value Units	Existing Sources
Arsenic	mg/l	3
Cadmium	mg/l	15
Chromium - total	mg/l	10
Copper	mg/l	15
Lead	mg/l	5
Mercury	mg/l	Essentially none
Nickel	mg/l	12
Zinc	mg/l	25
Silver	mg/l	5
Cyanide - total	mg/l	10
Cyanide - free	mg/l	2
Oil and grease - total		
Dispersed	mg/l	600
Floatable	mg/l	None visible
Phenol	mg/l	*
Chlorinated hydrocarbons	mg/l	Essentially none
Selenium	mg/l	*
Dissolved sulfides	mg/l	0.1
pH ranges	5.5-11	
Temperatures	140°F	



*Values for phenol and selenium and other constituents not shown, such as fluoride, boron, aluminum, iron, tin, cobalt, etc., have been established for general application. They are not critical constituents at this time for existing sources. The board of public works of the city of Los Angeles will impose such limits as it may find necessary to ensure compliance with treatment plant discharge limits and more restrictive pretreatment standards for new sources prescribed by the environmental protection agency (EPA).

The above limitations shall not apply where more restrictive limitations are imposed by permit or national categorical pretreatment standards.

1. In addition to the concentration limits for heavy metals and toxicants in this subsection B of this section, the discharge shall also comply with the maximum allowable daily mass emission rate and the maximum allowable monthly mass emission rates.

C. Concentration Limits And Prohibitions: The total daily mass emission rate for effluent concentrations that are defined by this section shall be limited by the following:

1. The daily mass emission rate for each constituent shall be calculated from the total waste flow occurring in each specific day, and the maximum concentration limit. The mass emission rate of the discharge during any twenty four (24) hour period shall not exceed the product of the proposed daily average discharge in million gallons per day, maximum concentration limit, and a constant 8.34.

2. The monthly mass emission rate for each constituent shall be calculated from the total waste flow occurring in each specific month, and the average concentration limit or the maximum concentration limit, if average concentration limit is not prescribed. The mass emission rate of discharge during any month shall not exceed the product of proposed monthly average discharge in million gallons per month, average concentration limit, or the maximum concentration limit, if average concentration limit is not prescribed, and a constant 8.34.

3. The pH of wastes discharged shall at all times be within the range of 5.5 to 11. No person shall discharge acids or alkaline materials to the public sewers until the pH has been controlled to a level not less than 5.5 nor higher than 11.0. No discharge shall have any corrosive or detrimental characteristics that may cause injury to wastewater treatment, inspection or maintenance personnel or may cause damage to structures, equipment or other physical facilities of the public sewer system.

4. The temperature of the wastes discharged shall not exceed one hundred forty degrees Fahrenheit (140°F) nor shall the temperature exceed one hundred four degrees Fahrenheit (104°F) at the point of entry into the POTW treatment facility.

5. Radioactivity in the effluent shall not exceed the limits specified in ordinance 17, chapter 5, subchapter 4, group 3, article 5, section 30287, of the California Code of Regulations.

6. Discharge of the following wastes into public sewer system is prohibited:



- a. Any solids or viscous substances of such size or in such quantity that may cause obstruction to the flow in the sewer or be detrimental to proper wastewater treatment plant operations. These objectionable substances include, but are not limited to, asphalt, dead animals, offal, ashes, sand, mud, straw, industrial process shavings, metal, glass, rags, feathers, plastics, wood, whole blood, bones, hair, coffee grounds, egg shells, seafood shells, fleshings, entrails, paper dishes, paper cups, milk containers, grease or fats, or other similar paper products either whole or ground.
 - b. Any pollutant released in a discharge at a flow rate and/or pollutant concentration which will cause interference with the POTW.
 - c. Any nonbiodegradable cutting oil, commonly called soluble oil, which forms persistent water emulsions.
 - d. Any wastes with excessively high BOD, COD or decomposable organic contents.
 - e. Any strongly odorous waste or waste which can create odors in receiving waters of sewerage system.
 - f. Any excessive amounts of organic phosphorous type compounds.
 - g. Any excessive amounts of deionized water, steam condensate or distilled water.
 - h. Any waste containing substances that may precipitate, solidify or become viscous at temperatures between fifty degrees Fahrenheit (50°F) and one hundred forty degrees Fahrenheit (140°F).
 - i. Any waste producing excessive discoloration of wastewater or treatment plant effluent.
 - j. Any blow down or bleed off water from cooling towers or other evaporation coolers exceeding one-third (1/3) of the makeup water.
 - k. Any single pass cooling water.
 - l. Pollutants which create a fire or explosion hazard in the POTW, including, but not limited to, wastestreams with a closed cup flashpoint of less than one hundred forty degrees Fahrenheit (140°F) or sixty degrees centigrade (60°C) using the test methods specified in 40 CFR 261.21.
 - m. Any rainwater, storm water, ground water, street drainage, surface drainage, roof drainage, yard drainage, water from the yard fountains, swimming pools or lawn sprays, or any other uncontaminated water.
7. The discharge of any radiological, chemical, or biological warfare agent or radiological waste is prohibited.

D. Compliance With Standards: The discharger shall comply with applicable toxic and pretreatment standards promulgated in accordance with sections 307 and 308 of the federal water pollution control act, or amendments thereto. The discharger shall submit periodic notices (over intervals not to exceed 3



months) of progress toward compliance with applicable toxic and pretreatment standards developed pursuant to the federal water pollution control act, or amendments thereto.

E. National Categorical Pretreatment Standards (NCPS): Upon promulgation of mandatory NCPS for any industrial subcategory, the NCPS, if more restrictive than limitations imposed by this section, shall apply. The public works administrator may impose a phased compliance schedule to ensure that affected industries meet the NCPS. Failure to meet the phased compliance schedule may result in permit suspension or revocation. Those dischargers subject to NCPS shall comply with all reporting requirements in accordance with the general pretreatment regulations for existing and new sources of pollution (title 40, code of federal regulations, part 403).

F. Prohibited Material Disposal: All wastes which are prohibited from being discharged into public sewers, including, but not limited to, chemical solutions, acids, caustic wastes, solvents, oil and grease, screenings, sludges, and other solids removed from liquid wastes, etc., shall be held in impervious containers and disposed of at a legal point of disposal, and in accordance with the provisions of division 7.5 of the California Water Code. For the purpose of this requirement, a "legal point of disposal" is defined as one for which waste discharge requirements have been prescribed by a regional water quality control board, and which is in full compliance therewith.

G. Off Site Disposal; Reporting: The discharger shall submit a hazardous waste manifest, as required by the public works administrator, by the fifteenth day of the month following the reporting period. A statement to that effect shall be submitted to the public works administrator.

H. New Standard Enforcement: If a toxic effluent standard or prohibition (including any schedule of compliance specified in such effluent standard or prohibition) is established under section 307(a) of the federal water pollution control act, or amendments thereto, for a toxic pollutant which is present in the discharge authorized by the permit, and such standard or pollutant in the permit, the public works administrator shall revise or modify the permit in accordance with such toxic effluent standard or prohibition, and so notify the discharger. Compliance with the new standard or prohibition shall be in accordance with the prescribed timetables stated in such regulation or within a reasonable time as determined by the public works administrator.

I. Dilution Prohibited: No person shall discharge or cause to be discharged any water or other substance added for the purpose of diluting any industrial waste to achieve compliance with limitations imposed by the provision of this section. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304; amd. Ord. 05-O-2478, eff. 8-5-2005)

6-1-313: ENVIRONMENTAL IMPACT REPORT:

A. Requirements: No permit to connect to or tap a public sewer to discharge industrial wastes shall be issued if the proposed use of the public sewer may have a significant effect on the environment unless the environmental review process has been completed pursuant to the requirements of the California environmental quality act. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304)



6-1-314: SELF-MONITORING AND REPORTING:

A. Requirement For Reporting: Industrial waste permit holders must implement a self-monitoring and reporting program in compliance with 40 CFR section 403.12. The nature of sampling and frequency of analysis and reporting will be based on the size of discharge and type of industrial operation.

B. Requirement For Monitoring Equipment: The public works administrator may require the discharger to install, use and maintain, at user expense, adequate continuous monitoring equipment or methods.

C. Record Maintenance By Discharger: The discharger shall retain for a minimum period of three (3) years records of monitoring activity and results including all original strip charts, calibration, and maintenance records. The public works administrator may require the discharger to submit such records for review.

D. Person Responsible To Report: Self-monitoring reports shall be signed by a duly authorized representative responsible for the overall operation of the facility from which discharge originates. In the case of a partnership, by the general partner, in case of a sole proprietorship, by the proprietor.

Each report shall contain the following declaration:

I declare under penalty of perjury that the forgoing is true and correct.

Executed on the day of , at .

Signature

(1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304; amd. Ord. 05-O-2478, eff. 8-5-2005)

6-1-315: COMPLIANCE INSPECTION AND REPORTING:

A. Installation Of Control Manhole: The public works administrator may require a control manhole of a design approved by the public works administrator to be furnished and installed by any industrial wastewater discharger to facilitate inspection and sampling by the city or other governmental agencies. Such manholes shall be constructed at locations approved by the public works administrator and authorized city personnel shall have unrestricted access thereto at all times consistent with the provisions of this article. Access of others to such manholes shall be restricted by appropriate security measures.

B. Inspection: The public works administrator may, as herein provided, enter private property to exercise any power vested in the public works administrator by this article, including the power to inspect and copy records, sample, and determine:

1. The size, depth and location of any connection with a public sewer or storm drain;
2. The quantity, quality and nature of industrial waste, sewage, or surface waters being discharged into a public sewer, storm drain, or watercourse;



3. The effectiveness of any device used to prevent waste prohibited by this article from entering any sewer, storm drain or watercourse;
4. The location of roof, swimming pool, and surface drains, and whether they are connected to a street gutter, storm drain, or sewer;
5. The nature of liquids and the condition of processing equipment which are a potential hazard to the city sewer system;
6. Whether there is compliance with the provisions of this article.

C. Reporting Requirements: Dischargers shall furnish additional reports to the public works department concerning the disposal of industrial wastes as required by the public works administrator.

D. Standard Methods: All wastewater constituents, including BOD and SS, shall be determined in accordance with the standard methods. (1962 Code §§ 5-6.01 et seq., 6-1.301_6-1.304; amd. Ord. 05-O-2478, eff. 8-5-2005)

6-1-316: REMEDIAL ACTIONS, REVOCATIONS AND SUSPENSIONS:

A. Notice To Correct Violations: The public works administrator shall serve notice of violation upon the person owning, occupying or operating premises which notice shall describe the conditions and require prompt correction thereof, when he finds that:

1. Industrial waste, effluent, or any other material is being maintained, discharged, or deposited in such a manner as to create one or more of the following conditions:

- a. A public nuisance;
- b. A menace to public health and safety;
- c. Pollution of underground or surface waters;
- d. Adverse effect or damage to any public sewer, storm drain, channel or public or private property; or

2. The permittee had failed to conform with conditions or limitations of any permit issued in accordance with this article; or

3. The industrial waste permit was issued in error, or on the basis of incorrect information supplied, or in violation of ordinance, regulation, or law.

B. Injunctive Relief: The public works administrator may seek injunctive relief for noncompliance with any provision of this article or the conditions and limitations of any permit issued pursuant to this article.



C. **Suspension Of Permit:** The public works administrator shall suspend the permit of any permit holder who fails to comply with the conditions of his permit or any provision, rule, or regulation of this article, which failure creates an emergency condition that is a threat to the health, welfare and safety of the community. Any person whose permit has been suspended shall immediately discontinue the discharge of industrial waste, until the public works administrator verifies that the permit holder is in compliance.

1. The public works administrator shall reinstate a suspended permit when all violations have been corrected and all new conditions have been met to alleviate the emergency. Before any revoked permit is reissued, all delinquent fees and additional charges due and owing to the city shall be paid. Any discharger notified of a suspension of that discharger's industrial wastewater permit shall immediately cease and desist the discharge of all industrial wastewater to the sewer system.

2. In the event of a failure of the discharger to comply voluntarily with the suspension order, the public works administrator may take such steps as are reasonably necessary to ensure compliance. These include, but are not limited to, immediate blockage or disconnection of the discharger's connection to the sewer system.

D. **Appeals To The Suspension Of Permit:** Any discharger suspended or served with a notice of an intended order of suspension may file with the city clerk a request for a city council hearing with respect thereto. Filing of such a request shall not stay a suspension. In the event of a suspension of a permit due to imminent hazard related to continued discharge, the discharger may request a hearing, and the city council or a hearing examiner designated by the city council for that purpose shall conduct a hearing within five (5) days of receipt of the request. In the event of hearing requests, for other than an imminent hazard suspension, the city council shall hold a hearing on the suspension within thirty (30) days of receipt of the request. At the close of the hearing, the city council shall make its determination whether to terminate, or conditionally terminate the suspension imposed by the public works administrator, or the city council may cause the permit to be revoked. Except in the case of a hearing within five (5) days being required as above provided, reasonable notice of the hearing shall be given to the suspended discharger in the manner provided for in this article.

E. **Reinstatement Of Permit:** The public works administrator shall reinstate the industrial wastewater permit upon proof of compliance which ends the emergency nature of the hazard created by the discharge that had been cause for the public works administrator to initiate the suspension, provided that the public works administrator is satisfied that all discharge requirements of this article and any city council order will be implemented.

F. **Revocation Of Industrial Wastewater Permit:** The city council may revoke an industrial wastewater permit by the following procedures:

1. A finding that the discharger has violated any provision of this article. No revocation shall be ordered until a notice and hearing on the question has been held by the council as provided in this section.

2. Any discharger whose industrial wastewater permit has been revoked shall immediately cease and desist all discharge of any wastewater covered by the permit. The public works administrator may



disconnect or permanently block the discharger's connection if such action is necessary to ensure compliance with the order of revocation.

3. After revocation of a discharger's industrial waste permit, there shall be no further discharge of industrial wastewater by that discharger into the sewer system, the storm drain system, or the waters of the state unless there has been a new application filed, all fees and charges that would be required upon an initial application and all delinquent fees, charges, penalties and other sums owed by the discharger and/or the applicant to the city have been paid to the city, and a new industrial wastewater permit has been issued. Any costs incurred by the city, including administrative costs and investigative fees, in revoking the permit and disconnecting the connection, if necessary, shall also be paid for by the discharger before issuance of a new industrial wastewater permit.

4. Notice of the hearing shall be given to the discharger at least ten (10) days prior to the date of hearing. Unless otherwise provided herein, any notice required to be given by the public works administrator under this article shall be in writing and served in person or by registered or certified mail addressed to the addressee's last known address with request for return receipt. Where no address is known, service may be made upon the owner of record of the property upon which the alleged violation occurred or by posting the notice conspicuously on the property.

G. Emergency Remedial Measures: The public works administrator shall have full power and authority to take any necessary precautions in order to protect life, protect property, or prevent further damage resulting from a condition that is likely to result in a discharge which presents an imminent hazard to the public health, safety or welfare; or which either singularly or by interaction with other discharges, is an imminent hazard to the sewer system. The public works administrator may order cessation of water service to the property on which the hazardous condition exists and may order the sealing of the industrial sewer connection through which the hazardous discharge is conveyed. In the pursuit of such an operation, city personnel, or duly authorized representative of another government agency shall have immediate access to the premises.

H. Public Notice Of Violation: The public works administrator shall provide annual public notification, in the largest daily newspaper published in the municipality in which the POTW is located, of industrial users of the POTW which during the previous twelve (12) months, were significantly violating applicable standards or other pretreatment requirements, as provided in 40 CFR 403.8. (Ord. 90-O-2092, eff. 4-26-1990)



APPENDIX 3-B. AGREEMENTS WITH OTHER AGENCIES



C-98178

AGREEMENT NO.

34-99

**AGREEMENT
BETWEEN THE CITY OF LOS ANGELES
AND THE CITY OF BEVERLY HILLS
FOR THE CONVEYANCE, TREATMENT
AND DISPOSAL OF WASTEWATER**

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AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this 9th day of March 1999, by and between the CITY OF LOS ANGELES ("Los Angeles") and the CITY OF BEVERLY HILLS ("Contracting Entity") (collectively referred to herein as the "Parties" or individually as "Party").

RECITALS

WHEREAS, Contracting Entity currently contracts with Los Angeles for the conveyance, treatment, and disposal of wastewater; and

WHEREAS, disputes have arisen between Los Angeles and Contracting Entity in regard to a number of matters pertaining to the conveyance, treatment, and disposal of wastewater as well as charges regarding the same. Some of these disputes have resulted in a lawsuit, which has been consolidated with lawsuits between Los Angeles and other entities receiving wastewater service into a single case, LASC Case No. BC 034185 ("Consolidated Action"), and a related case, LASC Case No. BC 128412 (collectively "Pending Actions"); and

WHEREAS, Los Angeles and Contracting Entity desire to resolve these issues and enter into a new contract for conveyance, treatment, and disposal of wastewater; and

WHEREAS, under the existing contracts, Contracting Entity is authorized to discharge wastewater up to a specified flow. Under the existing contracts, the charges imposed on Contracting Entity for operation and maintenance are based on actual volume of discharge and for capital are based on allowable volume of discharge; and

WHEREAS, Los Angeles acknowledges that the wastewater system currently has unused system capacity; and

WHEREAS, Los Angeles and Contracting Entity desire to eliminate discharge entitlements and make all unused capacity in the wastewater system available to either of the Parties as that Party's discharge increases, subject to the requirements and limitations set forth in this Agreement; and

WHEREAS, Los Angeles and Contracting Entity desire to eliminate discharge entitlements in return for proportionally sharing future Sewerage Facility Charges, as hereinafter defined below, and for proportionally sharing in the capital costs for both the upgrade of existing facilities and the construction of new facilities; and

WHEREAS, Los Angeles acknowledges that it is operating a regional wastewater system and is obligated to assess charges on a fair and equitable basis because Los Angeles has received state and federal grant funding; and

WHEREAS, Los Angeles and Contracting Entity desire to base all treatment and disposal charges on actual discharge and to comply with federal and state requirements by measuring discharge in terms of flow and strength; and

WHEREAS, Los Angeles and Contracting Entity desire to base all conveyance charges on actual flow and distance; and

WHEREAS, Los Angeles and Contracting Entity desire to have all wastewater dischargers of the Amalgamated System, as more fully described herein below, pay equivalent rates for all fees and charges related to the Amalgamated System;

NOW, THEREFORE, in consideration of the mutual promises specified herein and for other good and valuable consideration, Los Angeles and the Contracting Entity agree as follows:

I. DEFINITIONS

"Agency" or **"Agencies"** means any Entity(ies), other than Los Angeles, that is(are) signatory to an agreement or contract for wastewater services that complies with the Universal Terms.

"Amalgamated System" (See "Los Angeles' Wastewater Treatment and Collection System")

"Amalgamated System Expenses" means those expenses used to determine the Amalgamated System Sewerage System Charge pursuant to Section II.B.2.

"Amalgamated System Revenues" means those revenues used to determine the Amalgamated System Sewerage System Charge pursuant to Section II.B.3 of this Agreement.

"Amalgamated System Sewerage Facilities Charge" means the charge, as determined in Section II.C.3, levied on new or expanding dischargers to recover the full cost of constructing Amalgamated System capacity to accommodate the anticipated increase in wastewater discharge.

"Amalgamated System Sewerage System Charge" means the charge levied on an Entity to recover that Entity's Proportionate Share of the Net Amalgamated System Expenses.

"Available Treatment Plant Effluent" means all treatment plant effluent that meets all applicable discharge standards and is not committed for the maintenance or preservation of a biological habitat as mandated by a county, state, or federal agency.

"Biochemical Oxygen Demand" or "BOD" means the measure of the biochemically decomposable material in wastewater as represented by the oxygen uptake as determined by the procedures specified in Standard Methods.

"Boundary Line Connection" means any wastewater discharge that is generated within the territorial boundaries of one Entity but is directly discharged to the sewer system of another Entity, and ultimately is treated by the Amalgamated System.

"By-product" means any product, excluding Reclaimed Water, produced incidental to the process of treating wastewater. By-products may include, but are not limited to, electricity, digester gas, and biosolids products.

"Capital Improvement Program" means Los Angeles' planned expenditures for capital projects in the Los Angeles Wastewater Treatment and Collection System.

"Commercial Discharger" means any commercial user as defined in Appendix G, Revenue Program Guidelines of the *Policy for Implementing the State Revolving Fund for the Construction of Wastewater Treatment Facilities* published by the California State Water Resources Control Board, dated February 21, 1996 or as it may be revised from time to time.

"Contracting Entity" means the City of Beverly Hills.

"Date of Execution" or "Execution" means the date the last Original Contracting Entity executes an agreement complying with the Universal Terms or the date Los Angeles executes an agreement complying with the Universal Terms with the last of the Original Contracting Entities, whichever occurs last.

"Default" means those actions as specified in Section VIII.A.

"Entity" or "Entities" means Los Angeles or any local governmental organization(s), whether a city or a sanitation district, any state or federal jurisdiction, or any other jurisdiction or organization, public or private, which is located outside Los Angeles' jurisdictional boundaries and receives wastewater conveyance, treatment, and disposal services from the Los Angeles Wastewater Treatment and Collection System pursuant to a contract with Los Angeles, except as provided in Section IX.B.1.b.

"Fiscal Year (FY)" means the 12-month period beginning on July 1 of one calendar year and ending on June 30 of the following calendar year or any other 12 month period mutually agreed to by the Parties. The designation for the Fiscal Year shall be based on the two partial calendar years included in the Fiscal Year (e.g. 1998-99).

"Flow Year" means the fourth quarter of one Fiscal Year and the first three quarters of the next Fiscal Year. The designation of the Flow Year (e.g. 1998-99) shall be the same as that of the Fiscal Year from which the three quarters are utilized.

"General Fund Reimbursement Charge" means the charge levied pursuant to Section II.D for reimbursement of the costs of emergency response services that are provided to the Amalgamated System but are paid for by Los Angeles' General Fund, separate and apart from costs that are reimbursed pursuant to Section II.B.2.a.(3).

"Incremental Cost Approach" means the method of calculating the Amalgamated System Sewerage Facilities Charge in which the rate is based on the sum of (a) the value of that capacity of the Amalgamated System facilities that is unused and therefore available to provide service to new customers and (b) the present value of projected future costs within any Los Angeles' Capital Improvement Plan that are related to expanding the Amalgamated System capacity, all divided by the sum of the unused capacity plus the future capacity of the projects identified in any Los Angeles' Capital Improvement Plan.

"Industrial Discharger" means any industrial user as defined in Appendix G, Revenue Program Guidelines of the *Policy for Implementing the State Revolving Fund for the Construction of Wastewater Treatment Facilities* published by the California State Water Resources Control Board, dated February 21, 1996 or as it may be revised from time to time.

"Local System" (See "Los Angeles' Wastewater Treatment and Collection System").

"Los Angeles" means the City of Los Angeles, a municipal corporation and the individual organizational components thereof.

"Los Angeles' Wastewater Treatment and Collection System" or "System" means all present and future facilities, including but not limited to plants, pipelines, pump stations, structures, tanks, valves, support facilities such as laboratories and maintenance yards, and other appurtenances owned by Los Angeles to manage, operate, maintain, collect, convey, treat, store, distribute, and dispose of wastewater, treatment plant effluent, and By-products.

"Amalgamated System" means that portion of the Los Angeles' Wastewater Treatment and Collection System exclusive of the Local System.

"Local System" means the following facilities:

- a. One half of the Los Angeles-Glendale Water Reclamation Plant, the costs of which are paid by the City of Glendale.

- b. Pumping stations, pipelines, and other facilities needed to distribute Reclaimed Water to the extent that the facilities are not also needed to discharge treatment plant effluent to the ocean, Los Angeles River, or other receiving water in the event that the treatment plant effluent is not reused.
- c. Sewers less than 30 inches in diameter.
- d. Pumping plants and associated force mains, siphon structures and piping, diversion structures and junction structures with single influent sewers less than 30 inches in diameter, or, in the case of multiple influent sewers, where the equivalent single influent sewer is less than 30 inches in diameter as set forth in Section II.B.2.d.
- e. The Los Angeles Zoo treatment plant.
- f. The Japanese Garden at the Donald C. Tillman Water Reclamation Plant.

"MGD-miles" means the product of the quantity of flow of an area of Los Angeles as set forth in Section III.G.7, Contracting Entity, or other Entity discharging wastewater to the Amalgamated System and the distance between the Point of Discharge, as hereinafter defined, of that area of Los Angeles, Contracting Entity, or other Entity into the Amalgamated System and the point(s) of treatment as more fully described in Section III.G.

"Net Amalgamated System Expenses" means the difference between the Amalgamated System Expenses and the Amalgamated System Revenues.

"Nonpayment Charge" means the charge levied on an Agency to collect its share, as determined pursuant to Section II.E, of any Unpaid Amounts.

"Original Contracting Entities" means collectively all of the following Entities which execute a contract for wastewater service complying with the Universal Terms, as herein defined, with Los Angeles by April 1, 1999: the City of Beverly Hills, the City of Culver City, County Sanitation Districts Nos. 4, 5, 9, 16, and 27 of Los Angeles County, the City of El Segundo, the City of San Fernando, and the City of Santa Monica.

"Party" or "Parties" means Contracting Entity and/or Los Angeles.

"Pass Through Flow" means any wastewater discharge other than Boundary Line Connections, either measured or estimated, that is generated within one Entity's jurisdiction and is subsequently included in another Entity's measured discharge.

"Point of Discharge" means either (a) the population centroid of Contracting Entity or (b) the population centroid of a drainage area within Los Angeles, of an Agency other than Contracting Entity, or of an Entity not signatory to an agreement complying with the Universal Terms.

"Prime Rate" means the base rate on corporate loans posted by at least 75 % of the nation's 30 largest banks, as published in the Wall Street Journal or its successor publication.

"Proportionate Share" means (a) for treatment/disposal, the quantity of wastewater discharged directly or indirectly by an Entity into the Amalgamated System measured in terms of flow and Strength, as calculated pursuant to Section III.F, divided by the total quantity of wastewater discharged into the Amalgamated System comprised of the same parameters, calculated pursuant to Section III.A.2, and (b) for conveyance, the quantity of wastewater discharged directly or indirectly by an Entity into the Amalgamated System measured in terms of MGD-miles, calculated pursuant to Section III.G, divided by the total MGD-miles from all Entities discharging wastewater to the Amalgamated System. Proportionate Share for the City of Glendale shall include the flow, Strength and MGD-miles for its share of sludge from the Los Angeles/Glendale Water Reclamation Plant.

"Reclaimed Water" means Available Treatment Plant Effluent that is put to beneficial reuse in accordance with applicable laws and regulations.

"Revenue Program" means the rate schedule and analysis that demonstrates that each class of wastewater discharger is paying its fair and equitable share of the cost of operating and maintaining the Amalgamated System, complying with the Revenue Program Guidelines of the *Policy for Implementing the State Revolving Fund for the Construction of Wastewater Treatment Facilities* published by the California State Water Resources Control Board, dated February 21, 1996 or as it may be revised from time to time.

"Standard Methods" means the most recent edition of "Standard Methods for the Examination of Water and Wastewater," published by the American Public Health Association, the American Water Works Association, and the Water Environment Federation or their successors, or the successor publication which establishes the standards in the wastewater disposal industry.

"Strength" means, upon Execution of this Agreement, the parameters of Biochemical Oxygen Demand and Suspended Solids, and, subsequently, as these parameters are modified or augmented pursuant to Section II.B.1.d.

"Surface Water Runoff" means water contained in publicly-owned streambeds, channels or other catchments located on the ground surface or in publicly-owned storm sewers. Surface Water Runoff does not include groundwater, except for groundwater that has seeped

into publicly-owned streambeds, channels or other catchments located on the ground surface or into publicly-owned storm sewers.

"Suspended Solids" or "SS" means the insoluble solid matter in wastewater that is separable by laboratory filtration as determined by the procedures specified in Standard Methods.

"System Buy-in Approach" means the method of calculating the Amalgamated System Sewerage Facilities Charge in which the rates are based on the value of the Amalgamated System capital facilities, whether in service or still to be placed into service, calculated pursuant to Section II.C.4.a, divided by the total Amalgamated System flow and Strength capacity.

"System Buy-out Approach" means the method of calculating the payment to an Agency for completely removing its wastewater from the Amalgamated System in which the rates are based on the value of the Amalgamated System facilities constructed subsequent to June 30, 1984, whether in service or still to be placed into service, calculated pursuant to Section II.C.4.a, divided by the total Amalgamated System flow and Strength.

"Universal Terms" means those terms and conditions of this Agreement that were negotiated between Los Angeles and the Original Contracting Entities or, in the case of federal entities, provides the same cost recovery of Net Amalgamated System Expenses. These terms and conditions are set forth in detail in the Sections I through IX of this Agreement and as those terms and conditions may be amended pursuant to Sections VII and IX.P.

"Unpaid Amount" means the difference between what Los Angeles has billed an Entity for Net Amalgamated System Expenses under its wastewater services contract or agreement, including any month-to-month charges levied pursuant to Section VII.I, and what the Entity actually has paid.

"Value Engineering" means the process by which an independent engineer or group of engineers reviews and evaluates plans, specifications, and supporting engineering documents for a capital project, including the project's cost effectiveness.

II. CHARGE SYSTEM

A. General

Los Angeles agrees to implement and Contracting Entity agrees to abide by a new charge system. The new charge system will:

1. allow Los Angeles to equitably recover, from each Agency, that Agency's Proportionate Share of the Net Amalgamated System Expenses by implementation of an Amalgamated System Sewerage System Charge,
2. provide for the collection and crediting of Amalgamated System Sewerage Facilities Charges,
3. provide for the collection of General Fund Reimbursement Charges, and
4. provide for the collection of Nonpayment Charges.

B. Amalgamated System Sewerage System Charge

The Amalgamated System Sewerage System Charge shall be based on the operation and maintenance (O&M) costs and capital costs of the Amalgamated System for the Fiscal Year in which service is provided. The charge shall include credits for all Amalgamated System Revenues as discussed in Section II.B.3.

1. Allocation of Expenses & Revenues

The Net Amalgamated System Expenses shall be allocated to either conveyance or treatment/disposal as more fully defined in Section III.A.1. The allocated expenses shall then be divided by the appropriate Amalgamated System loading(s) to determine unit rates.

- a. The unit rate for conveyance shall be equal to the net conveyance expense divided by the Amalgamated System MGD-miles as calculated pursuant to Section III.A.2.c.
- b. The treatment/disposal expenses shall be further allocated among the parameters of flow and Strength in accordance with the procedures set forth in Section III.A.1. The unit rate for each parameter shall be equal to the portion of the Net Amalgamated System Expenses allocated to that parameter divided by the total Amalgamated System loading for that parameter.
- c. The total Amalgamated System quantities and loadings for MGD-miles, flow and Strength shall be determined in accordance with the procedures set forth in Section III.A.2.
- d. The Strength parameters shall be modified or augmented by Los Angeles as necessary to conform with state and federal requirements or, upon mutual consent of the Parties, to account for a constituent that causes the

Amalgamated System to incur a significant cost that would otherwise not be incurred.

2. Amalgamated System Expenses

a. The Amalgamated System Expenses, projected for the forthcoming Fiscal Year, used to determine the Amalgamated System Sewerage System Charge shall include the following:

- (1) The direct O&M costs of the Amalgamated System, including direct salary costs incurred by Los Angeles General Fund on behalf of the Amalgamated System and later charged to the Amalgamated System.
- (2) The direct capital costs of the Amalgamated System, whether for the purpose of upgrading existing facilities or for providing new and expanded facilities, including direct salary costs incurred by the General Fund on behalf of the Amalgamated System and later charged to the Amalgamated System.
- (3) Costs of administrative, management and support activities at the program, bureau, department and city-wide levels which are directly charged or allocated as overhead to the Amalgamated System, including the costs of administering any agreement for wastewater services that complies with the Universal Terms.
- (4) The costs associated with support facilities such as laboratories and maintenance yards to the extent that those facilities are used to support the Amalgamated System.
- (5) The costs of portable equipment, such as vehicles and computers, to the extent that the equipment is used to support the Amalgamated System.
- (6) Compensated time off, retirement and fringe benefits added to the labor component of O&M and capital costs, to the extent that they are not already included in either the direct O&M or capital costs or in the overhead allocated to the Amalgamated System.
- (7) Costs associated with the operation, maintenance and construction of capital facilities relating to the processing, distribution or sale of By-products, which costs are incurred by Los Angeles and are related to the Amalgamated System, including the associated administrative and overhead costs.

- (8) Principal and interest payments on and the costs of obtaining any loan that is attributable to the Amalgamated System, the proceeds of which are Amalgamated System Revenues pursuant to Section II.B.3.a.(4).
 - (9) Costs resulting from compliance with any program mandated by another governmental agency, or a court decree, settlement agreement or consent decree with a regulatory agency that are related to the Amalgamated System provided that Los Angeles shall make good faith efforts to make any such program available to Contracting Entity. However, the costs shall not be included if that program is mandated to be separately implemented and locally funded by any of the Agencies.
 - (10) Liability as provided in Sections VI.B and C.
 - (11) Costs of preparing Los Angeles' Wastewater Revenue Program, developing charging and billing procedures and ordinances, calculating the charges and preparing the invoices pursuant to the provisions of this Agreement, and investigating adjustments and providing customer service related to service charges. Those activities which are related to Los Angeles' internal customers that were being performed by the Los Angeles Department of Water and Power as of the Date of Execution of this Agreement shall not be included regardless of who shall perform those activities in the future.
 - (12) The capital and O&M costs of the Moss Avenue Pumping Station and portions of the Coastal Interceptor Sewer owned, managed, operated, maintained, and controlled by the City of Santa Monica at its sole and exclusive discretion, as set forth in Exhibit A.
 - (13) Any fee or charge that is legally levied by an Agency on Amalgamated System sewers or pumping plants that are located within that Agency.
 - (14) The compensation paid to an Agency removing its wastewater discharge from the Amalgamated System pursuant to Section VII.L, including any interest paid by Los Angeles for late payment pursuant to Section VII.L.
- b. The expenses used to determine the Amalgamated System Sewerage System Charge shall not include the following:

- (1) Costs related to the Local System.
 - (2) Costs of issuance, interest and retirement of principal related to the Los Angeles capital financing program, except as identified in Section II.B.2.a.(8).
 - (3) Costs related to the inspection, monitoring and enforcement programs for the Industrial Dischargers either located in Los Angeles or monitored by Los Angeles on behalf of another Entity, including associated administrative and laboratory services.
 - (4) Costs of billing, collection, and enforcement activities which are related to Los Angeles' internal customers that were being performed by the Los Angeles Department of Water and Power as of the Date of Execution of this Agreement regardless of who shall perform those activities in the future.
- c. The conveyance portion of the capital and O&M costs included as Amalgamated System Expenses shall be equal to the sum of the total cost of all facilities 30 inches in diameter and greater and the total cost of all facilities 36 inches in diameter and greater, divided by two.
- d. For purposes of determining the conveyance costs included in the Amalgamated System Expenses pursuant to Section II.B.2.c and for inclusion as an Amalgamated System facility, the diameter of a pump station and associated force main, siphon structure and piping, diversion structure, junction structure, or sewage storage facility shall be considered to be equal to the diameter of the influent sewer to the pump station, siphon, diversion structure, junction structure, or sewage storage facility. The diameter of a vent station, manhole, or other appurtenance to a sewer shall be equal to the diameter of the sewer to which the appurtenance is connected. A pump station and force main, diversion structure, junction structure, or siphon structure and piping with multiple influent sewers shall be considered to have an equivalent single influent sewer of 30 inches or greater if:

$$\sum_{i=1}^n d_i^{8/3} \geq 8,689$$

and shall be considered to have an equivalent single influent sewer of 36 inches or greater if:

$$\sum_{i=1}^n d_i^{8/3} \geq 14,130$$

Where d_i is the diameter of the i^{th} influent sewer, in inches, and $i=1,2,\dots,n$ influent sewers.

- e. The treatment portion of the capital and O&M costs included in the allowable expenses set forth in Sections II.B.2.a shall include only one-half of the costs related to the Los Angeles-Glendale Water Reclamation Plant.

3. Amalgamated System Revenues

- a. The revenues to be credited against expenses in determining the Amalgamated System Sewerage System Charge shall include the following:
 - (1) Amalgamated System Sewerage Facilities Charges - The Amalgamated System Sewerage Facilities Charges received from all Agencies and determined for Los Angeles pursuant to Section III.D.2 as new or anticipated burdens are placed on the Amalgamated System.
 - (2) Any of the following penalties or interest:
 - (a) Reimbursement for any liability for non-compliance with state or federal regulatory requirements included as an Amalgamated System Expense for which a Party is solely responsible pursuant to Section VI.C.
 - (b) Penalties paid by an Agency for violating the conditions of the month-to-month relationship pursuant to Section VII.K.
 - (c) Interest paid by an Agency for late payment of amounts owed to Los Angeles in excess of compensation for the Agency's past capital payments pursuant to Section VII.L.
 - (d) Proceeds of any penalty not otherwise allocated pursuant to this Agreement.
 - (3) Any grant receipts, FEMA funds, or other state or federal appropriations that offset Amalgamated System Expenses.
 - (4) Any receipts of loans from the federal and/or state governments (e.g. from the State Revolving Fund) that are used to offset Amalgamated System Expenses, provided that Contracting Entity does not separately receive loans to offset its share of Amalgamated System Expenses.
 - (5) Revenue from the sale of By-products.

b. The revenues used to determine the Amalgamated System Sewerage System Charge shall exclude the following:

- (1) Proceeds from the Los Angeles capital financing program, including any bonds, certificates, commercial paper or other securities, except as included pursuant to Section II.B.3.a.(4).
- (2) Interest and penalties for late payments pursuant to Section III.E.
- (3) Interest from a joint account established because an Agency disputes a portion of a bill pursuant to Section VIII.C.3.

Amalgamated System Sewerage System Charges related to monitoring penalty amounts, imposed pursuant to Sections IV.A.2, IV.F, and IV.G, shall not be considered as Amalgamated System Revenues because the penalty amounts are used to adjust the Proportionate Shares attributable to each Agency and Los Angeles.

4. Reclaimed Water

Los Angeles and Contracting Entity shall share in the Available Treatment Plant Effluent produced by the Amalgamated System, as expressly set forth herein.

- a. Los Angeles shall have a proportionate right to all Available Treatment Plant Effluent produced by the Amalgamated System. The quantity of Available Treatment Plant Effluent to which Los Angeles has a right shall be equal to the total Available Treatment Plant Effluent produced by the Amalgamated System multiplied by the proportion its quantity of flow discharged into the Amalgamated System for the latest completed Flow Year, calculated pursuant to Section III.F.1.b, bears to the total Amalgamated System flow for the latest completed Flow Year calculated pursuant to Section III.A.2. For purposes of determining Los Angeles' proportionate right to Available Treatment Plant Effluent produced by the Amalgamated System, the quantity of flow discharged by Los Angeles shall include any flow discharged by an organization not having an agreement or contract that complies with the Universal Terms pursuant to Section IX.B.1.b.
- b. Contracting Entity shall have a proportionate right to Available Treatment Plant Effluent produced by the Amalgamated System. The quantity of Available Treatment Plant Effluent to which Contracting Entity has a right shall be equal to the total Available Treatment Plant Effluent produced by the Amalgamated System multiplied by the proportion its quantity of flow discharged into the Amalgamated System for the latest completed Flow

Year, calculated pursuant to Section III.F.1.a, bears to the total Amalgamated System Flow for the latest completed Flow Year, calculated pursuant to Section III.A.2.

- c. The maximum amount of Available Treatment Plant Effluent which a Party may obtain from any individual Amalgamated System facility shall be limited to its proportionate right to Available Treatment Plant Effluent produced by the entire Amalgamated System, determined pursuant to Section II.B.4.a or b, multiplied by the total Available Treatment Plant Effluent produced at that Amalgamated System facility and divided by the total Available Treatment Plant Effluent produced by the entire Amalgamated System, except as allowed by Section II.B.4.e.
- d. In no event shall a Party have a right to more Available Treatment Plant Effluent from a combination of all treatment facilities in the Amalgamated System than its proportionate right to Available Treatment Plant Effluent produced by the entire Amalgamated System, determined pursuant to Section II.B.4.a or b. This limitation on a Party's right shall not restrict a Party's ability to acquire Available Treatment Plant Effluent from any other Entity that has a right to Available Treatment Plant Effluent.
- e. Any Available Treatment Plant Effluent to which a Party has a right, but is not being utilized by that Party, may be utilized by the other Party at no cost until such time as the first Party utilizes the Available Treatment Plant Effluent or, if the first Party sells its share, until such time as the buyer of the first Party's share utilizes the Available Treatment Plant Effluent.
- f. Los Angeles shall provide Contracting Entity access to the Available Treatment Plant Effluent supply, as set forth above, at no cost to Los Angeles. Contracting Entity shall be responsible for acquiring any easements, rights-of-way, and permits as necessary and for constructing any facilities necessary for the Contracting Entity to receive Available Treatment Plant Effluent from any Amalgamated System facility. Los Angeles shall not unreasonably withhold the approval of nor unreasonably charge for any easements, rights-of-way, or permits requested by Contracting Entity.
- g. Los Angeles may impose reasonable conditions on granting access to the Available Treatment Plant Effluent supply as are necessary to ensure that such access does not interfere with its treatment operations.

C. Amalgamated System Sewerage Facilities Charges

1. Requirements for Amalgamated System Sewerage Facilities Charges

- a. Each Party shall be responsible, pursuant to Section III.D, for Amalgamated System Sewerage Facilities Charges for any net increase in anticipated wastewater discharge, as determined pursuant to Section II.C.2, arising from new development, changes in land use, or increases in discharges from Industrial Dischargers within its jurisdiction or within jurisdictions for which it has assumed full responsibility.
- b. Although a Party is responsible for Amalgamated System Sewerage Facilities Charges, it is not obligated to levy the same or any charge upon individual dischargers within its jurisdiction.
- c. Surface Water Runoff discharged directly or indirectly to the Amalgamated System may be exempted from the Amalgamated System Sewerage Facilities Charge requirement pursuant to Section II.F.4.

2. Net Increase in Anticipated Discharge

For purposes of determining whether an Amalgamated System Sewerage Facilities Charge will be required of a Party, the net increase in anticipated wastewater discharge shall be determined on a parcel by parcel basis, except where more than one parcel has been consolidated into a single development. In this case, the net increase will be based on the entire development. The net increase in anticipated wastewater discharge for any parcel or development shall be equal to the difference between the anticipated discharge and the baseline discharge for the parcel or development.

a. Anticipated Discharge

For Industrial Dischargers, the anticipated discharge shall be based on the new permitted flow and the anticipated discharges of Strength. If the Industrial Discharger's discharge permit does not contain more accurate information, the anticipated discharges of Strength shall be equal to the discharges contained in the Los Angeles Sewage Generation Factor Table, established in accordance with Section III.F.4.a, proportioned by the amount of flow.

For residential parcels and for Commercial Dischargers, the anticipated discharge shall be equal to the theoretical quantities of discharge for each of the parameters of flow and Strength based on the total square footage or

other unit of measure, as adopted pursuant to Section III.F.4.a, and the intended use of the proposed project.

b. Baseline Discharge

The baseline discharge shall be the greater of:

- (1) For an Industrial Discharger, the highest annual flow, BOD, and SS measured during the five Flow Years preceding the Date of Execution of this Agreement.

For residential parcels and for Commercial Dischargers, the theoretical quantity of discharge, established in accordance with Section III.F.4.a, for each of the parameters of flow, BOD, and SS at the time this Agreement is executed, or

- (2) the theoretical or permitted discharge that has been acquired through the payment of Amalgamated System Sewerage Facilities Charges pursuant to this Agreement.

c. Future Strength Parameters

Any future Strength parameter will be established for baseline discharge at the time the parameter is adopted pursuant to Section II.B.1.d.

3. Amalgamated System Sewerage Facilities Charge

The Amalgamated System Sewerage Facilities Charges shall be calculated as follows:

$$ASFC = [TSFCR_Q + (CSFCR_Q)(D_{Miles})](ID_Q) + \sum(TSFCR_{Strength.})(ID_{Strength})$$

Where:

ASFC = The Amalgamated System Sewerage Facilities Charge;

TSFCR_Q, = The Amalgamated System Sewerage Facilities Charge rates for flow related to treatment, calculated in terms of dollars per million gallons per day pursuant to Section II.C.4;

- $TSF_{CR_{Strength}}$ = The Amalgamated System Sewerage Facilities Charge rates for each Strength parameter related to treatment, calculated in terms of dollars per 1000 pounds per day pursuant to Section II.C.4;
- $CSFCR_Q$ = The Amalgamated System Sewerage Facilities Charge rate related to conveyance, calculated in terms of dollars per MGD-mile pursuant to Section II.C.4;
- ID_Q and $ID_{Strength}$ = Party's net increase in anticipated annual average flow, and annual average Strength loading for each parameter, in terms of million gallons per day and 1000 pounds per day, respectively; and
- D_{Miles} = Party's total MGD-miles for the latest completed Flow Year, calculated pursuant to Section III.G, divided by the Party's flow for the latest completed Flow Year, calculated pursuant to Section III.F.1.

4. Rate Calculation

The Amalgamated System Sewerage Facilities Charge rates levied upon a Party shall be based on the System Buy-in Approach as described below. Pursuant to the provisions of Section VII.A, following the initial ten year non-renegotiation period, either Party may initiate renegotiations to change the basis of the Amalgamated System Sewerage Facilities Charge to the Incremental Cost Approach provided that the conditions of Section VII.E are met.

a. Value of Facilities

- (1) The value of any Amalgamated System facility in service shall be equal to the full cost of that facility inflated to reflect present costs and then depreciated.
- (2) The value of any Amalgamated System facility under construction or not yet in service, also known as "Construction Work In Progress" shall be equal to the full cost of that facility inflated to reflect present costs but not depreciated.

- (3) The remaining principal on any loan from the federal and/or state governments that was used to offset the cost of an Amalgamated System facility, pursuant to Section II.B.3.a.(4) shall be subtracted from the value of that facility.
 - (4) The full cost shall be equal to the original acquisition cost, including all direct and indirect costs and all design and construction management costs, of those Amalgamated System facilities contained in Los Angeles' wastewater fixed asset register and Los Angeles' wastewater Construction Work in Progress.
 - (5) Inflation to present worth shall be calculated using the *Engineering News Record* Construction Cost Index or its equivalent.
 - (6) Depreciation shall be calculated using the straight-line depreciation method with the same asset lives used by Los Angeles in its accounting reports.
- b. Design Capacity of Amalgamated System Facilities

(1) Treatment-related Facilities

The design capacities for flow and Strength used to calculate the Amalgamated System Sewerage Facilities Charge rate shall be equal to:

- (a) the sum of the average influent flow and Strength capacities, respectively, of the Donald C. Tillman Water Reclamation Plant, the Terminal Island Treatment Plant, the Hyperion Treatment Plant, and any other reclamation or treatment plant that is incorporated into the Amalgamated System, plus
- (b) one-half of the average influent flow and Strength capacities, respectively of the entire Los Angeles-Glendale Water Reclamation Plant, less
- (c) the sum of the design flow and Strength, respectively, of the sludge returned to the Amalgamated System conveyance system from the Donald C. Tillman Water Reclamation Plant and any other reclamation plant that is incorporated into the Amalgamated System, less

- (d) one-half of the design flow and Strength, respectively, of the sludge returned to the Amalgamated System conveyance system from the entire Los Angeles-Glendale Water Reclamation Plant.

The average influent flow and Strength capacities for the treatment and reclamation plants shall be the design values as adopted by Los Angeles' Board of Public Works or any revised values adopted by Los Angeles' Board of Public Works where the revised values reflect changes in regulation by a county, state, or federal agency or where the revised values more accurately reflect the true capacities of the plants as demonstrated by Los Angeles. The standard flow and Strength loadings in the sludge returned to the Amalgamated System conveyance facilities from the reclamation plants shall be the values used in the planning and/or design of the Amalgamated System facilities as adopted by Los Angeles' Board of Public Works or any revised values adopted by Los Angeles' Board of Public Works where the revised values more accurately reflect the average flow and Strength loadings of the sludge produced by the reclamation plants when they are operated at their influent capacities, as demonstrated by Los Angeles.

(2) Conveyance-related Facilities

The capacity of conveyance-related facilities, measured in terms of MGD-miles, shall be equal to the Amalgamated System flow capacity, calculated pursuant to Section II.C.4.b.(1), multiplied by the average distance of the Amalgamated System. The average distance of the Amalgamated System shall be equal to the sum of the MGD-miles of Los Angeles, Contracting Entity, and all other Entities discharging wastewater to the Amalgamated System, calculated pursuant to Section III.G, divided by the total flow in the Amalgamated System, calculated pursuant to Section III.A.2. The MGD-miles and total flow in the Amalgamated System shall be determined using data for the latest Flow Year completed prior to the adoption of the Amalgamated System Sewerage Facilities Charge rates pursuant to Section III.A.3.

c. Rates

- (1) The value of each facility that is part of the Amalgamated System, either by its inclusion in the fixed asset register or the Construction Work In Progress, shall be allocated to conveyance and to treatment flow and Strength by cost centers and using the same allocation factors adopted by Los Angeles pursuant to Section III.A.1.b.

- (2) The Amalgamated System Sewerage Facilities Charge rates shall be calculated by dividing the allocated costs of all capital facilities that are part of the Amalgamated System by the Amalgamated System design conveyance and treatment flow and Strength capacities as determined pursuant to Section II.C.4.b.

D. General Fund Reimbursement Charge

1. Contracting Entity shall pay a General Fund Reimbursement Charge to compensate the Los Angeles general fund for the Contracting Entity's share of providing emergency response services to the Amalgamated System. The General Fund Reimbursement Charge shall be calculated based on the formula ("Formula") set forth in Exhibit B, which is attached hereto and is incorporated herein by this reference as if it were set forth fully herein.

In no case shall the General Fund Reimbursement Charge exceed an amount equal to the O&M portion of the Amalgamated System Sewerage System Charge levied upon Contracting Entity times the lesser of: (1) 5%, or (2) the percentage of operating revenues levied upon the Los Angeles' wastewater enterprise fund as general fund reimbursement, pursuant to Los Angeles Municipal Code Section 64.60 and as that Section may be amended from time to time.

Los Angeles shall not initiate any action to revise or invalidate the Formula. The Formula may only be amended or revised under the following circumstances: (a) the State Water Resources Control Board or the Environmental Protection Agency, on its own initiative, requires or mandates the change; or (b) a court of competent jurisdiction rules in final, binding judgment that the Formula is invalid or illegal. Prior to any change in the Formula, and before implementation of any revised Formula, Los Angeles must obtain the written approval of the State Water Resources Control Board or the Environmental Protection Agency, or their successor agencies, stating that the proposed change and the revised Formula comply with the Revenue Program Guideline requirements.

2. Provided that Contracting Entity interpleads or otherwise names Los Angeles in any court challenge, Contracting Entity shall not be responsible for any General Fund Reimbursement Charge that is held to be invalid or illegal, or any amount that is held to be excessive for Los Angeles or any Agency by a court of competent jurisdiction.
3. If, in finding that the General Fund Reimbursement Charge is invalid, illegal, or excessive, a court of competent jurisdiction rules that monies collected for this purpose must be returned, Los Angeles shall within 90 days return or credit all General Fund Reimbursement Charges paid by Contracting Entity that are ordered to be returned by the court.

E. Nonpayment Charges

As of October 1 following the end of each Fiscal Year, Los Angeles shall determine all of the Unpaid Amounts which have become more than 120 days delinquent since the previous October 1. Contracting Entity shall pay a Nonpayment Charge equal to the Unpaid Amounts multiplied by Contracting Entity's Proportionate Share of the Net Amalgamated System Expenses for the Fiscal Year and divided by the total Proportionate Shares of the Net Amalgamated System Expenses for the Fiscal Year for Los Angeles and all Agencies without any Unpaid Amounts.

F. Surface Water Runoff

1. Privilege to Discharge

- a. Either Party may discharge Surface Water Runoff, directly or indirectly, to the Amalgamated System, subject to the conditions set forth in Section II.F.
- b. Discharge of Surface Water Runoff during the period of November 1 through March 31 shall be prohibited.
- c. Discharge of Surface Water Runoff shall be prohibited unless Los Angeles has obtained a waiver from the U.S. Environmental Protection Agency or has otherwise demonstrated that the discharge of Surface Water Runoff complies with the state and federal revenue program guidelines.

2. Limitation of Discharge

- a. The total Surface Water Runoff discharge to all treatment and reclamation plants in the Amalgamated System from all dischargers shall not exceed 5% of the Amalgamated System flow capacity, as defined in Section II.C.4.b.
- b. The Surface Water Runoff discharge to any treatment or reclamation plant other than the Hyperion Treatment Plant shall be limited to an aggregate amount from all dischargers that does not exceed 5% of the flow capacity of that treatment or reclamation plant, as defined in Section II.C.4.b.
- c. The Surface Water Runoff discharge to any treatment or reclamation plant shall not exceed the difference between the flow capacity at that treatment or reclamation plant, as defined in Section II.C.4.b, and the influent flow, exclusive of Surface Water Runoff, at that treatment or reclamation plant.

3. Amalgamated System Sewerage System Charges

Any Party who discharges Surface Water Runoff to the Amalgamated System shall be responsible for the full Amalgamated System Sewerage System Charge for the total amount of Surface Water Runoff discharged by the Party to the Amalgamated System.

4. Amalgamated System Sewerage Facilities Charge

a. Treatment Facilities

(1) If the aggregate amount of Surface Water Runoff discharged by all Agencies and Los Angeles does not cause any of the limitations as set forth in Section II.F.2 to be violated, no payment of Amalgamated flow System Sewerage Facilities Charges shall be required.

(2) If the aggregate amount of Surface Water Runoff discharged by all Agencies and Los Angeles causes any of the limitations as set forth in Section II.F.2 to be violated, the discharges shall be divided into categories and prioritized as follows:

Category 1 - Mandated by a responsible agency of the County of Los Angeles, the State of California, or the United States

Category 2 - Voluntary discharge

Beginning with all of the dischargers in Category 2 and then moving to Category 1, the full Amalgamated System Sewerage Facilities Charge must be paid or the flow removed from the Amalgamated System until the remaining Surface Water Runoff no longer causes the limitations as set forth in Section II.F.2 to be violated. The portions of their discharges for which the dischargers shall be required to pay the Amalgamated System Sewerage Facility Charge or remove flow from the Amalgamated System shall correspond to the proportions of the total Surface Water Runoff in their respective categories that they discharge. For purposes of this calculation, any Surface Water Runoff for which an Amalgamated System Sewerage Facilities Charge has been paid shall not be included. Once any discharger within a given category has been required to pay the Amalgamated System Sewerage Facilities Charge, all subsequent dischargers in that category shall also be required to pay the Amalgamated System Sewerage Facilities Charge.

- (3) For purposes of this Section, the flow capacities of the treatment or reclamation plants and of the Amalgamated System shall be as determined pursuant to Section II.C.4.b, the plant influent flow shall be the average plant influent flow for the most recently completed Flow Year, and the amount of Surface Water Runoff shall be the average discharge. The average discharge shall be defined as the total discharge during a Flow Year divided by the number of days of actual discharge during that same Flow Year.

b. Conveyance Facilities

- (1) Each Fiscal Year before discharging Surface Water Runoff into a conveyance system owned by the other Party, a Party wishing to discharge Surface Water Runoff shall first obtain permission from the other Party.
- (2) If the individual Surface Water Runoff discharge from any given point of diversion of a Party causes the total peak dry weather flow in the receiving conveyance system to exceed the capacity of any part of the system, the Party owning the receiving conveyance system with insufficient capacity may deny the other Party the right to discharge that portion of the Surface Water Runoff which causes the exceedence. For purposes of this paragraph, the capacity of any sewer within the receiving conveyance system shall be that peak dry weather flow which causes the sewer to flow at three-quarters (3/4) of its full depth. The capacity of any pumping station within the receiving conveyance system shall be ninety (90) percent of the rated capacity of the plant.

III. ADMINISTRATION

A. Amalgamated System Sewerage System Charge Rate Development

1. Expense and Revenue Allocation

- a. The allocation of O&M costs to flow and Strength shall be determined by using updated cost accounting information for individual cost centers, typically unit processes, and distribution of the O&M expenditures utilizing process-specific O&M distribution factors adopted by the Los Angeles Board of Public Works for each cost center. The cost accounting information shall be updated for the first full Fiscal Year following completion of secondary treatment facilities under construction at the Hyperion Treatment Plant as of the Date of Execution of this Agreement.

Thereafter, this information shall be updated not less than once every two years using the average O&M expenditures from the two most recently completed Fiscal Years. Plant-wide allocation percentages shall be calculated by dividing the distributed O&M costs by the total costs and shall be used to allocate anticipated O&M costs in Los Angeles' Revenue Program.

- b. The allocation of capital costs to flow and Strength shall be determined by assigning anticipated capital expenditures for the forthcoming Fiscal Year to individual cost centers, typically unit processes, and distribution of these anticipated expenditures utilizing process-specific distribution factors adopted by the Los Angeles Board of Public Works for each cost center and shall be incorporated into Los Angeles' Revenue Program.

2. Amalgamated System Loadings

- a. The Amalgamated System flow and Strength loadings, respectively, shall be equal to:
 - (1) the sum of the influent flow and Strength loadings, respectively, at the Donald C. Tillman Water Reclamation Plant, the Terminal Island Treatment Plant, the Hyperion Treatment Plant, the entire Los Angeles-Glendale Water Reclamation Plant and any other reclamation or treatment plant that is incorporated into the Amalgamated System, less
 - (2) the sum of the flow and Strength loadings, respectively, in the sludge returned to the Amalgamated System conveyance system from the Donald C. Tillman Water Reclamation Plant, the entire Los Angeles-Glendale Water Reclamation Plant and any other reclamation plant that is incorporated into the Amalgamated System, less
 - (3) the City of Glendale's share of the influent flow and Strength loadings, respectively, at the Los Angeles-Glendale Water Reclamation Plant, plus
 - (4) the flow and Strength loadings, respectively, in Glendale's share of the sludge that is returned to the Amalgamated System conveyance system from the Los Angeles-Glendale Water Reclamation Plant.

Glendale's share of the influent flow at the Los Angeles-Glendale Water Reclamation Plant shall be equal to one-half ($\frac{1}{2}$) of the total influent flow at the plant. Glendale's share of the influent Strength loadings, measured in pounds per day, shall be equal to Glendale's share of the influent flow,

measured in million gallons per day, multiplied by the average concentrations of Strength discharged from Glendale, measured in milligrams per liter, and multiplied by 8.34, a conversion factor.

Glendale's share of the sludge flow from the Los Angeles-Glendale Water Reclamation Plant shall be equal to one-half ($\frac{1}{2}$) of the total sludge flow from the Los Angeles-Glendale Water Reclamation Plant for the latest completed Flow Year. Glendale's share of the Strength loadings in the sludge from the Los Angeles-Glendale Water Reclamation Plant shall be equal to the Strength loadings in Glendale's share of the influent to the plant multiplied by the Strength loadings in the sludge of the plant, and divided by the total Strength loadings in the plant influent.

- b. For purposes of calculating the Amalgamated System Sewerage System Charge rates and for determining the flow and Strength loadings from Los Angeles pursuant to Section III.F.1.b, the Amalgamated System flow and Strength loadings shall be equal to the quantities determined in Section III.A.2.a plus the sums of any penalty amounts determined pursuant to Sections IV.A.2, IV.F.2.a, IV.F.3.b, IV.G.2.a, and IV.G.3.b.
- c. The Amalgamated System MGD-miles shall be equal to the sum of the MGD-miles for all areas as set forth in Section III.G.

3. Rate Adoption Ordinance

Los Angeles shall annually adopt, by ordinance, in conformance with the requirements and provisions of this Agreement, the rates to determine the Amalgamated System Sewerage System Charges and Amalgamated System Sewerage Facilities Charges for the use of the Amalgamated System. This rate setting process will begin with the first full Fiscal Year following Execution of the Agreement and continue every Fiscal Year thereafter. The rates for the first partial year, if any, after Execution of the Agreement shall be those that were mutually agreed to by the Parties prior to Execution of this Agreement.

- a. Rate Adoption Time Frame - Los Angeles shall adopt rates for service to be provided in the next Fiscal Year prior to the start of that Fiscal Year. To allow sufficient time for the Contracting Entity to adopt corresponding rates for its own jurisdiction, Los Angeles shall provide the adopted rates no later than four (4) months prior to the start of the Fiscal Year for which they are to become effective. If there are less than four (4) months between the Execution of this Agreement and the start of the next Fiscal Year, Los Angeles shall provide preliminary rates within one (1) month of Execution of this Agreement and shall adopt rates within four (4) months of the Execution of this Agreement.

- b. Breakdown of Charges to O&M and Capital - The rate adoption ordinance shall provide a breakdown of the Amalgamated System Sewerage System Charge rates into the categories of O&M and capital.
- c. At the same time that Los Angeles submits information on the forthcoming annual rates, Los Angeles shall provide an estimate of Amalgamated System Sewerage Service Charges for the following five year period. This estimate shall not be binding and shall only be used by the Agencies for planning purposes.

4. Modification of Adopted Rates

If during a given Fiscal Year it becomes apparent that the actual expenditures in that Fiscal Year will exceed the anticipated expenditures used to establish the rates for the Amalgamated System Sewerage Service Charge in that Fiscal Year, Los Angeles may adopt a new rate ordinance to reflect the increased costs and subsequent payments will be based on the newly adopted rates. If Los Angeles adopts new rates pursuant to this Section, Los Angeles shall also prepare new invoices pursuant to Sections III.B.1, 2 and 3 for any remaining periods within the Fiscal Year for which the new rates will apply.

B. Billing

- 1. Los Angeles shall prepare an annual estimated bill containing bimonthly installments for the Amalgamated System Sewerage System Charge and the General Fund Reimbursement Charge to the Contracting Entity. The bill shall be postmarked to Contracting Entity no later than 30 days prior to the start of the Fiscal Year for which the bill applies.
- 2. The Amalgamated System Sewerage System Charge portion of the bimonthly installments shall be calculated as follows:

$$\text{Bimonthly Amount} = [(R_Q \times D_Q) + \sum(R_{\text{Strength}} \times D_{\text{Strength}}) + (R_C \times D_C)] \times F / 6$$

where:

R_Q = The Amalgamated System Sewerage System Charge rate for the Fiscal Year which is attributable to flow in terms of dollars per million gallons;

- R_{Strength} = The Amalgamated System Sewerage System Charge rate for the Fiscal Year which is attributable to each Strength parameter in terms of dollars per 1000 pounds;
- R_C = The Amalgamated System Sewerage System Charge rate for the Fiscal Year which is attributable to MGD-miles in terms of dollars per MGD-mile;
- D_Q = The wastewater flow, including any treatment sludge, discharged by Contracting Entity during the latest completed Flow Year;
- D_{Strength} = The quantity of each Strength parameter, including any treatment sludge, discharged by Contracting Entity during the latest completed Flow Year;
- D_C = The MGD-miles attributable to Contracting Entity for the latest completed Flow Year, calculated pursuant to Section III.G;
- F = Payment factor equal to the ratio of actual expenditures to budgeted expenditures, averaged over the three most recently completed Fiscal Years, multiplied by 0.9.

3. The General Fund Reimbursement Charge portion of the bimonthly installments shall be calculated pursuant to Section II.D.
4. Within six months following the conclusion of a Fiscal Year, Los Angeles shall submit to Contracting Entity a reconciliation invoice for the Amalgamated System Sewerage System Charge and the General Fund Reimbursement Charge for services provided during that Fiscal Year. For purposes of calculating the reconciliation invoice, the Proportionate Share shall be determined using quantities for the Flow Year with the designation corresponding to the same Fiscal Year for which service is provided and for which the reconciliation invoice applies. The reconciliation invoice shall include the following :
 - a. the Contracting Entity's reconciled Amalgamated System Sewerage System Charge which shall be calculated as its Proportionate Share of the actual Net Amalgamated System Expenses for that Fiscal Year, including credit for all Amalgamated System Sewerage Facilities Charges paid by the Agencies and determined for Los Angeles, although not paid by Los Angeles, pursuant to Section III.D.2, less any payments already made pursuant to Section III.C.1. This part of the bill will also break the total actual Net Amalgamated Expenses for the Fiscal Year into expenses

attributable to O&M and expenses attributable to capital in accordance with Los Angeles' adopted policy on capitalization.

- b. the Contracting Entity's reconciled General Fund Reimbursement Charge for that Fiscal Year which shall be calculated pursuant to Section II.D.1, less any General Fund Reimbursement Charge payments already made by Contracting Entity during the Fiscal Year pursuant to Section III.C.
- c. any Nonpayment Charge for the past Fiscal Year pursuant to Section II.E.
- d. a statement of the flow and Strength, including any penalty amounts, of each Entity discharging into the Amalgamated System.
- e. a statement of the final Amalgamated System rates.

C. Payment

1. Contracting Entity shall make the payments for the bimonthly installments of the Amalgamated System Sewerage System Charge and the General Fund Reimbursement Charge, prepared pursuant to Section III.B.1, for each Fiscal Year in a timely manner so that they are postmarked by the last business day of July, September, November, January, March, and May, respectively, or within 30 days of receipt of the annual bill by Contracting Entity, which ever comes later.
2. Contracting Entity shall pay the reconciliation invoice within 30 days of its receipt.

D. Amalgamated System Sewerage Facilities Charge Payment

1. Beginning on the Date of Execution of this Agreement, Contracting Entity and Los Angeles shall be responsible for Amalgamated System Sewerage Facilities Charges in accordance with Section II.C.1.
2. All of Contracting Entity's Amalgamated System Sewerage Facilities Charges for its increased flow and strength during each bimonthly billing period shall be calculated by Contracting Entity and submitted along with the next bimonthly payment made pursuant to Section III.C.1. The Amalgamated System Sewerage Facilities Charges for which Los Angeles is responsible shall be calculated by Los Angeles after the end of each Fiscal Year. Los Angeles' and Contracting Entity's Amalgamated System Sewerage Facilities Charge shall be calculated pursuant to Section II.C using rates adopted pursuant to Section III.A.3. These amounts are Amalgamated System Revenues and shall be subtracted from the Net

Amalgamated System Expenses when determining the reconciliation invoices pursuant to Section III.B.4.a.

3. Within 60 days following the end of each Fiscal Year, Contracting Entity shall submit a report to Los Angeles listing all new development, changes in land use, or increases in discharges from Industrial Dischargers which could result in a net increase in wastewater discharge during the Fiscal Year or partial Fiscal Year following the Date of Execution. The report shall total the increased flow, Strength loadings and MGD-miles resulting from the development, changes in land use and increases in discharges from Industrial Dischargers listed in the report. Within 60 days following the end of each Fiscal Year, Los Angeles shall submit to Contracting Entity a report listing all of the new development, changes in land use and increases in discharges from Industrial Dischargers in the areas for which Los Angeles has responsibility and which could result in a net increase in wastewater discharge during the Fiscal Year or partial Fiscal Year following the Date of Execution. The report shall total the increased flow, Strength loadings and MGD-miles resulting from the development, changes in land use and increases in Industrial discharges listed in the report for Los Angeles. Either Party may, at its own cost, audit the other Party's records to assess compliance with the foregoing requirement.
4. Los Angeles shall notify Contracting Entity in writing if Contracting Entity's wastewater discharges are increasing at a rate that exceeds the growth rate upon which Los Angeles' long-range capacity plans for the System are based. If Los Angeles' wastewater discharges are increasing at a rate greater than the growth rate upon which the long-range capacity plans are based, Los Angeles shall notify Contracting Entity in writing.
5. By February 1 of each year, Contracting Entity shall provide Los Angeles with an estimate of the long-term increased flow and Strength loadings arising from new development, changes in land use and increases in discharges from Industrial Dischargers within its jurisdiction during the forthcoming Fiscal Year. This information shall be used for planning purposes only; there is no implied warranty as to its accuracy.

E. Late Payment

1. Any payments of Amalgamated System Sewerage System Charges, General Fund Reimbursement Charges, Nonpayment Charges or Amalgamated System Sewerage Facilities Charges that are late shall be subject to interest on the original amounts due at the Prime Rate in effect when the payment first became due plus one (1) percent for payments that are 1 to 30 days late, the Prime Rate in effect when the payment first became due plus five (5) percent for payments 31 to 60 days late, and the Prime Rate in effect when the payment first became

due plus ten (10) percent for payments more than 60 days late, not to exceed the maximum rate allowed by law. As long as payment, including applicable interest and penalties, is made within 120 days, Contracting Entity shall not be deemed to be in Default.

2. Los Angeles shall credit Contracting Entity for any Unpaid Amount that is subsequently paid by an Agency other than Contracting Entity, provided that Contracting Entity has paid a Nonpayment Charge corresponding to its share of the original Unpaid Amount. Los Angeles shall notify Contracting Entity of the credit within ten (10) business days of receiving the payment of the Unpaid Amount. Contracting Entity shall deduct the amount of the credit from its next bimonthly payment of Amalgamated System Sewerage System Charges, provided the payment of the Unpaid Amount was received no less than ten (10) days before the due date of the next bimonthly payment. If the payment of the Unpaid Amount is received less than ten (10) days before the due date of the next bimonthly payment, Contracting Entity shall deduct the credit from its second bimonthly payment of the Amalgamated System Sewerage System Charges following the payment of the Unpaid Amount. Noticing shall be pursuant to the requirements of Section IX.O. The credit shall be equal to:
 - a. The amount of the previous Nonpayment Charge, plus
 - b. Any related interest and penalties paid by the delinquent Agency over the period of time from when Contracting Entity is billed the Nonpayment Charge to when the Unpaid Amount is recovered, multiplied by Contracting Entity's Proportionate Share of the Net Amalgamated System Expenses for the Fiscal Year divided by the total Proportionate Shares of the Net Amalgamated System Expenses for the Fiscal Year for Los Angeles and all Agencies without any late or delinquent payments.
3. If Los Angeles does not notify Contracting Entity within ten (10) days of receipt of the payment of an Unpaid Amount by an Agency, Los Angeles shall credit Contracting Entity with interest at a rate equal to the Prime Rate in effect when the credit first became due plus ten (10) percent over the period of time from when the Unpaid Amount was paid to the date that Los Angeles notifies Contracting Entity of the credit.

F. Discharge Flow and Strength

1. Discharge Quantities

The quantity of wastewater flow and Strength discharged by each Party, including any wastewater treatment sludge and Surface Water Runoff, shall be calculated at the end of each Flow Year as follows:

- a. The total quantity of flow and Strength discharged from Contracting Entity shall be equal to:
 - (1) the sum of all quantities measured, pursuant to Sections III.F.2 and IV.B, at gauging stations located on sewers discharging from Contracting Entity either directly or indirectly to the Amalgamated System, less
 - (2) any quantities from Surface Water Runoff, Pass Through Flows, and Boundary Line Connections which originate from any Entity besides Contracting Entity that pass through a gauging station located on sewers discharging from Contracting Entity, less
 - (3) any wastewater or Surface Water Runoff that is generated within the territorial boundaries of jurisdictions or organizations for which Los Angeles has assumed responsibility pursuant to Section IX.B.1.b that passes through a gauging station located on sewers discharging from Contracting Entity, plus
 - (4) the quantities, pursuant to Section III.F.3, that are generated in Contracting Entity's ungauged areas and discharged either directly or indirectly to the Amalgamated System, including Boundary Line Connections.
- b. The total quantity of flow and Strength discharged by Los Angeles shall be equal to:
 - (1) the total Amalgamated System flow and Strength loadings, calculated as set forth in Section III.A.2, less
 - (2) the sum of all quantities discharged by the Agencies and other Entities to the Amalgamated System.

2. Measurement Methodology

- a. The measurement of the quantity of flow or Strength of any discharge pursuant to Section IV.B shall be performed in accordance with the requirements of Section IV.D. Strength shall be measured following the sampling and analysis protocols recommended in Standard Methods. All analyses of Strength samples shall be performed by a laboratory certified to conduct such analyses by the California State Department of Health Services pursuant to the Environmental Laboratory Act of 1988, and as that Act may be amended from time to time.
- b. The total mass emission of Strength at any given monitoring station shall be equal to the daily average pounds per day of Strength measured at the monitoring station multiplied by the number of days in the Flow Year. The daily average pounds per day shall be equal to the straight average of the samples taken, as follows:
 - (1) For the first three years following Execution of this Agreement, it shall be based on all samples taken from the Date of Execution through the end of the Flow Year.
 - (2) After the first three years following Execution of this Agreement, it shall be based on samples taken only during the three most recently completed Flow Years.

3. Estimation Methodology

The quantity of flow or Strength of any discharge that is not measured pursuant to Section IV.B, including the discharge from Boundary Line Connections and Pass Through Flows, shall be equal to the sum of the estimated discharges from each of the individual dischargers within the ungauged area, except that Los Angeles need not estimate the quantities of Pass Through Flows or Boundary Line Connections if they are tributary to unmeasured areas for which the discharges are estimated. However, if requested by Contracting Entity for purposes of its facilities planning, Los Angeles shall make this information available to Contracting Entity.

- a. The flow and Strength discharges for residential customers shall be estimated using the theoretical factors adopted pursuant to Section III.F.4.b.
- b. Where a Party bases its service charges to Commercial/Industrial Dischargers on their metered water usage, the flows for those dischargers shall be estimated based on their metered water usage and the percentage

of water usage that is discharged to the sewer, which percentage is as adopted by Los Angeles for use in charging the dischargers within its corporate limits and included in its Wastewater Revenue Program. Where a Party monitors Industrial Dischargers' flows directly, those dischargers' estimated flows shall be based on the monitored flows. Where a Party does not base its service charges to Commercial/Industrial Dischargers on metered water usage or monitored flows, the flows for those dischargers shall be estimated using the theoretical factors adopted pursuant to Section III.F.4.b.

- c. The Strength discharged by Commercial/Industrial Dischargers shall be estimated using the theoretical factors adopted pursuant to Section III.F.4.b, except where Strength concentrations are monitored. Where a Party monitors Industrial Dischargers' Strength concentrations, those customers' estimated Strength shall be based on the monitored concentrations.

4. Estimation Factors

- a. For purposes of determining estimated discharges for the calculation of Amalgamated System Sewerage Facilities Charges, Los Angeles' Board of Public Works shall adopt a list of user categories and assumed loadings per unit of usage for each category. This list of user categories and assumed loadings shall be known as the Los Angeles Sewage Generation Factor Table.
- b. For purposes of determining estimated discharges for ungauged areas and Boundary Line Connections, Los Angeles' Board of Public Works shall adopt another list of user categories and an assumed flow and Strength per unit of usage for each category. This list of user categories and assumed loadings shall be based on the Los Angeles Sewage Generation Factor Table, however, the number of user categories shall be condensed to conform with the classifications set forth in the Los Angeles County Assessor's tax roll or as may otherwise be mutually agreed to by the Parties. This list shall be known as the Amalgamated System Sewage Generation Factor Table.

G. MGD - miles

Until Contracting Entity and Los Angeles can develop a more accurate method of allocating the costs of the conveyance portion of the Amalgamated System, the MGD-miles shall be based on a straight-line centroidal approach. Los Angeles shall use the following formulas and procedures to determine the centroidal MGD-miles for

Contracting Entity, Los Angeles, other Agencies and any other Entities discharging wastewater to the Amalgamated System:

1. For an area whose flow is tributary to the Donald C. Tillman Water Reclamation Plant but not tributary to any future treatment or water reclamation plant that may be operated by Los Angeles, that area's MGD-miles shall be equal to the sum of:
 - a. the portion of that area's flow that is treated at the Donald C. Tillman Water Reclamation Plant, including the area's share of sludge returned to the sewer from any upstream treatment or water reclamation plant that may be operated by Los Angeles, multiplied by the straight-line distance from the area's Point of Discharge to the Donald C. Tillman Water Reclamation Plant, plus
 - b. the portion of that area's flow that is treated at the Los Angeles-Glendale Water Reclamation Plant, including the area's share of sludge returned to the sewer from any upstream treatment or water reclamation plant that is operated by Los Angeles, multiplied by the straight-line distance from the area's Point of Discharge to the Los Angeles-Glendale Water Reclamation Plant, plus
 - c. the portion of that area's flow that is treated at the Hyperion Treatment Plant, including the area's share of sludge returned to the sewer from any upstream treatment or water reclamation plant that is operated by Los Angeles, multiplied by the sum of the straight-line distance from the area's Point of Discharge to the Valley Spring Forman Diversion Structure and the straight-line distance from the Valley Spring Forman Diversion Structure to the Hyperion Treatment Plant.
2. For an area whose flow is tributary to the Valley Spring Forman Diversion Structure but not tributary to the Donald C. Tillman Water Reclamation Plant or any future treatment or water reclamation plant that may be operated by Los Angeles, that area's MGD-miles shall be equal to the sum of:
 - a. the portion of that area's flow that is treated at the Los Angeles-Glendale Water Reclamation Plant, including the area's share of sludge returned to the sewer from any upstream treatment or water reclamation plant that may be operated by Los Angeles, multiplied by the straight-line distance from the area's Point of Discharge to the Los Angeles-Glendale Water Reclamation Plant, plus
 - b. the portion of that area's flow that is treated at the Hyperion Treatment Plant, including the area's share of sludge returned to the sewer from any

upstream treatment or water reclamation plant that is operated by Los Angeles, multiplied by the sum of the straight-line distance from the area's Point of Discharge to the Valley Spring Forman Diversion Structure and the straight-line distance from the Valley Spring Forman Diversion Structure to the Hyperion Treatment Plant.

3. For an area whose flow is tributary to the Los Angeles-Glendale Water Reclamation Plant, but not tributary to the Donald C. Tillman Water Reclamation Plant, the Valley Spring Foreman Diversion Structure or any future treatment or water reclamation plant that may be operated by Los Angeles, that area's MGD-miles shall be equal to the sum of:
 - a. that portion of that area's flow that is treated at the Los Angeles-Glendale Water Reclamation Plant, including the area's share of sludge returned to the sewer from any upstream treatment or water reclamation plant that may be operated by Los Angeles, multiplied by the straight-line distance from that area's Point of Discharge to the Los Angeles-Glendale Water Reclamation Plant, plus
 - b. the portion of that area's flow that is treated at the Hyperion Treatment Plant, including the area's share of sludge returned to the sewer from any upstream treatment or water reclamation plant that is operated by Los Angeles, multiplied by the straight-line distance from the area's Point of Discharge to the Hyperion Treatment Plant.

For the City of Glendale, the area's flow shall include its share of sludge from the Los Angeles-Glendale Water Reclamation Plant, calculated pursuant to Section III.A.2.a.

4. For an area whose flow is tributary to the Hyperion Treatment Plant, but not tributary to the Donald C. Tillman Water Reclamation Plant, the Valley Spring Forman Diversion Structure, the Los Angeles-Glendale Water Reclamation Plant or any future treatment or water reclamation plant that may be operated by Los Angeles, that area's MGD-miles shall be equal to that area's flow multiplied by the straight-line distance from that area's Point of Discharge to the Hyperion Treatment Plant.
5. For an area whose flow is tributary to the Terminal Island Treatment Plant but not tributary to any future treatment or water reclamation plant that may be operated by Los Angeles, that area's MGD-miles shall be equal to that area's flow multiplied by the straight-line distance from that area's Point of Discharge to the Terminal Island Treatment Plant.

6. For an area whose flow is tributary to any future treatment or water reclamation plant that may be operated by Los Angeles, that area's MGD-miles shall be equal to the MGD-miles calculated in Sections III.G.1 through 5, as applicable, plus the amount of that area's flow that is treated at the future treatment or reclamation plant multiplied by the straight-line distance from that area's Point of Discharge to the future treatment or reclamation plant.
7. In order to determine the MGD-miles attributable to Los Angeles, Los Angeles shall first be divided into sub-areas tributary to the Donald C. Tillman Water Reclamation Plant, the Valley Spring Forman Diversion Structure, the Los Angeles-Glendale Water Reclamation Plant, the Hyperion Treatment Plant, the Terminal Island Treatment Plant and any future treatment or water reclamation plant that may be operated by Los Angeles, respectively. The sub-area tributary to the Terminal Island Treatment Plant shall be further subdivided into the Harbor, Terminal Island and Wilmington areas. The MGD-miles for each sub-area shall be determined using the same procedures in Sections III.G.1 through 6, as applicable. The total MGD-miles attributable to Los Angeles shall be equal to the sum of the MGD-miles attributable to each of the sub-areas.
8. In calculating MGD-miles pursuant to Section III.G.1 through 7, each area's flow shall consist of the total wastewater generated within the area, including infiltration and inflow and the sludge from any treatment facility operated by the Entity that is not included in the Amalgamated System, which sludge is discharged by the Entity into the Amalgamated System.

IV. DISCHARGE MEASUREMENT

A. Responsibility for Monitoring, Estimating, Evaluating, and Reporting

1. The discharging Party, i.e. the Party discharging wastewater to the other Party, shall be responsible for all monitoring, evaluating, and reporting of wastewater discharge measurements at the locations required by Section IV.B. The discharging Party shall also be responsible for estimating, evaluating and reporting flow and Strength where estimation is allowed pursuant to Section IV.B.
2. The receiving Party, i.e. the Party receiving the wastewater discharge from the other Party, shall have the option of monitoring, evaluating, and reporting of discharge measurements when the discharging Party fails to execute its responsibility pursuant to Sections IV.A.1 and IV.E. In this case, the cost of monitoring, estimating, evaluating, and reporting shall still be the sole responsibility of the discharging Party and not attributable to the Amalgamated System. If the receiving Party exercises its option due to the discharging Party's

failure, the data shall not be considered missing, but penalty amounts equal to 5% of the quantities measured by the receiving Party shall be added to the measured quantities.

3. If the receiving Party exercises its option for monitoring, evaluating, and reporting, the discharging Party may resume its responsibility after it demonstrates compliance with the monitoring, evaluating, and reporting requirements for a period of 30 days. During the demonstration period, the receiving Party shall still have the right to monitor the discharge at the expense of the discharging Party, but no penalty amounts shall apply.

B. Criteria for Measurement

1. The flow and Strength shall be measured for any discharge that meets one of the following criteria:
 - a. The discharge is Surface Water Runoff.
 - b. The wastewater discharged through a single sewer, excluding Pass Through Flow, Surface Water Runoff, and Boundary Line Connections from another Entity, exceeds 0.5 cfs for the prior three consecutive flow years.
2. All flow and Strength not measured pursuant to Section IV.B.1 shall be estimated pursuant to Section III.F.3, except as follows:
 - a. The receiving Party, at its discretion, may measure flow and Strength from a discharging Party with a discharge less than 0.5 cfs, provided that the cost of such measurement will be the sole responsibility of the receiving Party and not be attributable to the Amalgamated System.
 - b. The discharging Party may elect to measure the flow and Strength of any discharge in lieu of estimating the flow and Strength. The discharging Party shall inform the receiving Party of its election before the Flow Year in which it will begin such measurement or within two months after the Date of Execution, whichever comes later. The discharging Party may also elect to begin estimating the flow and Strength of any discharge it has previously elected to measure, but is not required to measure, in which case it shall inform the receiving Party of this election before the Flow Year in which it will begin such estimation. Whether it elects to estimate or measure the discharge, the discharging Party shall use the elected method to determine the flow and strength it reports to the receiving Party pursuant to Section IV.C for the entire Flow Year.

C. Flow and Strength Reporting

1. Quarterly reports of all measured flow and Strength data collected during a quarter shall be submitted within 30 days of the end of the quarter.
2. Annual reports of the estimated flow and Strength, including all Boundary Line Connections, and the last quarterly report of measured flow and Strength data shall be submitted within 30 days of the end of the Flow Year.
3. Submission of quantity measurements and estimates shall constitute the discharging Party's verification that such data is an accurate representation of the Party's wastewater flow and Strength and acknowledgment that such data will be used to calculate a Party's total quantity of wastewater pursuant to Section III.F.1.

D. Flow and Strength Measurement

1. Frequency

- a. Flow shall be monitored continuously.
- b. Strength shall be sampled monthly for the first two years after Execution of this Agreement and then quarterly thereafter. Strength samples shall be collected for 24 uninterrupted hours each month or quarter such that each day of the week is represented over a seven sample period and no day of the week is represented in more than four out of twelve consecutive 24-hour samples. Each 24-hour composite sample shall consist of 24 individual samples which are combined such that each sample represents the volume of wastewater discharged during the time between samples.

2. Physical Requirements

- a. A permanent and continuous flow metering station shall be installed at each location where flow and Strength is measured pursuant to Section IV.B and at each location where Surface Water Runoff is discharged to the sanitary sewer system.
- b. A temporary flow metering device may be used to measure flow while the permanent station is being repaired or replaced. If a temporary flow metering device is used, the Party shall make reasonable efforts to ensure the timely repair or replacement of the permanent flow metering device.
- c. All Strength samples shall be taken at the same location as the flow measurement station using an automatic sampling device.

3. Weather

No Strength samples shall be collected within 72 hours of a rainfall event which records more than ½ inch of rain within a 24 hour period.

4. Flow Monitoring

- a. Flow metering equipment installed at each station shall be of a type that will accurately measure the range of flows passing the gauging station.
- b. Flow metering equipment shall include redundant measuring techniques over the entire range of flows for which the station is intended to measure.
- c. Procedures for the measurement, data collection, and flow calculation shall be documented for each gauging station.
- d. If multiple methods of measurement can be utilized, the most accurate method for the particular device being used and the quantity of flow being measured shall be consistently utilized and reported. In the event of a measurement sensor failure, an alternate method of measurement and flow calculation may be utilized until such time as the sensor failure is corrected.

E. Verification of Procedures

1. The discharging Party shall provide the receiving Party with its flow database via computer disk or other electronic means. The database shall include all of the discharging Party's unprocessed data for each measuring technique employed in measuring its flows pursuant to Section IV.D.4.b. The discharging Party shall provide the data collected each month within fifteen (15) working days after the end of the month. If the discharging Party fails to provide the data within the fifteen day period, the receiving Party shall have the option of monitoring the flow itself at the expense of the discharging Party pursuant to Section IV.A. Any data not submitted within thirty (30) days following the end of each quarter shall be considered missing pursuant to Sections IV.F and G. Provision of the database to the receiving Party does not release the discharging Party of its obligation to evaluate the data pursuant to Section IV.A.
2. If the receiving Party desires to conduct an audit of the discharging Party's quantity measurements and/or estimations, it shall notify the discharging Party of its intent to audit within 30 days of receiving the measured or estimated quantities. The receiving Party's costs of performing the audit shall be borne by the receiving Party. The discharging Party shall provide the receiving Party access to all monitoring data and records within 15 days of the notice of intent to audit. The receiving Party shall notify the discharging Party of the results of

the audit within 45 days of the notice of intent to audit. If the receiving Party's audit of the data and records reveals discrepancies in the discharging Party's data and records, the Parties shall meet for the purpose of resolving, to the mutual satisfaction of both Parties, the discrepancy in the data and records. If the Parties cannot arrive at a satisfactory resolution, the Parties shall resolve the issue via the dispute resolution process set forth in Section VIII.C. Routine questions regarding quantity measurement and estimation shall not be considered to be audits for purposes of this Section and shall be considered to be an expense of the Amalgamated System.

3. A representative of the receiving Party, at its own cost, shall be authorized to accompany the discharging Party and observe the discharging Party's practice in setting the Strength sampling device, in retrieving the device and in compositing the samples, for one sampling each year and at all locations discharging Party is required to sample. Discharging Party shall notify receiving Party of the date, time and location(s) of the next sampling after being notified of receiving Party's desire to observe the sampling.
4. The discharging Party shall split each composite sample and shall make available a preserved half to the receiving Party within six hours of retrieval of the sampling device if so requested by the receiving Party at no cost to the discharging Party.
5. If the Parties cannot arrive at a satisfactory solution to any disputes over sampling and measurement, the Parties shall resolve the issue via the dispute resolution process set forth in Section VIII.C. Routine questions shall not be considered audits for purposes of this Section and shall be considered expenses of the Amalgamated System.

F. Missing Flow Data

1. If no more than 30 days are missed during any Flow Year and no more than 14 days are missed during any 30 day period at any individual monitoring station, then:
 - a. No penalty shall apply.
 - b. The data for the missing days shall be assumed to be equal to the average of all measured days.
 - c. A letter shall be submitted explaining the cause for any missed data that exceeds 7 consecutive days.

2. If the number of missed days is between 30 and 90 days during any Flow Year, is no more than 30 days during any 45 day period, or is no more than 20 consecutive days at any individual monitoring station, then:
 - a. The data for the missing days shall be assumed to be equal to the average of all measured days. To this amount shall be added a penalty equal to 10% of the assumed amount.
 - b. A letter shall be submitted explaining the cause for any missed data that exceeds 7 consecutive days.
3. If the number of missed days exceeds 90 days during any Flow Year, is more than 30 days during any 45 day period, or is more than 20 consecutive days at any individual monitoring station, then:
 - a. The Party will be deemed to be in Default upon compliance with the noticing requirements of Section VIII.A.1.c or Section VIII.A.2.b.
 - b. The missing data shall be assumed to be equal to either (1) the average of all measured days, if at least 200 days were measured or (2) the average of the preceding Flow Year, if less than 200 days were measured. To this amount shall be added a penalty equal to 25% of the assumed amount.
 - c. The receiving Party shall have the right to measure the flow at the expense of the discharging Party. The receiving Party shall have the right to continue to meter the flow at the expense of the discharging Party until the discharging Party has shown, to the reasonable satisfaction of the receiving Party, that it can and will comply with all of the flow metering requirements.

G. Missing Strength Data

1. If no more than 2 non-consecutive months of sampling are missed during the first two Fiscal Years and no quarterly samples thereafter at any individual monitoring station, then:
 - a. No penalty shall apply.
 - b. The data for the missing months or quarters shall be assumed to be equal to the average of all measured months or quarters.
 - c. A letter shall be submitted explaining the cause for any missed data.

2. If the number of missed samples is between 2 and 4 months and no more than 2 consecutive months during the first two Fiscal Years and no more than one quarterly sample thereafter at any individual monitoring station, then:
 - a. The data for the missing months or quarters shall be assumed to be equal to the average of all measured months or quarters. To this amount shall be added a penalty equal to 10% of the assumed amount.
 - b. A letter shall be submitted explaining the cause for any missed data.
3. If the number of samples missed is more than four months or more than two consecutive months during the first two Fiscal Years or more than one quarterly sample thereafter at any individual monitoring station, then:
 - a. The Party will be deemed to be in Default upon compliance with the noticing requirements of Section VIII.A.1.c or Section VIII.A.2.b.
 - b. The missing data shall be assumed to be equal to either (1) the average of all measured months or quarters or (2) the average of the preceding year, whichever is higher. To this amount shall be added a penalty equal to 25 % of the assumed amount.
 - c. The receiving Party shall have the right to measure Strength at the expense of the discharging Party. The receiving Party shall have the right to continue to measure the strength at the expense of the discharging Party until the discharging Party has shown, to the reasonable satisfaction of the receiving Party, that it can and will comply with all of the Strength measuring requirements.

H. Conditions for Waiver of Penalties

If conditions beyond the reasonable control of a discharging Party prevents that Party from meeting any of the measurement requirements, the discharging Party may petition the receiving Party for a waiver of the penalty provisions. The discharging Party shall provide documentation of the reasons that caused the problems and the steps being taken to correct the problems. The receiving Party shall not unreasonably deny the petition for waiver.

I. Implementation

1. Each discharging Party shall have 12 months from the Execution of this Agreement to install and operate the flow monitoring stations required under the terms of this Agreement. Each discharging Party shall report the completion of

the flow monitoring stations. Upon notification of completion, the flow monitoring requirements shall become effective.

2. For locations that meet the requirements for measuring flow pursuant to Section IV.B.1 or where the discharging Party elects to measure the flow and Strength of its discharge pursuant to Section IV.B.2.b subsequent to the Date of Execution, the discharging Party shall have one year from the date that the location meets the requirements or from the date that the discharging Party notifies the receiving Party of its election to install the appropriate flow metering equipment. Each discharging Party shall report the completion of the flow monitoring stations. Upon notification of completion, the flow monitoring requirements shall become effective.
3. The provisions for the collection of flow data in the agreements in effect prior to the Date of Execution of this Agreement shall continue in effect until the new flow measurement stations are operable.

V. MEETINGS

A. Contracting Entity/Los Angeles Meetings

1. Within 30 days of a written request of Contracting Entity, but in no case less than semi-annually, Los Angeles shall meet with a representative or representatives of Contracting Entity to discuss issues of mutual interest relative to this Agreement, including but not limited to:
 - a. The operation and maintenance costs pertaining to the Amalgamated System;
 - b. The capital program pertaining to the Amalgamated System;
 - c. Written policies pertaining to the administration of the charge system;
 - d. Disputes between Los Angeles and the Agencies, pursuant to Section VIII of this Agreement;
 - e. The risk management practices pertaining to the Amalgamated System;
 - f. Regulatory updates.

At any such meeting, two representatives from Los Angeles shall be present. One Los Angeles representative shall be an employee from Los Angeles with knowledge of the Amalgamated System and the second Los Angeles

representative shall be appointed by the President of the City Council. The representative from Contracting Entity must be an Assistant Manager, Division Head, City Manager, Department Head or their duly authorized representative. In no case shall the representative(s) from either Party be legal counsel. The foregoing requirements, however, shall not prevent either Party from designating other representatives to be present at any such meeting, including additional staff, consultants and attorneys. Los Angeles' costs of preparing for and attending any such meeting shall be considered a contract administration cost and shall be included as Amalgamated System Expenses pursuant to Section II.B.2.a.(3).

2. In submitting the Revenue Program and annual Capital Improvement Program to the Council and the Mayor for approval, Los Angeles Staff shall identify and summarize any issues where the Contract Entity disagrees with the proposed Revenue Program or Capital Improvement Program and shall expressly state the reasons for those disagreements.
3. If matters are deemed to be of general interest to all Agencies who have wastewater conveyed and treated by Los Angeles, Los Angeles shall have the right to meet with the representatives of the Agencies collectively to discuss the issues of common interest. If Los Angeles meets with the Agencies collectively, this shall not preclude either Contracting Entity or Los Angeles from requesting a meeting to discuss an issue or issues limited in scope to the interest of Contracting Entity and Los Angeles.
4. If requested by two or more Agencies, those Agencies shall have the right to meet collectively with Los Angeles. If Los Angeles meets collectively with the Agencies, this shall not preclude either Contracting Entity or Los Angeles from requesting a meeting to discuss an issue or issues limited in scope to the interest of the Contracting Entity and Los Angeles.

B. Value Engineering

1. The Agencies have the right, collectively, to meet at least once with any Value Engineering team hired by Los Angeles to review a proposed capital project for the Amalgamated System. For each project, Los Angeles' cost of the first of any such meeting shall be considered to be an Amalgamated System Expense. Contracting Entity shall pay the cost incurred by the Value Engineering team as a result of any subsequent meetings in proportion to its flow discharged to the Amalgamated System divided by the total flow discharged to the Amalgamated System by those Agencies requesting the subsequent meetings. The first meeting shall take place, if at all, within 30 days of the date of the letter requesting such meeting and at a mutually convenient time and place.

2. Los Angeles shall provide the Agency representatives with a copy of any Value Engineering study for an Amalgamated System project within 30 days of the completion of the study.

C. Financial Auditing

1. The Agencies have the right, collectively, to meet at least once each auditing cycle with the auditor of the System's financial statement. The meeting shall take place, if at all, within 30 days of the date of the letter requesting such meeting and at a mutually convenient time and place. The cost of a single meeting shall be considered to be an Amalgamated System Expense. Contracting Entity may have further meetings with the auditors of the Amalgamated System's financial statement, provided that Contracting Entity reimburses Los Angeles for any additional auditor's cost incurred as a result of the additional meetings, in proportion to its flow discharged to the Amalgamated System divided by the total flow discharged to the Amalgamated System by those Agencies requesting the subsequent meetings. Los Angeles may require that the auditors bill the Agencies directly for the additional costs.
2. Contracting Entity shall have the right to audit those System financial records that are made available to the auditor of the System's financial statements for audit purposes and to review the audit work papers at its own expense.

VI. OPERATION, LIABILITY, AND COMPLIANCE

A. Ownership and Operation

1. Los Angeles is recognized as the sole owner and sole operating authority of the Amalgamated System. As such, Los Angeles shall exercise reasonable care and skill and shall act as a prudent manager of the Amalgamated System to ensure compliance with all federal, state, and local laws, regulations, and rules pertaining to the discharge of wastewater, including without limitations all applicable pretreatment standards and effluent limits, if any.
2. With regard to the inspection, maintenance, and operation of the Local System or of facilities owned by either Los Angeles or Contracting Entity and all discharges within each Party's respective jurisdiction or territorial boundaries, each Party shall exercise reasonable care and skill and shall act as a prudent manager to ensure compliance with all federal, state, and local laws, regulations, and rules pertaining to the discharge of wastewater, including without limitation, all applicable pretreatment standards and effluent limitations, if any.

3. Contracting Entity hereby waives any present and future claims to any equity interest in the Amalgamated System. Los Angeles agrees that any future agreement or contract with any other Entity shall not give that Entity any equity interest in the Amalgamated System.

B. Liability

1. Regulatory Liability

Liability, federal or state, whether related to water or air, including fines, penalties, increased costs due to more stringent regulations as a result of the regulatory liability, and/or the cost of any alternative project in lieu of, or in addition to, any fine or penalty shall be treated as an expense of the Amalgamated System if said liability results from the construction or operation of the Amalgamated System. This would include, but not be limited to: operator error, negligence, sewage spills or other discharges resulting from clogs, breaks in pipes, lack of capacity, or electrical outages, equipment failure or breakdown, discharges into the air in violation of any SCAQMD rule or regulation, or any other action or inaction by Los Angeles in constructing or operating the Amalgamated System which results in liability assigned to any portion of the Amalgamated System.

2. General Liability

Unless otherwise stated in this Agreement, third party liability, including compensatory damages, shall be treated as an expense of the Amalgamated System if said liability results from the operation of the Amalgamated System.

3. Liability Related to Non-Amalgamated System Facilities

Contracting Entity will not be responsible for liability which results solely from construction and operation of the Local System. Similarly, Los Angeles will not be responsible for liability which results solely from construction and operation of Contracting Entity's wastewater collection system. If liability results from a combination of activities involving the Amalgamated System and other wastewater facilities, the Net Amalgamated System Expenses shall include the costs related to that portion of the liability attributable to the activities involving the Amalgamated System which is the basis for the liability.

4. Gross Negligence

Liability which results from gross negligence and/or the willful and/or intentional acts of an individual or individuals charged with the operation of a facility which is part of the Amalgamated System shall not be chargeable as an expense of the

Amalgamated System but shall be borne by Los Angeles or the successor jurisdiction responsible for the operation of the Amalgamated System.

5. Notification of Claims

Los Angeles shall provide written notification to all Agencies of any and all claims and Notices of Dispute submitted to Los Angeles which refer, relate, or pertain to the Amalgamated System within thirty (30) days of receipt of such claim, provided that such claims are for amounts exceeding \$500,000, excluding construction claims. Notification of construction claims shall only be required if so requested by Contracting Entity.

C. Compliance with State and Federal Regulatory Requirements

1. The Parties shall satisfy all state or federal requirements for preparing and updating their Revenue Programs.
2. In any circumstance where (i) Los Angeles as owner of the System is mandated by a state or federal requirement to establish a program, prepare a study, or undertake some other action and (ii) such action would require Los Angeles to enter Contracting Entity's jurisdiction, Contracting Entity shall be responsible for complying with such requirement and shall report to Los Angeles all actions undertaken to comply.
 - a. Los Angeles shall provide written notification to Contracting Entity of any state or federal requirements that are applicable to Contracting Entity in the foregoing circumstances.
 - b. If Contracting Entity fails to take the necessary action after having been duly notified of its obligations by Los Angeles and if Contracting Entity's failure to take the necessary action would result in any liability payable from the Amalgamated System, then Los Angeles shall have the authority to enter Contracting Entity's jurisdiction to perform the required actions on behalf of Contracting Entity and to directly charge Contracting Entity for any costs necessarily incurred to achieve compliance.
 - c. If Contracting Entity's failure to take the actions necessary to comply with the state or federal requirements results in any liability payable from the Amalgamated System, Contracting Entity shall bear full financial responsibility for any fines or penalties that are levied as a result of Contracting Entity's failure to comply.
 - d. If Los Angeles and Contracting Entity are both required to take actions to comply with state and federal requirements and Los Angeles fails to take

the necessary actions to comply with the state and federal requirements and if Los Angeles' failure to take the necessary actions results in any liability payable from the Amalgamated System, Los Angeles shall bear full financial responsibility for any fines or penalties that are levied as a result of Los Angeles' failure to comply.

VII. TERM OF AGREEMENT

The term of this Agreement is thirty (30) years unless it is modified in writing by mutual consent of the Parties and shall commence upon full Execution.

A. Reasons to Initiate Renegotiations

During the unexpired term of this Agreement, either Party may request that the other Party negotiate, in good faith, modifications of the Agreement which the requesting Party believes are necessary because of any of the following changed circumstances:

1. There is a material change in the regulatory framework for wastewater that renders one or more of the terms or conditions of the Agreement to no longer be fair and equitable;
2. There is a proposed change in the physical configuration of the Amalgamated System that the existing terms or conditions of the Agreement do not adequately address;
3. There is a material change in the financial framework of Los Angeles' wastewater conveyance and/or treatment system which either renders any of the terms or conditions of the Agreement to no longer be fair and equitable or creates a condition that the existing terms or conditions cannot accommodate;
4. There is any change in the regulatory, operating or financial framework of Los Angeles' wastewater conveyance and/or treatment system, which in the view of either Party, will or has caused the charge system described in Section II of this Agreement to no longer be fair and equitable.
5. If, after ten (10) years from the Date of Execution of this Agreement, Los Angeles requests the Contracting Entity to contribute money towards capital facilities or improvements for the Amalgamated System which are valued at \$100 million or more, including direct and indirect costs, in any one fiscal year and whose useful life is greater than the length remaining on the term of the then existing Agreement.

B. Initial Time Prohibitions on Negotiations

Notwithstanding the provisions of Section VII.A above, and excepting the provisions within this Agreement concerning Reclaimed Water and Surface Water Runoff, the Parties hereby knowingly and expressly waive the right to renegotiate any provision of this Agreement for a period of ten (10) years from the Date of Execution, irrespective of the cause, rationale or circumstances. The Parties further acknowledge and agree that the existing charge system will be used to recover the Amalgamated System Expenses during the initial ten (10) years of this Agreement even if either Party believes that the charge system may not be fair and equitable. The Parties acknowledge and agree that they have reached this Agreement following a period of lengthy and complicated negotiations and they are unwilling and further find it imprudent to revisit the subject-matter herein for a period of ten (10) years. With respect to the renegotiation of the Reclaimed Water and Surface Water Runoff provisions, the Parties knowingly and expressly waive the right to renegotiate these provisions for a period of five (5) years from the Date of Execution of this Agreement. Thereafter, either Party may seek to renegotiate Reclaimed Water and Surface Water Runoff provisions at any time. However, if after two years of good faith negotiations, the Parties fail to agree on new Reclaimed Water and Surface Water Runoff provisions, this Agreement shall not terminate within the initial ten (10) years of this Agreement.

C. Negotiation Completion Requirements

If after two years of good faith negotiations concerning any of the above proposed changes to a then existing Agreement, pursuant to Sections VII.A and B, the Parties have been unable to reach a mutual agreement on any proposed changes to a then existing Agreement, the then existing Agreement shall, unless otherwise stated, terminate and the relationship of the Parties shall be governed by Section VII.I below.

D. Negotiations at Expiration of the Term

At least two calendar years prior to the expiration date of a then existing Agreement, the Parties shall begin good faith negotiations to extend the relationship of the Contracting Entity with Los Angeles for the conveyance and treatment of the Contracting Entity's wastewater. If, at the time set for expiration of the then existing Agreement, the Parties have not been able to reach a new agreement or have not agreed to extend the then existing Agreement, the Agreement shall, unless otherwise stated in Sections VII.A or B, terminate and the relationship of the Parties shall be governed by Sections VII.I and L below.

E. Conditions for Modification Proposals

In the renegotiation of any provision in this Agreement pursuant to Section VII.A or in the negotiation of any extension to this Agreement or any new agreement pursuant to Section VII.D, all Los Angeles proposals to the Contracting Entity shall include a restatement of this Section VII.E in its entirety and shall comply with the following:

1. The charge system must be fair and equitable to Los Angeles and Contracting Entity;
2. The charge system for the Contracting Entity within the Amalgamated System must be substantially similar to and consistent with the charge system for the internal users of Los Angeles' wastewater conveyance and/or treatment system within the Amalgamated System;
3. There shall be a fair and equitable cost recovery methodology to fully reimburse Los Angeles and the Contracting Entity for capital payments for the Amalgamated System capacity needed to serve new dischargers; and
4. There shall be a fair and equitable term (period of years) as measured by the capital needs and revenue requirements of the Contracting Entity.

F. Requirement for Good Faith Renegotiations

Los Angeles' obligation to, in good faith, negotiate an extension of its relationship with the Contracting Entity pursuant to Section VII.D or renegotiate any matter under this Agreement pursuant to Section VII.A shall not be discharged unless and until it has presented in good faith a proposal which complies with the requirements set forth in Section VII.E above.

G. Non-binding Mediation

It shall be the right of either Party to request, in writing, a formal, non-binding mediation concerning the renegotiation of any provision of this Agreement or negotiation of any extensions hereto up to and including the one hundred eightieth (180th) calendar day prior to termination of this Agreement pursuant to Sections VII.C and D above. The non-requesting Party must accept a timely written request for non-binding mediation. The good faith negotiations shall not be deemed complete until the formal, non-binding mediation process has concluded by written statement of the mediator or the term of this Agreement has terminated pursuant to Sections VII.C and D above.

H. Termination Restriction

In the event Los Angeles fails to propose provisions or an extension pursuant to Sections VII.C and D above that satisfy the requirements of Section VII.E or fails to participate in a formal, non-binding mediation process upon timely request by the Contracting Entity, the then existing Agreement shall not terminate and it shall continue in full force and effect until Los Angeles presents, in good faith, a proposal to the Contracting Entity that satisfies the requirements of Section VII.E.

I. Month to Month Relationship

The Parties recognize that withdrawal from the Amalgamated System is a serious and complex undertaking and as such agree to follow the procedure for such withdrawal as set forth herein. If the Parties are unable to reach a mutual agreement on changes to the then existing Agreement proposed pursuant to Section VII.C above and the then existing Agreement is terminated as provided, or if the term of the then existing Agreement expires as described in Section VII.D above, or if a Party remains in Default for more than ninety (90) days, the result in any of these instances shall be a month to month relationship between the Parties wherein Los Angeles agrees to transport and treat the wastewater of the Contracting Entity provided that the Contracting Entity:

1. pays its fair and equitable share of the wastewater conveyance and treatment costs, including O&M and capital, in an amount and according to a charge system as determined by Los Angeles consistent with the requirements of Section VII.E above;
2. complies with all then existing regulatory requirements, rules, regulations, laws and directives of the federal and state government concerning wastewater, including all Industrial Waste pretreatment requirements, rules, regulations and laws; and
3. actively and in good faith works towards extricating its wastewater discharge from the Amalgamated System.

J. Termination of the Month to Month Relationship

The month to month relationship shall terminate if:

1. the Parties agree to a written agreement which supersedes the month to month relationship;
2. the Contracting Entity removes its wastewater discharge from the Amalgamated System;