

APPENDIX C

SBSD Ordinance No. 02-01: FOG

ORDINANCE NO. 02-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
SUNSET BEACH SANITARY DISTRICT

SECTION 1: The Board of Directors of the Sunset Beach Sanitary District hereby finds and declares as follows:

- A. Commercial kitchens produce grease as a by-product of their operation, which if disposed of by discharging the grease to the sanitary sewer system, creates the potential for blockage to the District's sewer system, resulting in damage to both public and private property, and spillage that has the potential to create a public health hazard, damage the water quality as well as the environment in the Sunset Beach area.
- B. The current edition of the Uniform Plumbing code required new commercial kitchens that have the potential to produce a significant amount of grease to have grease control devices. In the Sunset Beach Sanitary District's service area, there are several commercial kitchens that do not have grease control devices. Presently these commercial kitchens that do not have grease control devices require the District to do additional preventative maintenance on sewer lines as well as respond to and clean up blockages and spillages that may be caused by improper grease disposal.
- C. The District Board of Directors in July, 1999, did not initially wish to impose cost-prohibitive new grease disposal requirements on these existing commercial kitchens until the District had more time to establish an equitable grease control program that all the commercial kitchens could implement in a timely manner. However, in July, 1999, The Board of Directors felt that these establishments should assist the District in paying for additional sewer cleaning costs incurred by the District in those particular portions of the District's sewer system directly affected by the discharge of grease by these commercial kitchens until such time these establishments come into full compliance with the District's grease control policy.
- D. Residential and office uses, discharges substantially smaller quantities of grease into the District's sewer system than commercial kitchens. The provisions of this Ordinance do not apply to those uses since they do not cause frequent blockages or require additional preventative maintenance of the District's sewer lines.

SECTION 2: Intent and Purpose

It is the intent of this Section to establish regulations for the disposal of grease and other insoluble waste discharges from commercial kitchens within the service area of Sunset Beach Sanitary District. The District Board of Directors, in enacting this Ordinance, intends to provide the maximum beneficial public use of the District's sewer system, to prevent blockage of the sewer system and accidental discharge of grease, to ensure the cost of maintaining the District's sewer system is equitably distributed amongst users, to clarify grease disposal requirements for existing commercial kitchens, and to promote public health and safety.

SECTION 3: Definitions

- A. Board of Directors. The legislative body of elected officials to make and enforce all necessary and proper regulations as established by law and as set forth in the Statutes of the State of California Health and Safety Code, Sections 6510 et seq, Sanitary District Act of 1923.
- B. Commercial Kitchen. Shall mean any business operating in the Sunset Beach Sanitary District service area as a full service or take-out restaurant, catering kitchen, employee cafeteria, or any other facility engaged in preparing and heat-processing food for consumption by the public or employees and which uses equipment that produces grease vapors, steam, fumes, smoke or odors that are required to be removed by a Type I or Type II hood. Establishments engaged only in assembling or serving food that is prepared entirely off site, and whose kitchen equipment consist only of beverage warmers and microwaves are not to be considered commercial kitchens.
- C. District Engineer. Shall mean the person as designated by the Boards of Directors.
- D. Grease. Shall mean any oil, fat, or oily, fatty substance such as vegetable or animal fat that turns or may turn viscous with a change in temperature or other conditions.
- E. Grease Control Device. Shall mean any grease interceptor, grease trap or other mechanism which attaches to wastewater plumbing fixtures for the purpose of collecting grease for off-site disposal rather than disposal with the wastewater to the public sewer.
- F. Grease Interceptor. Shall mean an underground multi-compartment device installed to reduce the amount of grease from a commercial kitchen of a size and design in compliance with the Uniform Plumbing Code and as approved by the District. A minimum capacity of 750 gallons shall be required unless a variance therefrom is approved by the Board of Directors. Every interceptor shall be of proper design and of adequate size to prevent sand, silt, grit, mineral material, petroleum solvent, grease or oil from entering the sewer. The size and design shall be approved by the District's Engineer.

SECTION 4: Grease Control Device Requirements

- A. All commercial kitchens shall have grease interceptors as required by the Uniform Plumbing Code and by the District, except as otherwise provide for in this Section.
- B. All existing commercial kitchens shall have grease interceptors installed and operational by June 1, 2003, with the following exceptions:
- (1) A grease interceptor shall not be required by June 1, 2003, if the Board of Directors determine that the food service establishment is not a generator of grease.
 - (2) A grease interceptor shall not be required by June 1, 2003, if the food service establishment is following and in full compliance with the Best Management Practice (BMP) as set forth in Section 7 herein.

SECTION 5: Maintenance of Grease Control Devices

- A. Each commercial kitchen with a grease control device shall employ an appropriate service or procedure for periodic collection of accumulated grease from any grease control device. No accumulated grease shall be discharged or introduced into the District's sewer system, public storm drain, or public way.
- B. Each commercial kitchen with a grease control device shall be required to keep records of cleaning, maintenance and grease removal.
- C. Each commercial kitchen with a grease control device shall allow District's representatives access to the premise, by appointment during normal business hours, for the purposes of sampling, inspections, and review of records relating to the grease control device and grease control practices.
- D. The District Engineer shall approve the type, capacity and construction of all interceptors in writing prior to installation. Approved plans and specification shall not be changed or altered without written approval by the District Engineer.
- E. Grease Interceptors shall be installed, utilized, and properly maintained for continuous and efficient operation at all times and at the expense of the owner.

SECTION 6: Food Grinders Prohibited

- A. Food grinders shall be removed from all existing food service establishments by December 1, 2002.
- B. After December 1, 2002, food grinders shall be prohibited in all new and existing food service establishments.
- C. All food waste previously disposed of by food grinders shall be disposed of in enclosed plastic bags prior to disposal in trash bins or containers to prevent leaking and odors. Disposal of food waste into trash bins or containers shall be in a manner not create a nuisance, odors, or attract rodents or insects.

SECTION 7: Best Management Practices (BMP)

In lieu of installing a grease interceptor as required in Section 4 herein, a food service facility that is a grease generator may apply for an exemption if the owner/operator of the facility commits to a Best Management Practice program as outlined below and approved by the Board of Directors:

- (a) All waste cooking oil shall be collected and stored properly in recycling barrels or drums,
- (b) Such recycling barrels or drums shall be maintained appropriately to ensure they do not leak,

- (c) Licensed haulers or an approved recycling facility must be used to dispose of waste cooking oil,
- (d) Drain screens shall be installed on all drainage pipes for existing food service establishments by December 1, 2002,
- (e) Employees of food service establishments shall be trained by September 1, 2002, and twice each year thereafter, on the following subjects:
 - (A) How to "dry wipe" pots, pans, dishware and work areas before washing to remove grease,
 - (B) How to properly dispose of food waste and solids in enclosed plastic bags prior to disposal in trash bins or containers to prevent leakage, odor nuisance, and prevention of rodents and insects,
 - (C) The location and use of absorption products to clean under fryer baskets and other locations where grease may be spilled or dripped,
 - (D) How to properly dispose of grease or oils from cooking equipment into a grease barrel or drum without spilling.
- (f) Employee training shall be documented and employee signatures indicating each employee's attendance and understanding of the BMP practices. These records must be available for review at any time by a representative of the District.
- (g) All BMP shall be posted conspicuously in the food preparation and dishwashing areas at all times.

SECTION 8: Exemptions from installation of Grease Interceptors

All food service establishments desiring to be exempt from installing a grease interceptor as specified in Section 4 herein, shall file a request for an exemption from the requirement to install a grease interceptor on or before July 1, 2002. All request shall be address to:

Board of Directors
Sunset Beach Sanitary District
P.O. Box 1185
Sunset Beach, CA 90742

The Board of Directors may approve an exemption as detail in Section 4 for:

- (1) Food service establishment that produces or generates NO grease that would be discharged to the District's sewer system, or
- (2) Food service establishment agrees to implement a BMP program. A food service establishment desiring to be exempt from the requirement of installing a grease

interceptor shall submit, with the request for exemption, a detail outline of the BMP to be implemented by the facility.

The Board of Directors shall respond to all request within 60 days of receipt. If the request is denied, the food service establishment shall be required to install a grease interceptor as specified in Section 4 herein.

SECTION 9: Violations for penalties; enforcement

- (a) Violations of this Ordinance may result in fines, penalties, and/or the requirement to install a grease interceptor, or disconnection of sewer service.
- (b) Violations of this Ordinance could include one or more of the following:
 - (1) Failure to install a grease control device as required by this Ordinance,
 - (2) Making of false statements, representation, record, report, plan or other document filed with the Board or District Engineer,
 - (3) Tampering with or knowingly renders inoperable any grease control device required under this Ordinance,
 - (4) Failure to properly maintain, clean and record keeping of grease elimination or control practices and/or program
- (c) Failure to comply with the provisions of this Ordinance may result in one or more of the following:
 - (1) Notices of non-compliance may be issued with a specific period for correction,
 - (2) Violators, who have been exempted from the installation of a grease interceptor, may be required to install a grease interceptor within six (6) months of notification,
 - (3) Failure to install a grease interceptor within the required time frame, may result in the disconnection of sewer service,
 - (4) Any request for extensions to required installation dates must be in writing to the Board, at least thirty (30) days in advance of the established deadline. The Board may grant an extension of up to ninety (90) days, but only upon a showing that the food service establishment cannot reasonable install an interceptor by the specified deadline and will take all necessary measures to minimize the amounts of grease it discharges into the sewer collection system until such grease interceptor is installed.

- (5) Failure to comply with a notice of non-compliance within the time frame specified, may result in the assessment of administrative fines up to \$500 per day for each day of non-compliance.

SECTION 10: Validity of Ordinance


In any section, subsection, subdivision, sentence, clause or phase of this Ordinance is for any reason held to be unconstitutional or otherwise invalid, such invalidity shall not affect the validity of this entire Ordinance or any of the remaining portions hereof.

SECTION 11: Exemption from the California Environmental Quality Act (CEQA)


This Ordinance is exempt from compliance with the California Environmental Quality Act pursuant to Section 15061 (3) of the State CEQA Guidelines.

This Ordinance was introduced at the regular meeting of the Board of Directors of the Sunset Beach Sanitary District held on April 11, 2002 and adopted on the 9th day of May, 2002 by the following vote to wit:

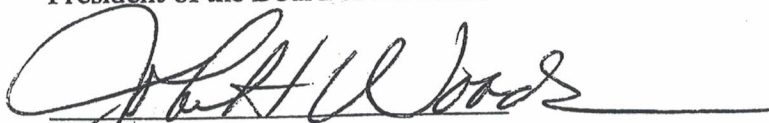
AYES, BOARD MEMBERS



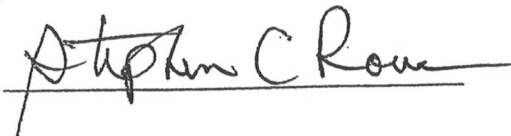
NOES, BOARD MEMBERS



President of the Board of Directors



Secretary of the Boards of Directors



This Ordinance shall become effective on the expiration of thirty (30) days from and after its adoption.

APPENDIX D

SBSD Ordinance No. 18-01: Sewage

ORDINANCE NO. 18-01
AN ORDINANCE OF THE SUNSET BEACH SANITARY DISTRICT
OF ORANGE COUNTY, CALIFORNIA
REGULATING THE SEWAGE COLLECTION SYSTEM

The Board of Directors of the Sunset Beach Sanitary District Ordains as Follows:

ARTICLE I
GENERAL PROVISIONS

101. PURPOSE AND POLICY

- A. The purpose of this Ordinance is to provide for the maximum public benefit from the use of sewers, and all the appurtenances thereto, either owned, operated, maintained or contracted for by the Sunset Beach Sanitary District (hereinafter called the District).
- B. The District was formed on November 5, 1930, under the provisions of Sections 6400-6924 of the State of California Health and Safety Code, Sanitary District Act of 1923.
- C. The Board of Directors (hereinafter called the Board) is the governing body of the District and is responsible for the operation and maintenance of all facilities of the District and exercises its authority under the Sanitary District Act of 1923 as amended.

102. DEFINITIONS

- A. Unless otherwise defined herein, terms related to water quality shall be as adopted in the latest 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 American Environmental Federation. Other terms not herein defined shall be interpreted in accordance with the International Conference of Building Officials Uniform Building Code, Current Edition.
 1. Board shall mean the Board of Directors of the Sunset Beach Sanitary District of Orange County, California.
 2. District shall mean the Sunset Beach Sanitary District.
 3. Building Sewer shall mean that portion of any plumbing system outside the confines of the structure being served, which connects directly to the public sewer owned and operated by the District. House lateral shall mean the same as building sewer. Building Sewers are privately owned.

4. OCSD shall mean the Orange County Sanitation District.
5. Discharger shall mean any person who discharges or causes a discharge of wastewater directly or indirectly to a public sewer. Discharger shall mean the same as User.
6. District Engineer shall mean the individual appointed by the Board to the position of District Engineer.
7. District Sewer shall mean any sewer owned, operated, and maintained by the District.
8. Domestic Wastewater shall mean the liquid and solid water borne wastes derived from the ordinary living processes of humans of such character as to permit satisfactory disposal, without special treatment, into the public sewer or by means of a private disposal system. The strength shall be deemed to have 250 milligrams per liter (250 mg/L) BOD and suspended solids.
9. Grease shall mean any oil, fat, or oily, fatty substance such as vegetable or animal fat that turns or may turn viscous with a change in temperature or other conditions.
10. Grease Control Device shall mean any grease interceptor, grease trap, or other mechanism which attaches to wastewater plumbing fixtures for the purpose of collecting grease for off-site disposal rather than disposal with the wastewater to the public sewer.
11. May shall mean permissive.
12. Person includes an individual, partnership, corporation, governmental subdivision or unit of a governmental subdivision, or public or private organization or entity of any character.
13. Sewage shall mean wastewater.
14. Sewerage Facility shall mean any and all facilities used for collecting, conveying, pumping, treating or disposing of wastewater.
15. Shall shall mean mandatory.
16. Superintendent shall mean the individual appointed by the Board to the position of Superintendent.
17. User shall mean any person who discharges or causes a discharge of wastewater directly or indirectly to a public sewer. User shall mean the same as Discharger.

18. Wastewater shall mean waste and water, whether treated or untreated, discharged into or permitted to enter a public sewer.
19. Wastewater Constituents and Characteristics shall mean the individual chemical, physical, bacteriological and radiological parameters, including volume and flow rate and such other parameters that serve to define, classify or measure the quality and quantity of wastewater.
20. Connection Fee shall mean the onetime payment required by the District to connect to the District's Sewerage Facilities and shall include a capital facilities charge, other costs and the cost of normal District inspection facilities for building sewers. Larger projects may require additional inspection charges.

Words used in this Ordinance in the singular may include the plural and the plural the singular. Use of masculine shall include feminine and use of feminine shall include masculine.

Article II ***Sanitary Sewer Facilities***

201. ADMINISTRATION

The purpose of this Section of the Ordinance is to provide the minimum standards for the sanitary sewer facilities owned or operated by the District for the protection of the public health, safety, and welfare located within the service area of the District.

- A. Among other things, this Ordinance applies to the installation, alteration, replacement, repair, or use of that portion of any plumbing system outside the confines of the structure being served, hereinafter referred to as 'building sewer'.
- B. That portion of any plumbing system within the confines of the structure served, shall comply with the requirements of the responsible agency of the City of Seal Beach for that portion of the District within the City of Seal Beach; and with the responsible agency of the City of Huntington Beach for that portion of the District within the City of Huntington Beach; except with respect to the use or disposal of hazardous materials in accordance with Section 204, herein.
- C. Any building sewer installed prior to the effective date of this Ordinance may continue its existing use maintenance and repair in accord with its original design provided no hazard to the public health, safety, or welfare is created by such existing use system, unless triggered by other sections of this ordinance. Building Sewers more than 20-years old shall by be repaired by lining the interior, or replaced and the old building sewer plugged at the District's sewer, all in a manner approved by the District,

when triggered by other sections of this Ordinance, such as construction or building sewer failures.

- D. Any building sewer serving as a replacement for an existing building sewer for a reconstructed or remodeled structure where such reconstruction or remodeling cost more than \$100,000, as determined by District, shall be served by a new building sewer as provided herein and the existing building sewer shall be removed and plugged at the District main at the cost of the discharger.
- E. All residences, commercial or industrial structures within the District shall be connected with the sanitary sewer system of the District.
- F. No Building Sewer may serve more than one residential or commercial or industrial property. In the event the same building will serve both a residence and commercial space, one lateral may be permitted at the District's discretion; however separate connection fees must be paid for each use. This applies to new construction or remodeling of an existing structure.

202. AUTHORITY TO ABATE

Any portion of a building sewer found to be unsanitary or improperly maintained or used constitutes a nuisance.

- A. The District or its authorized representatives shall have the authority to abate or require the abatement of such a public nuisance in such manner as such representatives determine will protect the health and safety of the community or protect the soundness of the building or the District's sewerage system.
- B. The failure of any person or entity to abate such public nuisance within a reasonable time following receipt of written notice to do so shall constitute a violation of this ordinance which is a misdemeanor, and upon conviction, shall be punishable as provided by law. Each notification to abate shall initiate a new obligation to abate.
- C. When necessary, at all reasonable times, the District or its authorized representatives may enter the premises for inspection of the building sewer and the use thereof.
- D. Should the District expend funds for the abatement of a nuisance on either public or private property, the owner of the facilities that caused said nuisance, in which or in part, shall make reimbursement of said funds to the District promptly upon demand.

203. PERMIT REQUIRED

A permit from the District shall be required for the repair, replacement, abandonment, or

construction of all or any portion of a building sewer located within the District.

A. A permit may be obtained from a District representative by calling the District's phone number, which is now (562) 493-9932, to arrange for a consultation or pay a required fee.

B. Any person who owns or is entitled to use any existing building, development, or change of use from residential to commercial (or industrial), or vice a-versa, or project to connect, or reconnect to the District sewer system using an existing or repaired or replacement building sewer lateral to the District sewage system must, prior to connection, pay a capital facilities connection fee in accordance with the following schedule:

Residential: \$6,000.00 per unit.

Industrial/Commercial: \$6,000.00 Minimum for up to 2,250sf. Increases \$2.67 per square foot for greater than 2,250sf.

The Board of Directors may revise these fees by Ordinance as appropriate.

C. Written Notice of at least 48 hours shall be given when inspection will be required. Phone number (562) 493-9932.

D. The District or its authorized representatives may suspend or revoke a permit issued in accordance with this Ordinance should any provision hereof be violated.

E. Street opening permits shall be obtained from the appropriate authorities for all work performed within the street area for those streets within the District.

F. All work performed within street areas shall be performed to the satisfaction of the appropriate agencies provided the laying, bedding, and joining of the building sewer shall be performed in conformance with the requirements of the District.

G. All persons requiring a sewer permit for the connection or reconnection of a building sewer shall be required to replace the sewer lateral from the building to the District sewer line. Alternately, permittee may, at permittees' expense, demonstrate by TV camera run through the entire length of the existing building lateral that said lateral is sound and able to be lined with an approved plastic liner. District's Superintendent's judgment shall be final as to whether or not the existing lateral can be used for lining. In the event a new lateral is constructed, all old laterals must be plugged at the connection to Districts main sewer.

- H. In the event an existing building sewer is damaged, leaking, subject to root intrusion, or in general poor repair, and the building owner or occupant wishes to replace it at their cost and not as a requirement of a building remodel, the Owner/Occupant shall pay an inspection fee:

Inspection Fee for Building Sewer Replacement only: \$800.00

- I. In the event connection or inspection fees are paid to the District, and the project is later canceled, a written claim for a refund may be filed by the original applicant. The refund claim shall be sent to the District's address and include the permit number and the reason for the refund request. Refunds may be issued only to the original applicant, and will not be issued if construction has begun. No refunds will be issued after 12 months from the date of issuance. The refund will be prorated over the 12 months. An 18% administrative fee will be deducted.

204. Use Violations

It shall be unlawful to discharge or permit to be discharged to a building sewer any of the following substances:

- A. Groundwater or surface water by subsurface drainage systems.
- B. Roof water (rainwater) typically by connection of roof drains connected to the building sewer.
- C. Rainwater or irrigation water by yard or area drains connected to the building sewer.
- D. Seawater from any source.
- E. Chemicals, liquid, semi-solid, or solid, having an adverse effect on health, sewer operations, sewer maintenance, or sewage treatment, (hazardous materials) except as permitted by "Regulations for Use of District Sewerage Facilities, County Sanitation District of Orange County", latest edition.
- F. Wastes of any nature shall not be discharged directly into a manhole except by permission of or by direction of the District Board.
- G. Violation of any or all of the above shall constitute a nuisance punishable as provided by law.
- H. Outdoor water sources including pool water or water from spas or ornamental water features.

205. MATERIALS

Pipe installed for a building sewer shall be polyvinyl chloride sewer pipe with compression jointing or an equal approved by the Superintendent, in accordance with the requirements

of the Uniform Building Code, latest edition. A building sewer shall have a four-inch diameter unless the District requires a larger size.

206. CONSTRUCTION

The workmanship in the construction of a building sewer shall conform to the best practices of the trade and the latest edition of the Standard by the District Board Specifications for Public Works Construction that has been approved by the Board of Directors. The *Standard Plans* are those designated S-21-2; S-37-1; S-37-2; S-37-3; S-43-1; SS-43-2; S-43-3; and S-45-1, the latest edition as approved by the Board of Directors.

- A. Connection to the District sewer shall be made by core cutting a neat hole of minimum size to receive the building sewer. Nearly all District sewers are constructed of clay pipe with an interior PVC liner.
- B. The building sewer shall be connected to the District sewer by an approved PVC Hub with rubber sleeve, banded in place with stainless steel bands, or by an optional method approved by the District Superintendent.
- C. The building sewer grade shall be uniform at the rate of not less than one-quarter inch per foot (2%). Where such grade cannot be obtained, or special design problems occur, an alternate design may be prepared and submitted for District approval.
- D. The building sewer shall have a minimum cover of four feet at the curb line or in lieu of curb, a minimum of four feet of cover at the property line. Where such depth of cover is not possible, the building sewer shall be encased in concrete or concrete slurry as approved by the Superintendent.
- E. The connection of the building drain to the building sewer shall be made to the satisfaction of the District and shall not be covered until inspected by an authorized representative of the District.

207. MAINTENANCE

It shall be the responsibility of the owner of the structure served to maintain the building sewer in a safe and sanitary condition at all times. Upon discovery of a deficiency in a building sewer by the District, notice in writing will be given to the structure owner to correct the deficiency. The owner of the structure shall notify the District before he/she or their contractor begins work on the building sewer. Failure to correct a deficiency within a reasonable period of time shall constitute a violation of this Ordinance and may additionally constitute a public nuisance.

208. EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This Ordinance is exempt from compliance with CEQA pursuant to Section 15061 (3) of the CEQA guidelines.

208. EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This Ordinance is exempt from compliance with CEQA pursuant to Section 15061 (3) of the CEQA guidelines.

Article III

Effective Date and Certification

This Ordinance shall be effective thirty days after enactment. This Ordinance supercedes Ordinance No. 12-01, dated December 13, 2012.

Should any portion of this Ordinance be declared by a Court of competent jurisdiction to be invalid, the remaining portions hereof shall remain in full force and effect.

This Ordinance was introduced at the regular meeting of the Board of Directors of the Sunset Beach Sanitary District held on November 8, 2018 and adopted by the Board of Directors at the regular meeting held on January 10, 2019.

SECRETARY CERTIFICATION


I, Graham K. Hoad, Secretary of the Board of the Sunset Beach Sanitary District, do hereby certify that the foregoing Ordinance was introduced and passed by the District at a regular meeting by the following vote:

Ayes: John H. Woods, Graham K. Hoad, Jon H. Regnier, Bernard H. Hartman, Josh D. Westfall

Nays:

Absent:

Attest:



Graham K. Hoad, Secretary

This Ordinance shall become effective thirty (30) days after adoption.

APPENDIX E

Assessment Policy

SUNSET BEACH SANITARY DISTRICT

of Orange County
P.O. Box 1185
Sunset Beach, CA 90742
~~(910) 590-0199~~

(562) 493-9932

Assessment Policy

Vacant lot: A parcel with the potential of having a separate structure or unit built upon it, but which, at the time of the assessment, contains no structures and is not used for storage or any other purpose.

Strip lot: Narrow parcels which have been combined with an existing parcel to extend property lines and owner's rights. For example, channel and oceanfront properties sometimes have these narrow strip parcels added to them.

Streets: Parcels that are considered public right-of-way.

Commercial parcel: Any parcel with a commercial business on it. The parcel may also contain residential units.

Residential parcel: A parcel which does not have a commercial business on it.

Units: An area within a parcel that is maintained as a separate commercial business or a separate living area. Each separate area will count as one unit, designated either residential or commercial.

Commercial unit: A separate business area. A business area is considered separate if each business has a separate entrance to the unit. Unoccupied areas are considered separate if separate entrances are maintained.

Residential unit: A separate living area. A living area is considered separate if a separate entrance or a separate food preparation area is maintained or there are no joint indoor entertainment areas. Any living area with a separate entrance or a separate food preparation area is considered a separate unit whether or not the unit is occupied. A building with a single entrance may be considered multiple units if separate food-preparation areas are maintained or there are no joint indoor entertainment areas for individual residents.

Trash Assessment Policy:

Any parcel which contains any structure, whether permanent or temporary, or any items of storage or is developed in any way is assumed to be a parcel which generates trash. Unless an assigned commercial dumpster is present, that parcel will be assessed a minimum of one (1) unit of trash collection. The total number of units assessed is based upon the number of commercial or residential units on the parcel.

If an assigned commercial dumpster is present on any parcel, no assessment for trash collection will be made. In addition, adjacent parcels owned by the same individual or company may combine use of a commercial dumpster that is located on one of the several properties. These

adjacent properties will not be assessed trash collection at the discretion of the Assessor. (If it appears to the Assessor that adjacent parcels are not using the commercial dumpster but are using local trash collection, the adjacent parcels will be assessed for trash collection.)

Commercial dumpster: A dumpster that a parcel owner or a business owner contracts for directly with a trash collection company. These may be on commercial or residential properties. Dumpsters contracted for during construction on a parcel are not considered assigned commercial dumpsters and are considered temporary contracts only. Assessment of trash collection units on parcels under construction is at the discretion of the Assessor.

Sewage Assessment Policy:

Any parcel with the potential of having a separate structure or unit built upon it will be assessed a minimum of one (1) sewage unit. Current use of the parcel will not negate this assessment, e.g., vacant lots, parking lots, storage lots. The purpose of this policy is to allow equitable distribution of maintenance costs of sewage lines to all parcels.

Residential sewage: Residential parcels will be assessed for sewage based on the number of residential units on the parcel. Each residential unit counts as one unit of sewage assessment. Minimum assessment is one (1) unit of sewage.

Commercial sewage: Commercial parcels are assessed for sewage based on the amount of water used in the year prior to the assessment. The calculation for commercial sewage units is based on an estimated average of residential water usage. The water usage of approximately 30 single-unit residential parcels is averaged to come up with a base value for water usage per unit. That base value is used to find the number of units used by commercial parcels. Water usage for a commercial parcel is divided by the base value to determine the number of sewage units to assess the commercial parcel. The final number is then rounded to the nearest quarter unit. Commercial parcels will be assessed a minimum of one (1) unit of sewage.

This policy is based on two factors. The first is that the District is assessed sewage processing fees by Orange County Sanitary District 11 and sewage transmittal fees by the City of Huntington Beach on the basis of the number of gallons which flow through their plants. The second is that some commercial businesses may use more water and thus more sewage than most other businesses and residences, e.g., restaurants. This allows a more equitable distribution of fees.

Policy: Vacant lots are assessed for one (1) unit of sewage and zero (0) units of trash collection.

Policy: Strip lots, streets, and subsurface parcels are not assessed.



Sunset Beach Sanitary District

P.O. Box 1185

Sunset Beach, CA 90742

RESOLUTION NO. 10-04-03

AMENDMENT TO ASSESSMENT POLICY DATED APRIL 9, 1992

The following language shall be added to the District's Assessment Policy and become effective upon passage by the Board of Directors to include language that refunds of User Fees, resulting from an erroneous assessment, will not exceed what the County will pay based on the County Statute of Limitations.

Refund Policy: In the event of an erroneous over-assessment, the District shall direct the County to refund assessed amounts to the taxpayer to the extent that the County's statute of limitations applies. The District shall not be liable to any taxpayer for an amount in excess of the preceding.

MOTION: To amend the District's Assessment Policy as stated above.

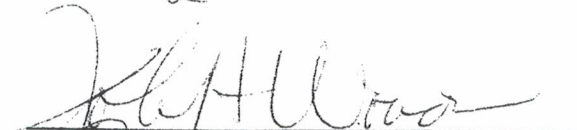
Motion made by: Bob Handler

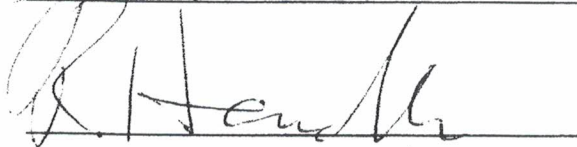
Seconded by: Bill Braton

Ayes: 3

Nays: 0

Absent: 2





APPENDIX F

SBSD Ordinance No. 19-02: Refuse

ORDINANCE NO. 19-01

**AN ORDINANCE OF THE SUNSET BEACH SANITARY DISTRICT
OF ORANGE COUNTY, CALIFORNIA
REGULATING THE COLLECTION OF REFUSE**

The Board of Directors of the Sunset Beach Sanitary District Ordains as Follows:

**ARTICLE I
GENERAL PROVISIONS**

101. PURPOSE AND POLICY

- A. The purpose of this Ordinance is to provide for the maximum public benefit from the use of refuse collection facilities owned, operated, maintained or contracted for by the Sunset Beach Sanitary District (hereinafter called the District).
- B. The District was formed on November 5, 1930, under the provisions of Sections 6400-6924 of the State of California Health and Safety Code, Sanitary District Act of 1923.
- C. The Board of Directors (hereinafter called the Board) is the governing body of the District and is responsible for the operation and maintenance of all facilities of the District and exercises its authority under the Sanitary District Act of 1923 as amended.

**Article II
REFUSE MANAGEMENT**

201. Definitions. The following definitions shall apply in the interpretation and enforcement of this Ordinance:

- (a) "Adequate Service" means the combination of the number of collections, the number of Containers, and the size of Containers necessary so as not to cause the accumulation of Refuse outside Containers or in excess of Level Full.
- (b) "Agreement" means the Franchise Agreement between District and Districts' Contractor for removal and disposal of Refuse from users within the District.
- (c) "Automated Residential Collection Service," means the Residential Collection Service by the District Refuse Collector, whereby the person discarding such items generally sorts Recyclable Waste Materials into a separate Residential Cart.
- (d) "Basic Level of Service" means, with respect to Residential Collection Service and

Automated Residential Collection Service, one or two collections of each Residential Cart per week, or that level of Collection and disposal service necessary to provide Adequate Service for the collection of Refuse generated by each single family residence, and each dwelling unit within a duplex, a triplex, or a fourplex, as specifically provided in any given contract between the District Refuse Collector and any person for collection of such Refuse, or as provided by resolution of the District Board. Basic Level of Service does not include Refuse or substances excluded from collection by regulation of the Board or by contract, as hereinafter provided. Basic Level of Service, with respect to Commercial Collection Service, means that level of collection and disposal service necessary to provide Adequate Service.

- (e) "Board" or "Board of Directors" means the governing body of the District.
- (f) "District Refuse Collector" and/or "District Collector" means the Person under contract with the District to provide removal, transportation, processing, and disposition of Refuse from residents and users of premises within the District.
- (g) "Collection" means the pickup, removal, and transportation of Refuse by any Person authorized to do so by the District. No waste oil, paint, chemicals, solvents or other hazardous waste is permitted.
- (h) "Commercial Collection Service" means the collection of Refuse from all property within the District excluded from Residential Collection Service, or properties subject to Residential Collection Service, which choose to utilize Commercial Collection Service.
- (i) "Commercial Container" means any vessel, tank, receptacle, dumpster, box or bin used or intended to be used for the purpose of holding any Refuse, Recyclable Material, and Recyclable Waste Material. Commercial Containers utilized in Commercial Collection Service include all types of Containers, including dumpsters or bins.
- (j) "Companies" mean corporations, partnerships, and all business enterprises, associations or organizations, however designated.
- (k) "District Engineer" or "Superintendent" means the individuals appointed to the position of District Engineer or Superintendent by the Board of Directors.
- (l) "Hazardous Waste" means a waste, or combination of wastes, which because of its quantity, concentration or physical, chemical or infectious characteristics (a) may cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness; or (b) pose a substantial present or potential hazard to human health or environment when improperly treated, stored, transported, or disposed of, or otherwise managed.
- (m) "Level Full" means the amount of Refuse deposited in a Residential Cart or Commercial Container so that it shall not exceed the lowest top edge thereof and still allow the lid thereof to be completely closed.
- (n) "Non-combustible Refuse" means ashes, bottles, broken crockery, glass, tin cans and metallic substances or any other substances that will not incinerate through contact with flames of ordinary temperature.
- (o) "Person" means any individual, firm, governmental unit, organization,

- partnership, corporation, company or other entity.
- (p) "Processing" means reduction, separation, recovery, conversion or recycling of Refuse.
 - (q) "Recyclable Material" means materials that are segregated at the source from other Refuse for the purpose of Recycling and includes, but is not limited to, paper, glass, metals, wood, plastics, wastes, bulky goods, waste oil, and construction and demolition materials and which is sold or donated by the owner thereof to a third party.
 - (r) "Recyclable Material Collection" means the collection, transportation, storage, transfer or processing of Recyclable Materials.
 - (s) "Recyclable Waste Material" means discarded materials such as, but not limited to, newspapers, glass and metal cans, which are separated from other Refuse for the purpose of Recycling and which are not sold or donated to a third party.
 - (t) "Recyclable Waste Material Collecting" means the collection, transportation, storage, transfer, or processing of Recyclable Waste Material.
 - (u) "Recycling" means the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise be disposed of by land filling or transformation, and returning materials to the economic mainstream in the form of raw material for new, reused, or reconstituted products.
 - (v) "Refuse" means all putrescible and non-putrescible solid, and semisolid wastes, including garbage, trash, refuse, paper, rubbish, yard waste, ashes, industrial wastes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid or semi-solid wastes, and other discarded solid or semi-solid wastes, but not including Hazardous Waste, radioactive waste regulated pursuant to the State Radiation Control Law, untreated medical waste regulated pursuant to the State Medical Waste Management Act, and liquid waste. Recyclable Waste Material is considered Refuse for purposes of this Ordinance. Materials that are sold or donated by the owner thereof to a third party, and thereafter recycled, are not considered Refuse for purposes of this Ordinance. The term "Refuse" shall be synonymous with the term "solid waste" as used in the Integrated Waste Management Act, *Public Resources Code §40000*, et seq.
 - (w) "Refuse Collection" means the collection, transportation, storage, transfer, disposal, or processing of Refuse.
 - (x) "Residential Collection Service" means the collection of Refuse from each single-family residence, and each dwelling unit within a duplex, a triplex or a fourplex receiving noncommercial Refuse Collection Service. It shall not include any hotel, motel, lodge, hall, club, tourist camp, trailer camp, mobile home park, church, guard shack, pool house, community room, business or industrial establishment, or any lot containing more than four dwelling units.
 - (y) "Residential Cart" means a container having a capacity not to exceed sixty-five (65) gallons and furnished or supplied by the District Refuse Collector for use in the Automated Residential Collection Service. Residential Carts shall be colored

brown for Refuse, and blue for Recyclable Waste Material. A 65-gallon Refuse Cart shall not be filled with more than 200 pounds of Refuse. A 35-gallon Refuse Cart shall not be filled with more than 100 pounds of Refuse.

- (z) "Yard Waste" means those constituents of solid waste comprised of non-soil landscape or plant materials such as tree trimmings, grass cuttings, plants, weeds, leaves, branches, trees, or similar materials.

202. Collection of Refuse, Recyclable Waste Material and Yard Waste.

- (a) The District Refuse Collector shall collect Refuse and Recyclable Waste Material within the District. The Board may regulate, by ordinance or Agreement with the District's Refuse Collector, all aspects of the Residential Refuse Service and the Commercial Refuse Service, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges, fees, and nature, location, and extent of providing such Services.
- (b) Any other provision of this Ordinance to the contrary notwithstanding, the District may enter into an Agreement with the Districts' Refuse Collector for the collection of Refuse within the District utilizing such procurement procedures and upon such terms and conditions as are deemed appropriate by the Board and set forth in the Agreement.
- (c) In the event of an emergency or other unforeseen or unpreventable circumstance in which the District Refuse Collector is unable to maintain Refuse Collection Service, the District Engineer or District Superintendent may issue limited or temporary permits for a period not to exceed thirty (30) days to persons or companies to perform any of the services covered by this Ordinance. The Board shall approve any service beyond thirty (30) days.

203. Residential Collection Service Charge. There shall be a charge for Residential Collection Service. Maximum rates shall be established from time to time by resolution or other action of the Board. Such charges apply to persons occupying single-family dwellings, and each dwelling unit within a duplex, a triplex or a fourplex. A dwelling shall be deemed occupied if connected to an active water service. This charge shall not apply to persons occupying residential units such as apartments, mobile home parks, or other multi-family complexes, who are currently or may be contracting directly with the District Refuse Collector.

204. Dumping of Refuse prohibited. It shall be unlawful for any person to cast, deposit, place, sweep, throw, discard or leave any Refuse or cause such Refuse to be cast, deposited, swept, placed, thrown, discarded or left in any place, public or private, within the District without the express permission of the owner of the premises.

205. Occupant responsible for premises. Every person occupying, using or controlling any premises shall keep the premises in a clean and sanitary condition, and no person shall permit any Refuse, sewer effluent, excrement, slop or stagnant water, butcher offal, market refuse, dead animal or any other noxious or offensive matter of any kind, or any other substance that may become offensive, to be deposited or to remain thereon except as otherwise provided by law.

206. Owner liable for premises. The owner of any premises within the District shall be liable for the costs to the District for the enforcement of any provision of this Ordinance applicable to said premises.

207. Accumulation prohibited. No person occupying, using or controlling any premises within the District shall permit any Refuse to accumulate thereon, nor shall any such person maintain any accumulation of Refuse thereon, unless in either event the same is stored in a manner approved by the Superintendent or by law. It shall be unlawful for any person to dump, deposit, place or bury Refuse in or upon any lot, land, street, or alley, whether public or private, not owned by such person nor throw such Refuse in any creek, stream, water or waterway within the District. Any unauthorized accumulation of Refuse on any premises is hereby prohibited and may be a nuisance

208. Storage.

- (a) Refuse shall be stored in a container of a type approved by the Superintendent or District's Refuse Collector. Every such container shall be constructed of metal, plastic, or equally durable material, in such manner as to be strong, watertight, not easily corrodible, insect and rodent resistant, and shall be kept covered at all times, except when Refuse is being deposited or removed from such container. Persons in charge of residential properties served by the District Refuse Collector's Automated Residential Collection Service shall separate all Refuse and Recyclable Waste Material into the appropriate Residential Cart prior to collection. Residential Carts shall be kept at or below a Level Full condition. The cover shall completely close the Residential Carts so that no Refuse may be visible. Commercial Containers shall be kept at or below a Level Full condition. The cover shall completely and tightly close the container so as to render it fully fly and rodent proof and so that no Refuse may be visible. A sufficient number of containers shall be provided for the Basic Level of Service, in order to insure that all Refuse is contained within completely covered containers until such time as the Refuse is collected.
- (b) Refuse shall be stored in such a manner that it will not provide harborage to rats, mice, bugs, pests and vermin nor cause a fire hazard.

209. Containers and transportation of Refuse. No Person other than the District Refuse Collector shall transport Refuse or Recyclable Waste Material in the District on behalf of another person in exchange for compensation, except as noted in Paragraph 201 (v). All vehicles and containers used in collecting and transporting Refuse or Recyclable Material shall be provided with metal or plastic bodies so constructed as to be leak proof and to prevent the escape of offensive odors and loss, spillage or blowing away of any contents collected or transported within the District. Such vehicles and containers shall be thoroughly cleaned to eliminate odors and decayed materials.

210. Containers—location. Property owners, tenants, and occupants are each responsible for the placement of Residential Carts and any accumulation of Refuse which is for collection, and which shall be kept or placed in such a manner as not to be visible from any street or alley, whether public or private, except from noon on the day preceding collection to 10 p.m. on the day of collection. During the period of collection, Residential Carts and any accumulation of Refuse shall be placed, outside of any enclosures, no later than 6:30 a.m., as follows, unless otherwise directed by the Superintendent.

- (a) On alley. On the premises, at the rear property line, where there is a through alley in the rear of the premises;
- (b) Access from side entrance. On the premises at an accessible point adjacent to any side entrance thereto where no through alley exists;

- (c) **At curb.** At the curb in front of the premises, where no through alley or side entrance exists.
- (d) Unless otherwise directed, each Residential Cart shall be placed for collection in the roadway portion of the street with such minimum clearance area as to provide clear and safe lifting for collection.

211. Container—interference. No person except the owner thereof, his /or her agent or employee, a duly authorized District or City employee, or any employee of the District Refuse Collector, shall interfere in any manner with any Residential Cart, or any accumulation of Refuse which is placed for Collection, nor shall any person remove such Residential Cart, or accumulation from the location where it shall have been placed by the owner, his agent or his employee.

212. Container—improper substances. No person shall place or cause or permit to be placed in any refuse container or Residential Cart any substance or material other than Refuse as defined in this Ordinance. Furniture, appliances, construction and demolition wastes, or any other waste which is of sufficient size or weight that, when placed in a refuse container or Residential Cart, prevent the lid from closing completely or cause the weight of the refuse container or Residential Cart to exceed the weight capacity stated in Paragraph 201, shall not be placed in refuse containers or Residential Carts. Persons wishing to dispose of such items shall inform the District Refuse Collector and make special arrangements to have the items removed. The District Refuse Collector may levy a charge for removal of such items under a schedule and formula to be uniformly applied, which formula and schedule shall have been approved by the Board. The District Refuse Collector shall not be required to collect Hazardous Waste.

213. Container—removal.

(a) Containers shall be placed in accordance with Section 210 of this Ordinance according to the times specified in the Municipal Codes of the Cities of Huntington Beach and Seal Beach. The hours allowed at the time of enactment of this Ordinance are:

Within the City of Huntington Beach: Noon on the day preceding collection to 10:00 pm of the day of collection.

Within the City of Seal Beach: Sunset of the day preceding collection to 10:00pm of the day of collection.

If either City changes these hours, that change shall automatically be made to this Ordinance.

(b) Enforcement of hours of public Container Placement shall be by code enforcement of the respective city.

214. Collection—manner. The owner, occupant, tenant or lessee of any premises shall provide or cause to be provided, Basic Level of Service for the removal of Refuse from said premises. All properties must individually dispose of their Refuse using their own containers in accordance with this Ordinance. Refuse from any building may not be disposed of in public beach or park containers within the District. Properties utilizing Commercial Collection Service shall provide Adequate Service. The District Refuse Collector shall remove from the premises all Refuse that has been properly placed for collection, whenever such Refuse is of a type and in an

amount provided by contract with the District. Any removal of Refuse by the District Refuse Collector, or any person shall be performed in a neat, orderly and quiet fashion, without causing damage to the container or the lid. Any person responsible for spillage shall pick up any spilled matter, and the premises shall be left in a clean and orderly condition. Overfilled containers of Refuse creating accumulations of Refuse in or at the pickup site, shall be the responsibility of the premises owner for clean up. The security and proper Level Full of the container shall be the responsibility of the premises owner. All additional collection of any type of Refuse that does not fit into a container or causes an overfull container shall be the responsibility of the premises owner along with any additional costs for removal or extra collection services. Refuse lawfully placed for collection shall be the property of the District from the time of placement until the time of collection and shall become the property of the District Refuse Collector from the time of collection to the time of disposal.

215. Residential Refuse Collection. The District Refuse Collector shall operate and maintain Residential Refuse Collection in the District by providing the Basic Level of Service on a regularly scheduled basis, approved by the Board, not less frequently than once each week. The Superintendent may exclude from such service any item or substance deemed hazardous, obnoxious or otherwise inappropriate for such service.

216. Commercial Collection Service. Persons owning or operating premises utilizing Commercial Collection Service shall contract with the District Refuse Collector for the provision of the Basic Level of Service. The Superintendent may, by written order, require the owner and/or manager of any premises subject to Commercial Collection Service to provide Adequate Service to the premises in question

217. Special Collections-excluded Refuse.

- (a) Refuse exceeding the limitation set forth in this Ordinance may be scheduled for special Collection either at regular special Collection dates or by arrangement with the District Refuse Collector.
- (b) The District Refuse Collector shall make available containers and drop-off containers, provide additional collections not required by this Ordinance, pick up Refuse at points other than as required in this Ordinance or provide for the collection of greater volumes of Refuse per collection than required in this Ordinance, and shall provide any or all of these additional services at the request of the person or business being served. The District Refuse Collector may make a direct charge in each instance for such additional service under a written agreement which shall be subject to the approval of the Superintendent and at such rates as are reasonable, just and uniform for all persons or businesses being served. The District Refuse Collector shall collect all such direct charges.
- (c) The removal of wearing apparel, bedding or other refuse from homes, hospitals, or other places where highly infectious or contagious diseases have prevailed, shall be performed under the supervision and direction of the County Health Officer, and such Refuse shall neither be placed in containers nor left for regular Collection and disposal.
- (d) Highly flammable or explosive or radioactive Refuse shall not be placed in containers for regular Collection and disposal, but shall be removed under the supervision of the Fire Chief at the expense of the owner or possessor of the material.
- (e) The Superintendent may, by written permit, authorize provision of bins and drop-off containers if the District Refuse Collector fails to provide such service within five (5)

calendar days after a customer order and such service is not thereafter provided within forty-eight (48) hours after notice to the District Refuse Collector of such failure by the Superintendent.

218. Collection of Recyclable Material. Persons collecting Recyclable Material within the District shall, in addition to obtaining a business license, obtain a Recyclable Material Collection and Disposal Permit from the Superintendent prior to commencing such collection and annually thereafter. Persons operating under such a Permit shall, on a quarterly basis or at such times as determined by the Superintendent, submit a report to the Superintendent specifying the amount of Recyclable Material collected within the District, the location(s) from which the Recyclable Material was collected, and the location(s) to which the Recyclable Material was brought. Such report shall be kept confidential unless otherwise provided by law. Failure to submit timely and accurate reports shall be a basis for revocation of the Recyclable Material Collection and Disposal Permit. The Superintendent shall have the right to audit the records of Persons who have received a Permit pursuant to this Section.

219. Disposal methods. The District Refuse Collector shall dispose of Refuse in a manner approved by the Board and consistent with the provisions of this Ordinance and applicable laws.

220. Rules and regulations. The Superintendent shall make such rules and regulations as may be necessary, reasonable, and proper to enforce the provisions of this Ordinance. A copy of any rule or regulation promulgated by the Superintendent shall be provided to the Board.

221. Appeals. Any person adversely impacted by a ruling of the Superintendent may appeal such ruling to the Board. The appeal shall be in writing to the Board and shall set forth the basis of the appeal. The Board shall hold a hearing on the appeal within sixty (60) days of receipt of the written appeal. The Board shall render a written decision within thirty (30) days after the close of the hearing on the appeal by providing it to the appellant by first class mail.

222. Unauthorized collection prohibited.

- (a) No person other than the District Refuse Collector shall scavenge or otherwise remove Refuse, Yard Waste or Recyclable Waste Material within the District that has been lawfully placed for Collection.
- (b) It shall be unlawful for any Person other than the District Collector to provide Refuse service within the District.
- (c) It shall be unlawful for any Person in the District to utilize Refuse collection service by a Person not permitted to provide such service by the Board.

Article III

Effective Date and Certification

This Ordinance shall be effective thirty (30) days after adoption by the Board. This Ordinance supercedes Ordinance No. 17-02, dated September 14, 2017; and Ordinance

No. 08-02, dated September 18, 2008 and Ordinance No. 12-02 dated December 13, 2012.

Should any portion of this Ordinance be declared by a Court of competent jurisdiction to be invalid, the remaining portions thereof shall remain in full force and effect.

This Ordinance was introduced at the regular meeting of the Board of Directors of the Sunset Beach Sanitary District held on November 8, 2018, and adopted by the Board of Directors at the regular meeting held on January 10, 2019

SECRETARY CERTIFICATION

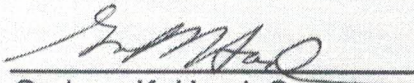
I, Graham K. Hoad, Secretary of the Board of the Sunset Beach Sanitary District, do hereby certify that the foregoing Ordinance was introduced and passed by the District at a regular meeting by the following vote:

Ayes: John H. Woods, Bernard H. Hartmann, Jon H. Regnier, Graham K. Hoad, Josh D. Westfall

Nays: None

Absent: None

Attest:


Graham K. Hoad, Secretary

This Ordinance shall become effective thirty (30) days after adoption.

APPENDIX G

SBSD Capital Improvement Policy

SUNSET BEACH SANITARY DISTRICT

Capital Improvement Policy

March, 2018

INTRODUCTION

Sunset Beach Sanitary District has provided sewage and refuse collection and disposal service for more than 85 years to the beach community generally bounded by Anaheim Bay on the north, Huntington Harbor on the east, Bolsa Chica on the south, and the Pacific Ocean on the west. Originally serving a small portion of unincorporated Orange County, the District is within the Cities of Seal Beach and Huntington Beach.

The District has operated on a ‘pay-as-you-go’ financial plan, so financial planning, budgeting, and reserve accumulation are critical to the successful operation. The District’s financial policy has worked well; its customers pay the lowest charges for sewer and municipal waste collection and disposal in Orange County, and the District has no debt.

The District has consistently maintained prudent, conservative fiscal policies, and planned for future needs. While the District’s sewer collection facilities are old, having been installed in 1936, they are in generally fair condition due to the completion of an 8-year rehabilitation program begun in 1998 that included lining the collection sewers with a plastic liner, thereby reducing groundwater infiltration into the sewers to the point that flows have been cut nearly in half. Annual operating costs for sewage transmission, treatment, and pumping are also about half of what they would be, had the rehabilitation not occurred. Installing the sewer pipe liners has already saved more than the original lining cost.

The District’s Capital Improvement Policy provides for three types of expenditures, as follows:

1. Funds to recover from a disaster.
2. Planned capital expenditures for rehabilitation of facilities.
3. Other planned capital expenditures.

OPERATIONS DESCRIPTION

The District collects both municipal solid waste and sewage. The District contracts for the collection and disposal of the municipal solid waste with a private firm, and for the transmission and treatment of sewage with the City of Huntington Beach and the Orange County Sanitation District. The District operates and maintains the local sewage collection system and is governed by a Board of Directors from the community served. The District’s website is www.sunsetbeachsd.org.

THE BUDGET

The Board of Directors adopts an annual Budget that provides funding for the operation described above, and for maintenance and capital needs. The District receives most of its revenue from two sources, a share of the basic levy, and user fees collected on the property tax bill. Together these two sources provide more than 95% of the revenue. Minor revenue sources include interest on reserves and connection fees. Total revenue is about \$1.35M per year.

The District's expenditures are mostly fixed, and include contracts to collect and dispose of garbage; contracts to convey, treat and dispose of sewage; and contracts for power, line cleaning and maintenance of the sewage collection lines and pumping station.

The current user fee is \$440 per year for each residence (commercial pays a little more). The Board of Directors has consistently maintained a budget policy that allows the District to meet its contract obligations and place funds into a reserve account. The District's Reserve will be about \$1.15M in July, 2018.

RESERVE FUND GOALS

1. Emergency Expenditures

It is very difficult to guess the size of damage incurred, or to determine a dollar amount to hold in reserve for a future emergency. It's even harder to predict if grants or recovery loans will be available to the District. An unplanned or emergency expense could come under several scenarios; here are a couple: First, an earthquake could cause damage to the pumping plant and sewers. If that happened, it's likely that there would be damage far beyond the District's service area, and perhaps a greater chance of federal or state assistance. Another scenario is the occurrence of high waves caused by a combination of a severe storm and high tide. Since the District serves an area near sea level, high waves and tides could cause sewer washouts of District sewers, as happened in the 1950's, or damage to the pump station. This damage might be more local and federal or state assistance might not be available.

While the capital reserve account is set up to provide for the three types of long range expenditures described including those described below, there must always be funds available immediately for a disaster which could happen at any time. Disaster reimbursement, if available, may take a year to be fully received, while sewage services must be restored immediately. The Board has set a goal of \$750,000 for an emergency in the Reserve Fund. However, because emergency funds are part of the Capital Reserve, the Capital Reserve is allowed to dip to \$600,000 if capital is needed for a short time to fund critical projects, and rebuilding the fund to \$750,000 can be accomplished within 2 years.

2. Planned Capital Expenditures for the Rehabilitation of Facilities

The projects contained in this category are major expenditures, as opposed to yearly maintenance/rehabilitation of manholes, monitoring equipment, pumps and generators, etc. (Charges for those projects are included in the yearly operational budget.)

Replacement of the Broadway Street Siphon

The next major project in this category is the replacement of the sewer siphon under the Sunset (Tiburon) Bay Canal, adjacent to Broadway Street, east of PCH. This siphon was installed in 1936 and repaired in about 1987. The condition of the repair is in doubt, and a new repair is not possible. A very thorough investigation is needed. Obtaining permits for the recommended project will be lengthy. The estimated cost is \$2M.

Rehabilitation of the Broadway Pump Station

Structural, mechanical, and electrical rebuilding of the Broadway Sewage Pumping Plant will be needed. The pumping plant was originally constructed in 1936. It will cost about \$2M and should be started around 2025.

Rehabilitation/Repair of Private Sewer Laterals

The sewer laterals from houses or commercial property are owned by the property owner. In general they are in poor condition, especially at the connection to the District's sewers. Rainwater and, during high tides, groundwater infiltrate into the private sewer laterals and overload the District's sewage facilities. The district has studied the problem and is considering capital projects and enactment of regulatory ordinances to help eliminate the problem. There are probably 1,000 connections that will need rehabilitation or repair in the next 15 years. The costs will primarily be the responsibility of the property owner; however, the costs for the 'point-of-connection', may be shared. Allowing \$1,500 for each totals about \$1.5M. This too, should be started about 2025.

Schedule

The schedule for these projects, and the calendar year planned for the major portion of the expense follow:

Replacement of Broadway Siphon, \$2,000,000: 2019
Broadway Pump Station, \$2,000,000: 2025
Allowance for Sewer Lateral Repair, \$1,500,000: 2025

3. Other Planned Capital Expenditures

The District does not now and has never owned property for a headquarters. An emergency generator and other equipment are kept in a rented space several miles from the District. An 'in-District' equipment and office facility is desirable; however this probably can't happen in the near future unless a bargain presents itself.

CASH FLOW

Based on expected revenues, and assuming no major surprises or mishaps, a preliminary cash flow follows for the next 10 years. The analysis is based on many assumptions. Each year the cost of treating sewage, particularly under our contract with the Orange County Sanitation District which is now recovering costs for building and operating full secondary treatment, goes up, as do our other fixed costs.

On the revenue side, our share of the basic levy is also hard to predict as we don't know how fast the assessed value will appreciate. However, it appears that the District will be able to place about \$140,000 net per year into the reserve fund through 2025,

Capital Improvement Reserve Fund Cash Flow
(Estimates are approximate, July 1 of fiscal year)

<u>Year</u>	<u>Funds Available</u>	<u>Increase</u>	<u>Charges</u>	<u>Balance</u>
2018	\$1,150,000	-	-	\$1,150,000
2019	\$1,150,000	\$140,000	\$1,000,000 (1)	\$290,000
2020	\$290,000	\$140,000	\$1,000,000 (1)	(\$570,000)
2020	Loan, \$1,000,000	-	-	\$430,000
2021	\$430,000	\$140,000	\$100,000 (2)	\$470,000
2022	\$470,000	\$140,000	\$100,000 (2)	\$510,000

- Notes: 1. \$2M Broadway Siphon in summer, 2019; Fiscal years 2019/2020 & 2020/2021.
2. \$100,000 Loan Service for 10 years.

The District cannot complete the capital program under the current revenue program in a timely manner.

RECOMMENDATION

Adopt this updated Capital Improvement Policy as a general District guideline.

(Adopted by the Board of Directors, Sunset Beach Sanitary District March 8th, 2018)

APPENDIX H

Contact Information

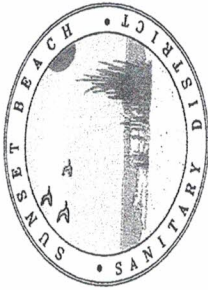
Sunset Beach Sanitary District

P.O. Box 1185

Sunset Beach, CA 90742

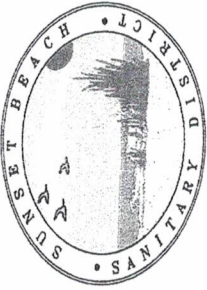
(562) 493-9932

www.sunsetbeachsd.org



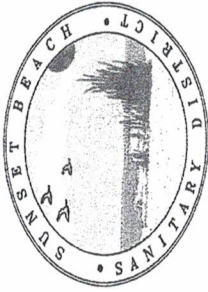
Board of Directors	Telephone	E-mail address
Graham K. Hoad, President P.O. Box 1692 Sunset Beach, CA 90742	(562) 230-0007 c	graham@salestaxresource.com
John H. Woods, Secretary P.O. Box 262 Sunset Beach, CA 90742	(562) 592-5681 h	omageorgia2@yahoo.com
Bernard H. Hartmann, Treasurer P.O. Box 292 Sunset Beach, CA 90742	(562) 665-2894 c	hartmannsb@gmail.com
Jon H. Regnier P.O. Box 451 Surfside, CA 90743	(562) 592-2483	jon.regnier@csulb.edu
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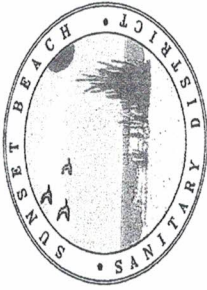
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Flo-Services, Inc. John Krukowski, owner 3010 Floyd St. Burbank, CA 91504	(818) 847-2188 corporate (818) 262-8392 owner's cell	john@flo-servicesinc.com

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