



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

October 17, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE AMENDMENT TO AGREEMENTS WITH PARTICIPATING AGENCY CITIES TO
MAINTAIN CONSISTENCY IN THE CONSOLIDATED BILLING PROGRAM MANDATED
UNDER THE UNIFIED PROGRAM
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR HONORABLE BOARD ACTING AS THE
GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT:**

Approve the attached general amendment to the agreements between the Consolidated Fire Protection District (District) and ten (10) Participating Agency cities in which the cities have agreed to administer one or more program elements under the Unified Program (UP) mandated by SB 1082 (Calderon). Following your Board's approval, direct Mayor Michael D. Antonovich to sign the individual city amendments, which are substantially similar in form and approved as to form by County Counsel, once they have been signed and returned by the cities.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The UP implemented in 1997 by SB 1082, consolidates six environmental programs under one Certified Unified Program Agency (CUPA). The program elements consolidated under the UP are as follows:

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS
ARTESIA
AZUSA
BALDWIN PARK
BELL
BELL GARDENS
BELLFLOWER
BRADBURY

CALABASAS
CARSON
CERRITOS
CLAREMONT
COMMERCE
COVINA
CUDAHY

DIAMOND BAR
DUARTE
EL MONTE
GARDENA
GLENORA
HAWAIIAN GARDENS
HAWTHORNE

HIDDEN HILLS
HUNTINGTON PARK
INDUSTRY
INGLEWOOD
IRWINDALE
LA CANADA FLINTRIDGE
LA HABRA

LA MIRADA
LA PUENTE
LAKEWOOD
LANCASTER
LAWNDALE
LOMITA
LYNWOOD

MALIBU
MAYWOOD
NORWALK
PALMDALE
PALOS VERDES ESTATES
PARAMOUNT
PICO RIVERA

POMONA
RANCHO PALOS VERDES
ROLLING HILLS
ROLLING HILLS ESTATES
ROSEMEAD
SAN DIMAS
SANTA CLARITA

SIGNAL HILL
SOUTH EL MONTE
SOUTH GATE
TEMPLE CITY
WALNUT
WEST HOLLYWOOD
WESTLAKE VILLAGE
WHITTIER

- Hazardous Waste Generator Inspection and On-Site Treatment Programs
- Aboveground Storage Tank Spill Prevention Control and Countermeasure Plan
- Hazardous Materials Release Response Plans and Inventory Program
- Risk Management and Prevention Program
- Underground Storage Tank Program
- Uniform Fire Code Plans and Inventory Requirements

The District received certification from the State of California Environmental Protection Agency as a CUPA (LACoCUPA) effective July 1, 1997. Several cities applied for and became Participating Agencies (PAs) to implement one or more program elements under the auspices of the LACoCUPA. The UP requires the CUPA to enter into an agreement with each PA to ensure consistent billing, permitting, inspection, and enforcement activities. In 1996-97, the District entered into PA agreements with the following cities:

- Alhambra
- Downey
- Redondo Beach
- Burbank
- Monrovia
- South Pasadena
- Compton
- Pasadena
- Torrance
- Culver City

The PA Agreement describes a Single Fee System wherein each regulated business receives one consolidated invoice for the permit fees. Recent changes necessitate amendments to the PA Agreements to ensure consistent application throughout the LACoCUPA jurisdiction. The amendments institute the following changes to the consolidated billing process:

1. In June 2005, the Board approved a change in the late payment penalty imposed on businesses that fail to pay the annual permit fees. The penalty amount was increased to 40% of the total amount due, beginning with Fiscal Year (FY) 2005-06, to further encourage timely payment and recover the costs of collection for delinquent accounts. This amendment incorporates a revised penalty rate in the PA Agreements to ensure consistent application across all jurisdictions under the UP.
2. Consolidated permit billings required under the UP have resulted in larger total bills for regulated businesses. The District has allowed businesses to pay the consolidated permit fees in two payments if necessary. This amendment formally incorporates language in the PA Agreement to accommodate the two payment plans.

3. A final amendment revises the time needed between the receipt of payment from the regulated businesses and the deadline for delivery of the funds to the PA to process and account for fees due to the PA for programs implemented by the PA.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of the agreement amendments will ensure full cost recovery by the District, and maintain a consistent application of the late payment penalties across the entire LACoCUPA jurisdiction. This action is in line with the County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

Implementation costs for the billing revisions contained in the amendments are insignificant. Adoption of the amendment will encourage regulated businesses to pay their required permit fees in a timely basis strengthening the financial basis of the LACoCUPA and promoting consistent application throughout the LACoCUPA jurisdiction.

The lack of an updated PA Agreement with the ten (10) City PAs has meant that the revised late payment penalty rate cannot be applied within these cities. This has caused delays in the penalty assessments for FY 2005-06 and has resulted in inconsistent late payment penalty assessments.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Health and Safety Code (H&SC) codifies the statutory requirements of the UP and the California Code of Regulations (CCR) details the regulatory requirements. The H&SC Sections 25404.2 and 25404.5, and CCR Title 27, Sections 15180 and 15210 implement the Single Fee System under the UP. California H&SC Sections 25404.2 and 25404.3 require the CUPA and PA to enter into an Agreement detailing the roles and responsibilities of each agency under the UP. Los Angeles County Code Sections 12.52.080 and 12.64.065 specifies the late payment amount to be applied to businesses that fail to pay their annual hazardous waste generator, hazardous materials handler, and/or accidental release prevention program fees.

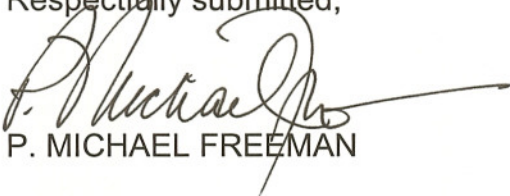
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The PA Agreement amendments are necessary to apply the 40% late payment penalty rate across all areas of the LACoCUPA jurisdiction. Currently, the 40% penalty rate is being applied to District areas not affected by the PA Agreement, and the original 25% penalty rate is being applied to facilities within the ten (10) City PA jurisdictions. Late payment penalties in areas affected by the PA Agreement are being delayed pending the adoption of the PA Agreement amendment.

CONCLUSION

Please return a copy of the approved Board letter and the signed PA Agreement amendments to William Jones, Chief, Health Hazardous Materials Division, 5825 Rickenbacker Road, Commerce, CA 90040.

Respectfully submitted,



P. MICHAEL FREEMAN

PMF:ml

Attachment

c: Chief Administrative Officer
County Counsel
Auditor-Controller

1 **AMENDMENT NO. 1 TO THE AGREEMENT BETWEEN THE CONSOLIDATED FIRE**
2 **PROTECTION DISTRICT OF LOS ANGELES COUNTY AND THE CITY OF _____**
3 **_____ FOR ADMINISTRATION OF THE UNIFIED HAZARDOUS WASTE AND**
4 **MATERIALS MANAGEMENT REGULATORY PROGRAM**
5

6 This Amendment No. 1 to the ___[date]___ Agreement for the administration
7 of the Unified Hazardous Waste and Materials Management Regulatory Program
8 (hereinafter "Amendment") by and between the Consolidated Fire Protection District of
9 Los Angeles County (hereinafter "County") and the City of _____ (hereinafter
10 "City"), shall be effective upon the date it is fully executed by both parties hereinbelow.
11

12 **WITNESSETH:**

13 **WHEREAS**, SB 1082, now codified into the California Health and Safety Code
14 (hereinafter "H&SC") at Division 20, Chapter 6.11, commencing with Section 25404,
15 was enacted to consolidate, coordinate and make consistent hazardous materials and
16 hazardous waste management programs; and

17 **WHEREAS**, H&SC, Division 20, Chapter 6.11, commencing with Section 25404,
18 required the Secretary of the California Environmental Protection Agency (hereinafter
19 "CalEPA") to develop and implement a unified hazardous waste and hazardous
20 materials management regulatory program (hereinafter "Unified Program"), including the
21 application review and certification of counties and cities, as Certified Unified Program
22 Agencies (hereinafter "CUPA") to implement the Unified Program; and

23 **WHEREAS**, the Los Angeles County Consolidated Fire Protection District has
24 been designated by the Board of Supervisors and certified by the CalEPA as the CUPA
25 for the County of Los Angeles (hereinafter "LACoCUPA"); and

1 **WHEREAS**, the LACoCUPA and the City have entered into an agreement to
2 administer the Unified Program; and

3 **WHEREAS**, the LACoCUPA provides annual consolidated permit fee billings for
4 all facilities falling under the Unified Program, including those program elements
5 administered by the City, under the provisions of the single fee system mandated by the
6 Unified Program; and

7 **WHEREAS**, the LACoCUPA has increased the late payment penalty provisions,
8 with the approval of the Board of Supervisors, beginning with Fiscal Year 2005-06, to
9 recover the additional costs of fee collection; and

10 **WHEREAS**, the LACoCUPA meets with the City each year to establish a
11 mutually agreeable date to accept billing information and generate annual permit fee
12 invoices for facilities falling under the program elements administered by the City.

13
14 **NOW THEREFORE THE PARTIES HERETO AGREE:**

15 1. To amend Section V, Single Fee System, by deleting the current language in its
16 entirety and inserting the following:

17 A. The LACoCUPA and City shall implement a Single Fee System in
18 accordance with H&SC Section 25404(d); Section 15210, Title 27, CCR and the
19 Implementation Plan.

20 B. The LACoCUPA shall administer the fee collection system in conjunction
21 with the City. The City shall notify the LACoCUPA of its program costs that have been
22 adopted by City resolution/ordinance by May 1st of each year, or by another date
23 mutually agreed upon by both parties, in accordance with Section VI below and the
24 guidelines established by the fee accountability program in the MOU referenced in
25 Section III above. The City shall provide to the LACoCUPA, a list of facilities and the

1 appropriate fees for each Program Element(s) being implemented by the City using
2 mutually agreeable electronic transfer protocols where appropriate. Upon request by
3 the LACoCUPA, the City shall make available for the LACoCUPA to review, all
4 applicable records regarding its fees, collections, transfers and retentions by the City.

5 C. The LACoCUPA shall bill each facility annually for each fiscal year. The
6 LACoCUPA shall include in the billing package a summary sheet itemizing costs
7 associated with each Program Element, including those costs for the City and the
8 annual State Surcharge Fee. Each facility shall pay the LACoCUPA all costs for
9 Program Elements delineated in the fee billing statement. Each facility shall pay the
10 LACoCUPA the full amount due within 30 calendar days from the date of the invoice. A
11 facility may elect to pay at least one half of the total amount due within 30 days of the
12 invoice date and the remaining balance in full no later than 60 days after the invoice
13 date. Upon receipt of full payment, a LACoCUPA consolidated permit shall be issued to
14 the facility by the LACoCUPA.

15 D. The LACoCUPA shall transmit all monies collected for the City no later
16 than the 60th day after the month the revenue is received and posted to the facility's
17 account. Each transmittal of monies to the City shall include an itemized listing of fees
18 paid and the corresponding business names and site addresses. Where feasible and
19 appropriate, the LACoCUPA shall transmit monies electronically to the City, using
20 mutually agreeable electronic transfer protocols for the wire transfer of funds.

21 E. For partial payments from facilities, the LA County Fire, Financial
22 Management Division (the "FMD") will apportion the payments to the LACoCUPA, the
23 City and the State based on the proportionate amount due to each agency.

24 F. Through a Notice of Enforcement ("NOE") issued to those facilities, the
25 LACoCUPA will impose a single 40% late payment penalty, effective beginning with the

1 Fiscal Year 2005-06, on each facility that fails to pay the appropriate fee within the
2 prescribed time. The LACoCUPA will communicate to the City a list of those facilities
3 that are issued a NOE. LACoCUPA will remit penalty amounts assessed and collected
4 on fees for Program Elements administered by the City to the City no later than the 60th
5 day after the month the revenue is received and posted to the facility's account by the
6 LACoCUPA. Each agency responsible for the specific Program Element will absorb the
7 costs associated with persons regulated under the Unified Program who do not pay the
8 required fees.

9 G. The LACoCUPA may take appropriate collection and/or legal action
10 available under State H&SC and/or under County Fee Ordinances against facilities that
11 have failed to pay the appropriate fees. Any costs incurred for such actions will be
12 shared based on the proportionate amount due each agency. If the City chooses to
13 pursue legal action against such facilities, judgments shall attempt to recover all fees
14 and penalties as authorized by law and not just City fees. The City shall notify the
15 LACoCUPA in writing in advance of all legal actions and obtain written Agreement from
16 the LACoCUPA on any decisions regarding settlements.

17 H. The LACoCUPA shall transmit to the Secretary all collected State
18 surcharge revenues within 30 days of the end of each State fiscal quarter.

19 I. The Board of Supervisors for the County of Los Angeles shall adopt the
20 City's fee schedules for Program Elements administered by the City and which have
21 been adopted through City resolution/ordinance within the restrictions of H&SC Chapter
22 6.11 and which includes the methodology that defines how the fees are calculated. The
23 Board's adoption will establish the City fee schedule within the LACoCUPA's Single Fee
24 System and will authorize the Los Angeles County Fire Chief (the "Fire Chief") to collect
25 fees for the LACoCUPA and to administratively accept the City's adjusted fee amounts

1 no more than once per year. The Fire Chief will only adjust the City's new fees if the
2 City Council has adopted the fees and if the fees comply with the LACoCUPA fee
3 accountability program in Section VI below.

4 J. The LACoCUPA will seek further approval from the Board of Supervisors
5 only if necessary for the LACoCUPA to adjust its portion of the fee or if the LACoCUPA
6 or City wishes to change their fee calculation methodology.

7 K. The City will be able to bill and collect all non-recurring fees for direct
8 deposit into its accounts. These may include such items as one time permit fees
9 associated with new businesses.

10 L. Businesses recognized as nonprofit corporations by the United States
11 Internal Revenue Service may be fee exempt.

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13 2. All other terms of the Agreement shall remain in full force and effect unless
14 terminated by either party pursuant to the terms of the Agreement.
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1 **IN WITNESS WHEREOF**, this Amendment has been exercised by each party on
2 the day and year written below, and is effective and operative upon the date that it is
3 fully exercised by both parties, whichever date of execution by either party is later.

4
5 **CONSOLIDATED FIRE PROTECTION
DISTRICT OF LOS ANGELES COUNTY**

CITY OF _____

6
7 By _____
8 Mayor, Board of Supervisors, acting
9 as the Board of Directors of the
Consolidated Fire Protection District
Of Los Angeles County

By _____
Mayor

10
11 _____
Date

12
13 **ATTEST**
14 Sachi Hamai
15 Executive Office – Clerk of the
Board of Supervisors

ATTEST
By _____
City Clerk

16
17 By _____
Deputy

18
19 **APPROVED AS TO FORM:**

APPROVED AS TO FORM:

20 **RAYMOND G. FORTNER, JR.**
21 County Counsel

22
23 By _____
Deputy

By _____
City Attorney