

Chapter 6

Treatment Capacity Buy-Back Program

6.01 Purpose

6.01.01 Authorization

The Sacramento Regional County Sanitation District Treatment Capacity Buy-Back Program is authorized under the provisions of the Sacramento Regional County Sanitation District Connection Fee Chapter, as follows:

An Industrial User may at any time petition the District for a permanent reduction in its permitted flows and/or loadings. In the event such a reduction in permitted flow and/or loadings is approved by the District Engineer, the Industrial User may be compensated at a rate and in the manner specified in the District's Treatment Capacity Buyback Program.

6.01.02 Facilitation

The purpose of this Chapter is to effect the Buy-Back Program authorized by SMD-0085. The District has determined that there is a financial benefit to the District and its existing and future ratepayers in purchasing treatment capacity from Industrial Users, and this Buy-Back Program is intended to facilitate such purchases.

6.02 Procedures

6.02.01 Intent

It is the intent, but not the obligation, of the District to purchase treatment capacity rights pursuant to this Chapter from time to time. The District will review the potential of making such purchases each year. Industrial Users have no obligation to sell any treatment capacity pursuant to this Chapter, but any such sale that is made shall be in accordance with this Consolidated Ordinance.

For the purposes of this program, the term "treatment capacity" is defined as the permittee's right to discharge BOD and TSS for conveyance, treatment and disposal through the SRCSD system.

6.02.02 Petition

Any Industrial User may petition the District for a permanent reduction in permitted BOD and TSS as set forth in this Chapter.

6.02.03 Specifications

The Petition submitted by an Industrial User for a permanent reduction in permitted BOD and TSS shall include the following:

- (a) A specified amount BOD, and TSS, for which reduction is sought;

- (b) A specific date on which the permanent reduction is to be effective, subject to the petition being approved by the District as provided for herein;
- (c) Such additional information as is reasonably necessary to and requested by the District Engineer to process the petition.

6.02.04 Petition Completion

District shall have thirty (30) days from receipt of the Petition to determine the completeness of the petition. If District determines that the petition is incomplete or additional information is required, District shall provide the petitioner with written notice of the inadequacy or incompleteness of the petition. Petitioner shall have thirty (30) days from the date of the District's notice to complete its petition or submit the additional information required. If the petitioner fails to submit the requested information in compliance with the District notice within (30) days of the notice, the petition will be rejected for that Fiscal Year.

6.02.05 Confirmation

Upon receipt of a petition, the District Engineer will confirm the amount of the current permitted treatment capacity of the petitioning Industrial User and whether the petitioner is current in regard to any charges owed to the District for Sewer service charges. No petition may proceed until the petitioner's account with the District is current.

6.02.06 Receipt

Upon receipt of a petition, the District Engineer shall determine whether the petitioner's permitted capacity remaining after the proposed permanent reduction will be sufficient for the BOD and TSS anticipated to be discharged from the petitioner's facilities. "Sufficient capacity" is that capacity remaining, after the proposed permanent reduction, which will meet the minimum capacity specified in the District's Connection Fee Chapter. No petition may be approved unless such remaining capacity is sufficient, and in no case shall the remaining capacity be less than the capacity specified in the District's Connection Fee Chapter.

6.03.07 Determination of Funds

If the petitioner is current in its account with the District, and the petitioner's remaining capacity will be sufficient as set forth in Section 6.02.06, above, and the District has determined that it has funds available for the purchase of the rights designated in the petition, the District may approve the petition, and the petitioning Industrial User shall be compensated as set forth in Section 6.04 herein.

6.02.08 Capacity Rights

Any treatment capacity rights acquired from the District by the petitioning Industrial User, after a sale of rights to the District pursuant to this Buy-Back Program, must be purchased, rented or otherwise acquired at then-current Facility Impact Fee rates, with the following exception: with respect to any sale pursuant to the Buy-Back Program made during a period of one year from the date this Chapter becomes effective, an Industrial User may repurchase those rights, or any part thereof, at the amount paid by the District under the Buy-Back Program, plus interest at the Sacramento County Treasury Pool Rate. The Industrial User may exercise this exception at any time during the first year after the sale to the District became final.

6.03 Compensation

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Compensation under the Buy-Back Program will be made pursuant to this section, upon approval of the District as described in Section 6.02 of this Chapter.

6.03.02 Compensation Calculation

Compensation shall be calculated as follows:

- (a) The District will pay \$5,006.00 per 1,000 pounds per month for purchase of permitted BOD rights pursuant to the Buy-Back Program.
- (b) The District will pay \$5,006.00 per 1,000 pounds per month for purchase of permitted TSS rights pursuant to the Buy-Back Program.

6.03.03 Funds Determination

Each Fiscal Year the District, at its sole discretion, shall determine the amount of funds, if any, it shall make available for the purchase of treatment capacity rights pursuant to this Buy-Back Program. This determination shall be made no later than July 31 of each year except for the year 2001 only when the determination shall be made no later than November 30, and District shall provide notice to all Industrial Users of that determination. During the period July 31 through September 30 of each year, any Industrial User may file a petition for the permanent reduction of BOD and TSS loadings pursuant to Section 6.03 above except for the year 2001 only when the petitions may be filed during the period of November 30, 2001 to January 31, 2002. If the collective amount petitioned for by all Industrial Users exceeds the total determined by the District to be available, if any, then all approved petitions shall be paid on a pro rata basis, with each petitioning Industrial User selling to the District the same percentage of rights as its offered amount bears to the total amount offered for sale by all petitioning Industrial Users. Payment of the approved compensation shall be made by District no later than December 31 except for the year 2001 only when payment of approved compensation shall be made no later than July 1, 2002.

6.03.04 Payment Intervals

The petitioning Industrial User may elect to have the approved compensation paid in a lump sum or at prescribed interval to be agreed upon between the petitioning Industrial User and the District. The District will pay no interest if the User elects to receive payment other than in the lump sum.