



FALLBROOK PUBLIC UTILITY DISTRICT
MEETING OF THE ENGINEERING AND OPERATIONS COMMITTEE

AGENDA

THURSDAY, JULY 11, 2019
2:30 P.M.

FALLBROOK PUBLIC UTILITY DISTRICT
990 E. MISSION RD., FALLBROOK, CA 92028
PHONE: (760) 728-1125

If you have a disability and need an accommodation to participate in the meeting, please call the Secretary at (760) 999-2704 for assistance so the necessary arrangements can be made.

Writings that are public records and are distributed during a public meeting are available for public inspection at the meeting if prepared by the local agency or a member of its legislative body or after the meeting if prepared by some other person.

I. PRELIMINARY FUNCTIONS

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

II. ACTION / DISCUSSION ----- (ITEMS A – E)

- A. WASTEWATER CHARGES FOR ACCESSORY DWELLING UNITS (ADUs)
- B. ADMINISTRATIVE CODE CHANGES REGARDING PIPELINE EXTENSION REQUIREMENTS
- C. PIPELINE & VALVE REPLACEMENT PROGRAM
- D. STEEL RESERVOIR COATING INSPECTION SERVICES
- E. SCADA SUPPORT CONTRACT


III. ADJOURNMENT OF MEETING

DECLARATION OF POSTING

I, Mary Lou West, Secretary of the Board of Directors of the Fallbrook Public Utility District, do hereby declare that I posted a copy of the foregoing agenda in the glass case at the entrance of the District Office located at 990 East Mission Road, Fallbrook, California, at least 72 hours prior to the meeting in accordance with Government Code § 54954.2.

I, Mary Lou West, further declare under penalty of perjury and under the laws of the State of California that the foregoing is true and correct.

July 8, 2019
Dated / Fallbrook, CA


Secretary, Board of Directors

M E M O

TO: Engineering & Operations Committee
FROM: Aaron Cook, Senior Engineer *AC*
Jeff Marchand, Engineering Supervisor *Jm*
DATE: July 11, 2019
SUBJECT: Wastewater Charges for Accessory Dwelling Units (ADUs)

Purpose

To update the District's policy for assessing wastewater capacity and service charges for ADUs.

Overview

The District's current policy for assessing wastewater capacity and service charges needs to be updated, specifically with regard to Accessory Dwelling Units. An updated policy will clarify the process of wastewater account administration for FPUD staff and customers, while incorporating changes to the California Government Code. The Engineering Department has reviewed Government Code section 65852.2 with counsel, and opened a discussion with professionals at neighboring wastewater districts and municipalities to inform the amendments to FPUD's policy.

Current Law:

These requirements are set forth in Government Code section 65852.2(e)-(f), which were made applicable to special districts, such as the District, as of January 1, 2018, and are set forth in relevant part below:

"(e) Notwithstanding subdivisions (a) to (d), inclusive, a local agency shall ministerially approve an application for a building permit to create within a zone for single-family use one accessory dwelling unit per single-family lot if the unit is contained within the existing space of a single-family residence or accessory structure, including, but not limited to, a studio, pool house, or other similar structure, has independent exterior access from the existing residence, and the side and rear setbacks are sufficient for fire safety. Accessory dwelling units shall not be required to provide fire sprinklers if they are not required for the primary residence. A city may require owner occupancy for either the primary or the accessory dwelling unit created through this process.

(f) (1) Fees charged for the construction of accessory dwelling units shall be determined in accordance with Chapter 5 (commencing with Section 66000) and Chapter 7 (commencing with Section 66012).

(2) Accessory dwelling units shall not be considered by a local agency, special district, or water corporation to be a new residential use for the purposes of calculating connection fees or capacity charges for utilities, including water and sewer service.

(A) For an accessory dwelling unit described in subdivision (e), a local agency, special district, or water corporation shall not require the applicant to install a new or separate utility connection directly between the accessory dwelling unit and the utility or impose a related connection fee or capacity charge.

(B) For an accessory dwelling unit that is not described in subdivision (e), a local agency, special district, or water corporation may require a new or separate utility connection directly between the accessory dwelling unit and the utility. Consistent with Section 66013, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit, based upon either its size or the number of its plumbing fixtures, upon the water or sewer system. This fee or charge shall not exceed the reasonable cost of providing this service.”

Proposed Changes to the Law:

ADUs continue to be the subject of much discussion and proposed legislation. Legislators look to easing barriers for ADUs as a solution to issues of affordable housing in urban areas and neighboring suburban communities. There are a few bills, including SB 13 and SB 4, that would propose caps on developer impact fees for ADUs (not capacity or connection fees), which the State Senate has placed on pause. One bill which is still active is Assembly Bill 68 (Ting), which proposes a number of amendments to Government Code section 65852.2. Specifically, it would amend subsection (e) as provided below in relevant part (emphasis added):

(e) (1) Notwithstanding subdivisions (a) to (d), inclusive, a local agency shall ministerially approve an application for a building permit within a residential or mixed-use zone to create any of the following:

(A) One accessory dwelling unit and one junior accessory dwelling unit per lot with a proposed or existing single-family dwelling if all of the following apply:

(i) The accessory dwelling unit or junior accessory dwelling unit is **substantially** within the proposed or existing space of a single-family dwelling or accessory structure, **including, but not limited to, remodeling or reconstruction of an existing space with substantially the same physical dimensions as the existing accessory structure.**

Conclusions:

- The District **may not** impose connection or capacity fees for ADUs constructed **entirely within existing structures**.
- Under current law, the District **may** impose connection or capacity fees for ADUs involving **new construction or expansion of existing structures**.
- These limitations do not apply where the property owner/developer **requests** a separate connection for the ADU.
- Proposed legislation would expand the prohibition on capacity and connection fees to ADUs constructed **substantially within an existing structure**. The proposed legislation does not define “substantially,” but the author of the legislation stated he may amend the bill to define substantially to mean up to 30% of the existing square footage, not to exceed 120 square feet.

External Review:

A survey of several neighboring wastewater districts and municipalities indicated that other local agencies are updating their codes to reflect the state’s definitions of ADUs and the restrictions associated with the assessment of capacity charges. Of particular importance are the following:

- In every case updated codes incorporated a definition of an ADU with either the same definition as put forth by the California Government Code, or a more lenient definition (as permitted by State Law).
- In every case updated codes recognized that new ADUs that should be exempt from capacity fees per State Law are not required to pay capacity or connection fees.
- Service charge policy varied; some agencies refrained from charging service fees for all ADUs, other agencies defined ADUs by square footage and assigned specific “Equivalent Dwelling Unit (EDU) Factors” that would establish monthly service charges
- Some municipalities that are facing housing crisis’ are waiving all capacity charges and EDU based increases to service charges

Internal Review:

The current Administrative Code makes no mention of ADUs or their square footage definitions. Currently staff collects a wastewater capacity fee equal to 0.8 EDUs based on Section 20.7.2- Schedule of Equivalent Dwelling Units and Class of Service. This is the same capacity fee that is collected for a new apartment, mobile home or guesthouse on a parcel with an existing single-family home.

The “Monthly Fixed Wastewater Charge” is calculated,

“For each sewer account...per month per...(EDU). EDUs will be calculated per Administrative Code Sections 20.7.2, 20.7.3 or 20.7.4.”

Article 21.10

The “Wastewater Capital Improvement Charge” is also calculated in relation to EDUs, as determined by District staff (Article 21.10.1)

Optional Approaches:

1 - No change. EDUs and subsequent charges remain the determination of District staff. Article 20, Sections 6, 7 and 8 and Article 21, Section 10 may contradict State Law.

2 - Update the Administrative Code with ADU definitions and requirements, using the language and parameters described in the California Government Code. For ADUs that fall within the definitions established by State Law, describe the exemption from wastewater capacity charges. Establish parameters for the calculation of EDUs for ADUs, and the corresponding monthly service charges, and for ADUs that do not qualify for the state exemption. The attached administrative code shows a draft of staff’s recommended code revision to add 0.5 EDUs for Accessory Dwelling Units.

3 - Update Administrative Code with ADU definitions and requirements, using the language and parameters described in the language of California Government Code. For ADUs that fall within the definitions established by State Law, describe the exemption from wastewater capacity *and* service charges. Establish parameters for the calculation of EDUs for ADUs for those that do not qualify for the state exemption.

4 – Update Administrative Code with ADU definitions and requirements, waive all capacity and service charges for ADUs, regardless of the ADU’s configuration with existing structures or square footage, as acceptable per state law.

Budgetary Impact

A change to how Equivalent Dwelling Units are calculated for ADUs would affect the amount collected for the following fees and charges:

- The connection fee for 0.8 EDUs equals a onetime fee of \$5,641.06
- The monthly fixed wastewater charge for 0.8 EDUs equals \$7.76/month
- The monthly wastewater capital improvement charge for 0.8 EDUs equals \$9.22/month

To compare the impact of various EDUs, corresponding rates are shown in the table below:

| <i>EDUs</i> | <i>Capacity Fee</i> | <i>Fixed WW Charge</i> | <i>WW Capital Charge</i> |
|-------------|---------------------|------------------------|--------------------------|
| 0.5 | \$3,526.00 | \$4.85/month | \$5.76/month |
| 0.8 | \$5,641.06 | \$7.76/month | \$9.22/month |
| 1.0 | \$7,052.00 | \$9.70/month | \$11.53/month |

Currently, very few requests to add an ADU have been received. Assuming 4 non-exempt ADUs per year are processed, reducing the EDUs from 0.8 to 0.5 would result in a reduction of capacity fees collected by \$8,460.

Recommendation

Staff is recommending the Board amend the Administrative Code to add ADUs to Class 2 of Section 20.7.2 - Schedule of Equivalent Dwelling Units and Class of Service, and set an Equivalent Dwelling Unit value specifically for Accessory Dwelling Units per option 2 above. This schedule is used to determine the additional EDUs for the calculation of wastewater capacity fees, monthly fixed charge and monthly capital improvement charge. See attached for recommended draft changes.

- c) Amounts up to \$3,000 are due immediately with no financing option.
- d) Amounts between \$3,001 and \$5,000 may have terms of up to one year at the Local Agency Investment Fund (LAIF) rate + 2%.
- e) Amounts between \$5,001 and \$10,000 may have terms of up to two years at the LAIF rate + 3%; interest to be re-calculated at the one year anniversary.
- f) Amounts greater than \$10,001 may have terms up to three years at the LAIF rate + 4%; interest to be re-calculated at the one year and two year anniversaries.
- g) Liens will not be offered as a methods of postponing payment of fees.

Sec. 20.7.2 Equivalent Dwelling Unit Schedules. Upon receiving an application for issuance of a sewer permit, the number of equivalent dwelling units for which the Permit shall be issued shall be determined from the following schedule:

(SEE SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE ON THE FOLLOWING PAGES)

| |
|---|
| <p>SCHEDULE OF EQUIVALENT DWELLING UNITS AND CLASS OF SERVICE</p> |
|---|

| CLASS | DESCRIPTION | EQUIVALENT DWELLING UNITS |
|-------|-------------|---------------------------|
|-------|-------------|---------------------------|

| | | |
|----------|---|-------------|
| Class 1 | Single Family Residence | |
| | Single family residence | 1.00 |
| | Mobile home on individual parcel | 1.00 |
| Class 2 | Apartment/Condominium/Attached Cottage-Mobile Home | |
| | Per detached cottage with bathroom and kitchen on a parcel with a single family residence | 0.80 |
| | Per mobile home on a parcel with a single family residence | 0.80 |
| | Per apartment unit | 0.80 |
| | Per condominium/duplex unit | 0.80 |
| | <u>Accessory Dwelling Unit*</u> | |
| | <u>*Capacity Fees do not apply to Accessory Dwelling Units (ADUs) that are exempt from such fees under State Law. Sewer Service Fees still apply, and they are determined by the applicable EUD factor.</u> | <u>0.50</u> |
| Class 3 | Mobile Home Park | |
| | Per separate mobile home space | 0.80 |
| | Motel/Hotel | |
| Class 4 | Per motel/hotel with kitchen unit | 0.80 |
| Class 41 | Per motel/hotel without kitchen unit | 0.50 |

M E M O

TO: Engineering & Operations Committee
FROM: Jeff Marchand, Engineering Supervisor *Jm*
DATE: July 11, 2019
SUBJECT: Administrative Code Changes Regarding Pipeline Extension Requirements

Description

The proposal is to create one water pipeline extension policy for the entire service area. Developers and property owners requesting new water service will be required to fund the water pipeline extensions from the existing system necessary to provide service to their property. In the past, the District established an amount to be collected that was to be used to off-set the future cost of the extension of service. In many cases, this amount was not escalated and it no longer covers the cost of potential extensions. In addition, at that time the District priority was service extension and now the priority is to replace infrastructure at the end of its useful life.

Currently in the Fallbrook Service Area, the District is obligated to extend water mains to each 40-acre parcel (quarter-quarter section) or larger single ownership parcel within the District. (Article 23.1 & Ordinance No.226)

Currently in the DeLuz Service Area, policy provides for limited District-funded waterline extensions to each property under single ownership as of July 1, 2000, in DeLuz Improvement Districts 1 & 2.

The DeLuz Pipeline Extension Policy also established how District funded pipeline extensions within the Deluz service area, but outside of the DeLuz Improvement District 1 & 2 will be handled. This includes five different designated areas in the most rural and undeveloped areas of DeLuz.

Purpose

The proposed revisions would require all developers or property owners to fund all pipelines extensions beyond the existing water distribution system to serve individual parcels as a requirement of service so that existing customers are not funding any extensions for new development. A summary of existing policies and proposed changes is included with redlined copies of Articles 18, 19 and 23.

Budgetary Impact

The changes would ensure new development fully funds any required pipeline extensions to serve the parcels being developed.

Recommended Action

Staff is recommending the Engineering & Operations Committee recommend to the Board approval of the attached proposed changes to Articles 18, 19 and 23.

Article 18. **Annexations**

Sec. 18.1 Incorporation by Reference.

Ordinance Nos. 73, 92, 122, 226, and 248 are hereby incorporated into the Administrative Code and made a part hereof. Summaries of various provisions of these ordinances follow herein. Reference must be made to a particular ordinance for exact language and legal descriptions of property annexed. The above referenced ordinances refer to the following:

| | |
|---------------------|---|
| Ordinance No. 73 | 1950 Annexation |
| Ordinance No. 92 | 1958 Annexation |
| Ordinance No. 122 | Airpark Annexation |
| Ordinance No. 226 | Conditions of Service, Waterline Extensions |
| Ordinance No. 248 | Water Service & Water Rates |
| Resolution No. 1732 | Description of Land, Red Mountain Ranch |
| Resolution No. 1791 | Red Mountain Ranch Annexation |
| Resolution of LAFCO | DeLuz Annexation 1/8/90 |
| Resolution No. 10A | Board of Supervisors, DeLuz Annexation 6/13/90 |

Sec. 18.2 General.

Water Service will be provided to lands within FPUD only after the owner of each parcel to be served has paid an annexation fee. Annexation fees are established for the purpose of equalizing the proportionate obligations, expenditures, and costs of operation between the territory within the District and the territory to be annexed.
Ordinance No. 92

~~As finances permit, the District will, at its discretion, provide, maintain, operate mains to serve water to but not within each forty acre parcel or larger single ownership parcel within the District.~~

Ordinance No. 226 and 248.

Sec. 18.3 Annexation Payments.

Annexation payments made to the District will be deposited in and held in a special account and will be used by the District toward defraying the costs and expenses of:

- a) Payment of costs and expenses of the District in connection with or incidental to the annexation proceedings.
- b) Payment to the San Diego County Water Authority and Metropolitan Water District of any amounts established by each said Authority and said District in consenting to the concurrent annexation of said territory to said Authority and said District, to be levied as special taxes by said Authority and by said District.

- c) In lieu taxes, from date of Board's approval of annexation to date District taxes may be levied.
- d) Pipelines to service or facilitate service of water to the annexed lands.
- e) Storage facilities.
- f) Improvements in District's facilities to enable it to handle the larger operating load created by the annexation.
- g) Other capital improvements which the Board of Directors may determine would be beneficial to the annexed lands.

Annexed lands share fully in all District assets and liabilities and shall be subject to the same District taxes as the lands already in the District, including taxes for payment of the present bonded indebtedness and other outstanding obligations of the District. ~~Water deliveries to lands in the annexed areas, which have paid their service connection charges in full, will be commenced as rapidly as facilities can be provided out of the funds made available therefor from the payments of the annexed lands and construction and operation can be economically effected by the District.~~

All water rates, rentals, rules and regulations established and to be established by the District for water service and for water delivered by said District, irrespective of the source from which water comes, shall apply uniformly to lands in the annexed areas which have paid their service connection charges in full and to the land already within the District.

Ordinance No. 92

Sec. 18.4 Conditions for Annexation.

All lands annexed shall be subject to easements for rights of way for District pipelines, power and phone lines and similar facilities used and to be used in connection with the District's operations, as may be required and determined necessary by the Board of Directors of said District, for installing, improving, repairing, replacing and maintaining such District facilities, which rights of way shall be furnished the District without claim or charge for compensation or damages. The District or its party will undertake to locate and maintain such facilities with as little injury as possible to the landowners property consistent with maintaining and operating an efficient system.

All existing operating policies of the District relating to water service and water delivery shall apply to and govern the annexed lands which have completed their service connection charges in full, uniformly with present District lands.

District's distribution pipelines to service the annexed lands will be laid along routes as determined by the District. Pipelines beyond District distribution lines or meters, must be installed, maintained and operated by owners.

Annexation to the District is and will be subject to the condition that the said territory shall also be annexed concurrently to the SDCWA and MWD and shall become and be subject to and be bound by all the terms and conditions fixed by said District and said

Authority respectively, for said annexation and annexation to the District shall become effective and binding only if and when said annexation also has become effective and binding as to the SDCWA and MWD and said lands have been included in and have become a part of the SDCWA and MWD.

Ordinance No. 92

Sec. 18.5 1950 Annexation.

The 1950 annexation has all been paid into the District. The 1950 annexation was recorded August 1, 1950.

Ordinance No. 73.

Sec. 18.6 1958 Annexation.

A petition for annexation to the Fallbrook Public Utility District of unincorporated contiguous territory was filed with the District by not less than 15% of the qualified electors residing in the territory and adopted on September 2, 1958.

In 1958, the District annexed 7,277 acres of land, mainly in the area across the Santa Margarita River, but also taking in all the little windows, which were within the original District boundary that had not paid their annexation fee. Prior to 1958, annexations were not voluntary, and therefore, there was no annexation fee charged at the time. Starting in 1958, a fee of \$250/acre rising to \$450/acre, which was reached in 1970, is a condition for receiving District water. Persons wishing to annex to the District must provide 1) certification of gross acreage by a licensed engineer or surveyor, 2) metes and bounds legal description, and 3) a plat map. (A recorded lot split map showing gross acreage provides all three requirements.)

At the option of the owner of land within the annexed area, service connection charges may be paid for a portion of a single ownership, at the rate of \$450/acre, subject to the following conditions:

- a) The portion of a single ownership so paid up shall consist of not less than 10 acres and shall be rectangular in shape with all four of its side boundaries parallel to Section lines, except sides which are property boundaries.
- b) Water service will not be provided for any portion of a single ownership unless service connection charges have been paid for all planted acreage within such single ownership.

The 1958 annexation was filed with the County Recorder on November 24, 1958.

Ordinance No. 92

Sec. 18.7 Airpark Annexation.

In 1966, the Board annexed the Airpark property to the District. The maximum service connection charge of \$400 per gross acre was reached in 1975.

Ordinance No. 122.

Sec. 18.8 Red Mountain Ranch Annexation.

In 1978, the District annexed 330 acres of Red Mountain Ranch. Water service connection charges (annexation) began at \$750/acre in 1980 and progressed to

\$1,000/acre January 1, 1984. The District will not serve any parcel above the 1400 foot elevation level until such time as all water service connection charges have been paid on all such parcels within the annexed area. Two parcels, 108-010-39 and 40, have been granted a waiver from this agreement.

Resolution Nos. 1732 & 1791

Sec. 18.9 DeLuz Annexation.

Formation of the Parent District of the DeLuz Heights MWD occurred on September 25, 1962 by the registered voters. The District then became a member agency of the San Diego County Water Authority on June 28, 1967, and the District Board of Directors established Improvement District No. 1 (I.D. #1) on March 11, 1969 which consisted of approximately 8,970 acres. Subsequently, a joint petition was filed by 13 individual property owners requesting annexation of approximately 1,580 additional acres to I.D. #1. Improvement District No. 2 (I.D. #2) was formed by the Board of Directors on February 29, 1972 by a special election of individual property owners, which brought the total area to 10,687 acres.

Both I.D. #1 and #2 have coterminous boundaries and voter approved bonds in both areas were used for system improvements in the DeLuz Service Area.

On June 13, 1990, the San Diego County Board of Supervisors and the Local Agency Formation Commission approved the dissolution of DeLuz Heights MWD and its annexation to the Fallbrook Public Utility District, with approval from a majority of the voters. This reorganization included transfer of 12,000 acres of inhabited land, all tangible assets and monies, including cash on hand, monies due but not collected, and all accounts payable and any other obligations, effective June 30, 1990.

LAFCO Resolution dated 1/8/90 & Board of Supervisors Resolution No. 10A dated 6/13/90.

Sec. 18.10 Annexation/Detachments Between Adjacent Districts.

Requests for annexation/detachment between Districts is usually done because one District has a pipeline closer to the parcel wishing service, or the other District can provide more adequate service. These requests must be made to both Districts so that annexation/detachment is concurrent. The Board of Directors determines administrative fees, annexations fees, and/or pro-rated share of bonded indebtedness.

Ordinance No. 120

Sec. 18.11 Partial Annexations.

If a landowner has more than 10 acres, he may pay for just 10 acres, provided he submits a legal description of the acreage to be annexed and served with District water. If he has less than 10 acres, he must pay in the whole piece. If more than 10 acres are planted, he must bring in all the planted area. In December of 1976, the Board of Directors authorized the General Manager and/or Secretary to accept a promissory note secured by a Deed of Trust, for annexation fees, if the payment of the fees causes a hardship on the property owner. The owner must pay 20% down with the balance, plus interest at the current general rate, on the promissory note. The balance is paid in four annual payments.

This section revises Section 4 of Ordinance No. 92

Sec. 18.12 DeLuz Service Area Annexations.

The fees charged for annexation of land to the DeLuz Service Area are as follows:

- a) Fee for annexation to the DeLuz Service Area, Parent District, is \$1,000.00, plus an acreage fee of \$100.00 per acre.
- b) Fee for annexation to the DeLuz Service Area Improvement Districts I and II is \$1,000.00, plus an acreage fee of \$350.00 per acre.
- c) Fee for annexation to the DeLuz Service Area Parent District and Improvement Districts I and II is \$1,000.00, plus an acreage fee of \$450.00 per acre.

18.12.1 Additional Costs.

The acreage fee shall increase as follows:

Five percent (5%) annually commencing July 1, 1988, and this increase shall be imposed on the first day of July of each calendar year thereafter.

All costs of preparing and processing an Environmental Impact Report, in the event one is required to process the annexation, shall be paid in full by the applicant.

All persons making application for annexation shall deposit with the District the required fees. In the event an environmental impact report is required to be prepared, the estimated cost of preparation and processing of the report shall be deposited with the District prior to the employment of the person or firm which will prepare the report. All additional fees required shall be deposited by the applicant before the District will file the Certificate of Completion to complete the annexation process. Any excess fees deposited will be returned to the applicant upon completion of the annexation.

DeLuz Heights MWD Ordinance No. 10 (9/8/87)

Sec. 18.13 Improvement District "S".

18.13.1 Annexation Fees and Costs.

The fees and costs for annexation of real property to the Fallbrook Public Utility District, Improvement District "S" after April 24, 2012, shall be those set forth below:

- a) Costs: The amount of Three Hundred Dollars (\$300.00) plus the current LAFCO processing fees shall be paid to the District at the time of application for processing annexation of real property to Improvement District "S".

The costs shall include any fees or costs required to be deposited with other governmental agencies in order to process the annexation. The District shall not approve the annexation until all required fees and costs have been deposited with the District.

- b) Fees: Effective April 24, 2012, an annexation fee of Nine Thousand Eight Hundred Sixty-Seven (\$9,867) dollars shall be charged for each equivalent dwelling unit permit for sewer service granted for service within the annexed territory at any time after the territory is annexed to the District. This fee shall be deposited with the application for issuance of a sewer service permit for service within the annexed territory.

18.13.2 Adjustment Review.

The fees and costs fixed by this Article of the Administrative Code shall be reviewed every five (5) years for the following fiscal year and the fees and costs may be adjusted to be effective with the commencement of the fiscal year.

| ARTICLE 18 |
|-------------------------------------|
| Sec. 18.11 – Rev. 2/93 |
| Sec. 18.1, 18.3-4 – Rev. 4/93 |
| Sec. 18.12 – Rev. 11/94 |
| Sec. 18.13 – Rev. 6/95 |
| Sec. 18.13.6 – Rev. 9/96 |
| Sec. 18.13.4 – Rev. 6/97 |
| Sec. 18.13.5 – Rev. 6/97 |
| Sec. 18.13.6(b) – Rev. 6/97 |
| Sec. 18.13.2,3,4,5,6(b) – Rev. 9/98 |
| Sec. 18.13 – Rev. 4/12 |

Article 19.

Water Service Connections & Rules for Delivery of Water

Sec. 19.1 Definitions.

For the purpose of this Administrative Code and the regulation of water service by the Fallbrook Public Utility District, the following definitions are adopted:

The word "District", as used herein shall mean and refer to the Fallbrook Public Utility District of San Diego County, California. Fallbrook Service Area (FSA) will indicate that area known as Fallbrook Public Utility District prior to July 1, 1990. The DeLuz Service Area (DLSA) will indicate that area known as Improvement Districts I and II of DeLuz Heights Municipal Water District prior to July 1, 1990.

The word "Consumer", as used herein, shall mean and refer to every individual, corporation, association, farm, or place of business to whom or to which water is served by the District.

The word "Unit", as used herein, shall mean and refer to each of the following:

1. A single family residence.
2. A single business establishment.
3. A single farm.
4. One hotel or motel suite with bath and kitchen.
5. Two hotel or motel suites without kitchen but with private bath.
6. Four hotel or motel suites without private bath.
7. One trailer space.
8. In multi-family dwellings, each apartment with kitchen and bath.
9. Each dormitory or labor camp facility.
10. Nursing home.

The word "rates" shall mean the compensation fixed by the Directors by Ordinance for water delivered to the consumer or for the cost of installing and maintaining meters, main line extensions and any and every appliance, fixture or connection used by said District in delivering water to said consumer.

The term "service connections", as used herein, shall designate the distribution system extension to the meter assembly and the connection to the consumer's line which shall previously have been provided to the location and to the specifications set by the District.

"Agricultural purposes" (TSAWR and Commercial Ag programs) shall mean the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre fully utilized for agricultural purposes on which incidental domestic use of water related to non-permanent residency may also occur.

The term "Agricultural-Domestic purposes" (TSAWR programs), as used herein, shall mean the use of water through a single service connection for both agricultural and

domestic purposes for permanent residences. The first 20 units of water provided each month is considered for domestic purposes regardless of the number of residences on the property.

The term "Commercial Agricultural", as used herein, shall mean the use of water through a single service connection for agricultural purposes without participation in the or the TSAWR discount programs. Must meet the same usage and minimum acreage requirements as "Agricultural purposes".

The term "Commercial Agricultural -Domestic", as used herein, shall mean the use of water through a single service connection for both agricultural and domestic purposes for permanent residences without participation in the or the TSAWR discount programs. The first 20 units of water provided each month is considered for domestic purposes regardless of the number of residences on the property. Must meet the same usage and minimum acreage requirements as "Agricultural purposes"

The term "Domestic purposes", as used herein, shall mean the use of water for residential (up to and including two units) purposes and businesses that use water for incidental domestic purposes only.

The term "Large Lot domestic purposes", as used herein, shall mean the use of water through a single service connection for residential (up to and including two units) purposes on parcels of one acre or more.

The term "Commercial purposes", as used herein, shall mean the use of water through a single service connection for the operation of the business or maintaining the landscaping of non-residential property.

The term "Government purposes", as used herein, shall mean the use of water through a single service connection for any political subdivision property.

The term "Multi-Unit purposes", as used herein, shall mean the use of water through a single service connection for master-metered residential housing of more than two living units.

The term "Standby Service", as used herein, shall mean a meter which has been locked at the request of the customer and which account balance remains current. Accounts may also be locked and placed on "standby service" in the event that the unpaid balance on the account becomes delinquent for a period of 90 days and/or if the District is made aware of foreclosure or vacancy of said property. A fee of \$50 to lock the meter and initiate standby service will be charged to the account and the account will be charged all applicable monthly standby charges.

The term "Construction Meter Service", as used herein, shall mean the temporary use of water for construction from a meter installed on a fire hydrant.

The term "Temporary Ag Service", as used herein, shall mean the temporary use of water solely for the growing of annual crops through a temporary connection.

The term "Recycled Water System", as used herein, shall mean water that is defined in Title 22, Division 4, Chapter 3, Article 60301, paragraph 8, of the California Administrative Code and shall mean water which, as a result of filtration and disinfection of domestic wastewater, is suitable for a direct beneficial use or a controlled use that otherwise would not occur.

Sec. 19.2 Remote Meter Agreements.

A Remote Meter Agreement is an agreement between the District and a consumer that a water meter will be installed at a location remote from the property to be served where the District does not intend to extend the District distribution system to abut the said property, and that the consumer is responsible for extending his own private line from the meter to his property and obtaining the permanent easements required for such extension.

Sec. 19.3 Temporary Service Agreements.

A Temporary Service Agreement is a recorded agreement between the District and a consumer that a meter will be placed temporarily at a location remote from the property to be served, where the District intends, at some future date, to extend the District distribution system to abut the property described in the agreement, and that the consumer is responsible for extending his own temporary private line from the meter to his property, and obtaining whatever temporary easements are required for such extension. Such agreements shall establish the financial obligations of the consumer related to the future installation costs of the District's distribution system and the cost of relocation of the meter, and shall be binding upon the signatory and all successor owners of said property.

If the customer's obligation is to be secured with a promissory note and deed of trust, the terms will be based on the 10-year Treasury Bill rate plus 2%. Interest will be recalculated annually on the anniversary date of the recorded Trust Deed and will be compounded annually on the same anniversary date.

Failure to comply with the terms of the agreement shall be cause for termination of water service to said property and the basis for establishing a lien against the property for collection of any amounts due the District. Upon change of ownership, any parcel receiving water service under a Temporary Service Agreement will be required, as a condition of continued service, for the new owner to enter into a new Temporary Service Agreement with the District.

Sec. 19.4 Engineering Fees.

Sec. 19.4.1 Plan Check Fees.

- A) Plan checks less than 500 lineal feet, water or sewer, \$500 each.
- B) Plan checks 500 lineal feet to 1,000 lineal feet, water or sewer, \$1,000 each.
- C) Plan checks greater than 1,000 lineal feet, \$1,000 each, plus .50 cents per lineal foot thereafter.

Sec. 19.4.2 Fees for District to Inspect Contractor Installed Facilities

- A) Water Meter Service Line Installation
 - ¾" to 2" 5 hours @ \$105.37 = \$526.86
 - 3" and larger 9 hours @ \$105.37 = \$948.35
- B) Fire Hydrant Installation 9 hours @ \$105.37 = \$948.35
- C) Fire Service Installation 9 hours @ \$105.37 = \$948.35

If the sum of the inspection fees for a project is greater than \$3,000, the inspection will be done on a time and material basis and a deposit for the estimated cost will be paid prior to start of construction. Inspection fees will be adjusted annually based on the Engineering News Record (ENR) Construction Cost Index (CCI) of February. Staff will report back to the Board no less than every five (5) years with analysis comparing current fees to calculated fees.

Sec. 19.5 Rules for Service of Water.

The following rules for the service of water by the District to the consumer, either within or without the District, are hereby established:

All parcels desiring water must abut a District pipeline, and all meters will be located on the parcel being served unless the General Manager approves a Remote Meter Agreement, or the Board of Directors authorizes a Temporary Service Agreement subject to certain conditions as described in Section 19.3.

Each consumer desiring water furnished by the District shall furnish a plat of the property to be served, individually file a written application for such service, and in the form provided by the District, shall state the location, the number of acres served, the legal owner thereof, the purpose for which water is to be used and such other data regarding consumer's water production and use practices as required by the District. Based on the information provided, and verified by physical inspection if appropriate, each application will be assigned a user code: Agricultural with TSAWR Discount (AS); Agricultural Commercial (CA); Agricultural-Domestic with TSAWR Discount (AT); Agricultural Commercial-Domestic (CB); Domestic (D); Commercial (C), Government (G); or Multi-Unit (M) in accordance with the definitions provided in Section 19.1.

By making such application and upon approval thereof by the General Manager, or his designee, the application and the acceptance shall constitute a contract, the effect of which shall bind the applicant to pay all rates then or thereafter prescribed by the District for water service and to comply with all the rules and regulations with respect to service, a breach of any of which will authorize the District to discontinue water service immediately without notice or recourse and to levy such charges as otherwise provided for in this ordinance for resumption of service.

In addition, the effect of this contract shall be such as to bind the applicant to pay reasonable attorney's fees as fixed by the court where the District is required to take legal action to enforce collection of any charges incurred under this service.

The District reserves the right to determine the size and location of all service connections and may to that extent, where deemed for the best interests of the District, reduce the size, change the location or the pressure of the service connection without notice or recourse.

Sec. 19.6 Meter and Service Line Installations.

Before any service connection with the water distribution system of the District is made, the District shall collect from the applicant who desires water service an installation charge as set forth below. A connection fee based on the demand factor shall be paid in addition to the installation charges and is described in Article 20 of this Administrative Code. Reclaimed meter and service line connections shall be

capitalized as part of the project and not charged to the customer. Installation charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

| <u>Meter Size</u> | <u>Meter and Service Line*</u> | <u>Meter Only on Existing Service Line</u> | <u>Service Line Only*</u> |
|--------------------|--------------------------------|--|---------------------------|
| 3/4" | \$2,761 | \$464 | N/A |
| 1" | \$2,936 | \$638 | \$2,297 |
| 1-1/2" | \$3,981 | \$1,013 | \$2,968 |
| 2" | \$4,775 | \$1,168 | \$3,607 |
| 3", 4" or 6" | Cost | Cost | Cost |
| Recycled, any size | No charge | No charge | No charge |

* If paving for a service line is less than or equal to 15 feet, there is an additional charge of \$1,791. If paving for a service line is greater than 15 feet and less than 30 feet, there is an additional charge of \$3,582. If County road inspection is required, there is an additional fee of \$1,389.

Sec. 19.7 Meter Relocation Fees.

| <u>Meter Size</u> | <u>Relocation and Service Line*</u> |
|-------------------|-------------------------------------|
| 3/4" | \$3,174 |
| 1" | \$3,334 |
| 1-1/2" | \$4,005 |
| 2" | \$4,604 |

* If paving is required up to 30 feet, there is an additional fee of \$4,704. If County road inspection is required, there is an additional fee of \$1,389.

Sec. 19.8 Connection/Capacity Fees.

A connection fee shall be paid at the time meter service is applied for, for all permanent service connections, which fee shall be in addition to the charges made for the actual cost of labor and materials necessary to make the physical connection to the water system. The capacity fee for the connection is based on the demand that could be placed on the District's water system by reason of the connection. The extent of demand will be determined on the basis of the size of the water meter necessary to provide the estimated quantity of water usage for the connection. The demand factor for each meter size shall be calculated on the basis of the rated capacity of each size of meter divided by the rated capacity of a 3/4" meter at a pressure of 40 pounds per square inch (20 gpm), hereinafter referred to as an "equivalent meter unit" (EMU) as defined by SDCWA. Connection/ capacity charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing current fees to calculated fees.

Effective January 1, 2019, the schedule of capacity fees based on the demand factor of each meter size shall be as follows:

| <u>Meter Size</u> | <u>SDCWA Demand Factor (EMU)</u> | <u>Capacity Fee</u> |
|-------------------|----------------------------------|---------------------|
| 3/4" | 1 | \$5,727 |
| 1" | 1.6 | \$9,164 |
| 1-1/2" | 3 | \$17,181 |
| 2" | 5.2 | \$29,782 |
| 3" | 9.6 | \$54,984 |
| 4" | 16.4 | \$93,928 |
| 6" | 30 | \$171,824 |

The capacity charge for a meter size greater than 6 inches shall be a basic charge for one (1) EMU multiplied by one of the following factors:

8"factor52.0
 10"factor78.0
 12"factor132.0

Sec. 19.8.1 Removal of Meters.

An owner of a parcel who has a meter and is not required to have District water for their parcel can request to have their meter removed and discontinue service. A fee of \$100 will be charged for meter removal. Once the meter is removed, if service is later requested for the parcel, it will be subject to all the fees identified in Article 19, including installation and connection/capacity fees as if it is a new service.

The following procedure will be followed when discontinuation of service is requested:

1. The District will verify that the parcel does not have a residence or that another supply is available for the residence. If District water service is necessary as a health and safety concern for the residence then the meter cannot be removed.
2. The parcel owner shall sign a form that will be recorded on their deed indicating that water service was discontinued and re-establishing service will require payment of all fees similar to any other new water customer.
3. The District will remove the meter based on the fee established for meter removal.
4. The owner will be deleted from the District's customer database and no further monthly operations, capital improvement or standby fees will be charged to the parcel. The parcel will be subject to Water Availability Charges, unless the parcel owner requests deferral in accordance with Article 24.
5. If the water service is requested in the future for this parcel it will be similar to any other parcel without water service and subject to all necessary fees including installation and connection/capacity fees.

Sec. 19.8.2 Meter Testing Costs.

The District will provide meter testing upon request by ratepayers. A meter is considered accurate according to AWWA standards if it measures 98.5% to 101.5% of actual usage. If, after the customer's request for testing, the meter is determined to be accurate, the customer will be charged the following fee based on the size of the meter:

| <u>Meter Size</u> | <u>Fee for testing</u> |
|-------------------|--|
| ¾" – 1" | \$121 |
| 1 ½" – 2" | \$163 |
| Over 2" | To be tested by an outside agency at a cost to be determined on actual time and materials. |

If the meter is inaccurate, the District will absorb the cost of the test and make the appropriate exchange or repair to said meter to AWWA standards of accuracy. These charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February.

Sec. 19.8.3 Adjustment to Fees for Meters and Connections.

Service requests after advance payments for meters and connection fees shall be adjusted to the District's current schedule after six (6) months from the payment date(s).

Sec. 19.9 Credit for Connection Fees and Fees for Increased Meter Size.

Owners of parcels presently receiving water service through a District meter that subdivide their property and apply for additional meters to new legal parcels will be given credit for connection charges if they reduce their demand by requesting a smaller meter for their original service.

Owners of parcels presently receiving water service through a District meter that are not in the process of subdividing their land, but require a larger meter service connection due to a change in land use, shall pay a connection fee equal to the difference between connection fees for the old and new meters in accordance with the schedule in Sec. 19.8.

Sec. 19.10 San Diego County Water Authority Connection Fees.

The Board of Directors of the San Diego County Water Authority (SDCWA) announced an administrative adjustment to capacity charges on all meters purchased on or after January 1, 2019 within the boundaries of the SDCWA.

The System Capacity Charge for a meter size of one (1) inch or greater shall be the basic charge of \$5,267 multiplied by a Factor that is based upon additional meter capacity.

| <u>Meter Size</u> | <u>Factor</u> | <u>System Capacity Charge</u> | <u>Water Treatment Capacity Charge</u> | <u>TOTAL</u> |
|-------------------|---------------|-------------------------------|--|--------------|
| Less than 1" | 1.0 | \$5,267 | \$146 | \$5,413 |
| 1" | 1.6 | \$8,428 | \$233 | \$8,661 |
| 1-1/2" | 3.0 | \$15,802 | \$437 | \$16,239 |
| 2" | 5.2 | \$27,390 | \$757 | \$28,147 |
| 3" | 9.6 | \$50,566 | \$1,398 | \$51,964 |
| 4" | 16.4 | \$86,383 | \$2,389 | \$88,772 |
| 6" | 30.0 | \$158,018 | \$34,370 | \$162,388 |
| 8" | 52.0 | \$273,898 | \$7,574 | \$281,472 |
| 10" | 78.0 | \$410,847 | \$11,361 | \$422,208 |
| 12" | 132.0 | \$695,274 | \$19,226 | \$714,505 |

The System Capacity Charge is the cost for the conveyance and storage facilities necessary to operate the delivery system.

The Water Treatment Capacity Charge is the cost for the connection to the 50 MGD (million gallons per day) regional water treatment facility. The Water Treatment Capacity Charge is an additional charge of \$146 for each new meter of a size less than one inch and a corresponding increase for larger meters.

The member agency shall determine the size of the water meter to serve any property within its jurisdiction. In the event an agency calculates the water demand by the equivalent dwelling unit (EDU) method, the County Water Authority's capacity charge will be collected based on the size of meter actually installed to meet flow demand.

No capacity charge shall be imposed for a water meter permanently connected to a reclaimed water system and measuring reclaimed water. If a water user converts a water meter to permanently measure only reclaimed water, the capacity charge previously collected for the meter shall be refunded upon written request from the water user and verification by the member agency in which the water user is located that the meter is permanently connected to the reclaimed water supply and is measuring reclaimed water. The refund shall be in the amount of the capacity charge actually collected.

All claims for refund permitted shall be presented within one year of the date of the event justifying the refund.

Sec. 19.11 San Diego County Water Authority Transitional Special Agricultural Water Program Administration

Sec. 19.11.1 Purpose.

The San Diego County Water Authority Transitional Special Agricultural Water Program (TSAWR) provides discounted wholesale supply and treatment pricing for qualified agricultural users within its service area on the basis that participants receive non-firm, interruptible supply up to the maximum allowed under Section 4901 of the MWD Administrative Code. The San Diego County Water Authority (SDCWA) also provides a wholesale pricing discount associated with its Emergency Storage Project financing, based upon the existence of and individual participation in the TSAWR. This section of the District's Administrative Code establishes the rules and regulations for Administration of the SDCWA TSAWR within the Fallbrook Public Utility District (District).

Sec. 19.11.2 Qualification.

The qualifications for water use under the San Diego County Water Authority's (SDCWA) TSAWR program are set forth in Section 162.5 of the SDCWA Administrative Code, as follows:

To qualify for participation, the TSAWR customer must demonstrate that water delivered by the District is used for growing, raising, in conformance with recognized practices of husbandry, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products, and produced for human consumption or for the market, or for feeding of fowl or livestock produced for human consumption of the market, or for the feeding of fowl or livestock for the purposes of obtaining their products for human consumption or for the

market, such products to be grown or raised on a parcel of land having an area of not less than one acre dedicated to and utilized exclusively for the purposes described in this section.

Sec. 19.11.3 Certification and Recertification.

Individuals applying for participation in the SDCWA TSAWR shall certify that they are the owner or authorized agent of the owner of the property to receive water under the SDCWA TSAWR and further certify that their respective water usage will meet the qualifications set forth in Section 19.11.2 and as modified from time to time by SDCWA. Upon submission and approval of the application for participation in the TSAWR, applicants shall be classified as either "Agricultural" or "Ag / Domestic", and be eligible to receive the established water rate for the assigned classification. Participants may be subject to periodic re-certification as determined by MWD, the SDCWA, or the District.

Sec. 19.11.4 Acknowledgement.

Individuals participating in the TSAWR shall acknowledge that:

- a) Water received under the TSAWR is a non-firm, interruptible supply, subject to early and accelerated mandatory supply reduction as is from time to time determined necessary by MWD and the SDCWA.
- b) Water received under the TSAWR is a non-firm interruptible supply, subject to mandatory supply reduction as is from time to time determined necessary by MWD and SDCWA. The supply reduction will be equal to the reduction in firm demand required by MWD or SDCWA.
- c) Water use under the TSAWR supply is subject to periodic data and field audits and participants agree to respond in a timely manner to requests for information and access to properties receiving water under the TSAWR.
- d) Failure to respond in a timely manner to information requests, associated data and field audits or recertification, or failure to provide reasonable access to properties receiving water under the TSAWR will result in automatic removal of the subject property from the TSAWR, subject to the conditions set for in subsection 19.11.5(c) of this Article, and subsequent water use on the property will be classified and billed as "Domestic" or "Commercial".
- e) If, as a result of an audit, it is determined that TSAWR supply was used on property and/or for purposes not meeting the qualifications established by SDCWA, then said usage may be subject to assessment of retroactive supplemental water rates, penalties and charges as required by MWD, the SDCWA, or the District, which the participant agrees to pay.
- f) If an audit determines that the subject property and/or water use on the property does not qualify for the TSAWR, then the property and associated water account will be removed from the TSAWR as provided for and subject to the conditions in sub-section 19.11.5(c) of this Article, and subsequent water use on the property will be classified and billed as "Domestic" or "Commercial".

Sec. 19.11.5 Exit and Re-entry into the TSAWR.

- a) TSAWR customers who knowingly no longer meet the participation qualifications of the TSAWR are required to inform the District as soon as possible. TSAWR customers no longer qualifying for the discounted pricing differential and who have continued to accept the discounted supply may be required to refund the differential amount for the period in which the water was utilized for non-TSAWR qualified purposes.
- b) Customers electing to voluntarily exit the TSAWR will still be subject to TSAWR-related reductions if the customer exiting utilized TSAWR water in the base year for a mandatory reduction in a subsequent year. TSAWR customers may not voluntarily exit during periods of water shortage allocations and mandatory reductions.
- c) By SDCWA policy, only customers who were previously in the MWD-Interim Agricultural Water Program (IAWP) or SDCWA Special Agricultural Water Rate Program (SAWR) and TSAWR participants may re-enter the TSAWR program. Additionally, prior MWD-IAWP, SAWR and TSAWR participants may not re-enter the program during a TSAWR mandatory water use reduction period, as determined by the SDCWA.

Sec. 19.11.6 Implementation of Mandatory TSAWR Supply Reductions.

Actual implementation of mandatory supply reductions shall be based upon levels of reduction required by MWD and the SDCWA. To achieve the required levels of use reduction and avoid the maximum penalty possible any operational or financial sanctions which may be imposed on the District by MWD or the SDCWA, the District will utilize one or a combination of methods, including timely notice of pending reductions, water management information dissemination, individual participant water budgets and use reduction targets, assessment of financial disincentives, and individual meter flow reduction devices.

Sec. 19.12 Installation or Extension Line Costs.

~~Sec. 19.12.1 Fallbrook Service Area.~~

In connection with the installation or extension of water distribution lines, the District may concurrently install service lines for adjoining land parcels. The cost of the service lines together with the pipeline extension costs will be borne by the owners.

Where because of any unusual circumstance service connections involve extra expense to the District, an additional deposit or payment based upon the actual cost of such connection as determined by ~~District staff~~the Chief Engineer, may be required by the District.

~~Sec. 19.12.2 DeLuz Service Area.~~

~~—————The DeLuz Service Area consists of a Parent District and coterminous I.D.'s No. 1 and No. 2. There is approximately 1000 acres of land in the Parent District. These parcels are within the CWA and MWD service area and are~~

~~entitled to imported water, but must pay annexation fees to FPUD before being entitled to be served. As long as these parcels remain in the Parent District, they do not pay standby charges or the G.O. Bond tax levy used to pay for the District's facilities. All properties in the two I.D.'s do pay standby charges and the G.O. Bond tax levy.~~

~~It is the policy of the Board of Directors of the Fallbrook Public Utility District that water system extensions in the DeLuz Service Area shall be as follows:~~

- ~~1. Parcels or groups of contiguous parcels under the same ownership in existence as of July 1, 2000, in the Improvement Districts are entitled to adequate water system extensions and service at District expense. The water system and service will be extended to the boundary of the parcel or group of parcels under the same ownership on a case by case basis consistent with regulation and the overall best interests of the District and service areas. Both Temporary Service Agreements (TSA's) and Permanent Remote Meter Agreements (RMA's) may be utilized as in the Fallbrook Service Area. Where undersized District lines are in place, the District will upsize these lines when necessary to serve new additional parcels at the developer's expense.~~
- ~~2. Parcels in the Parent District but outside the Improvement Districts fall into one of the following categories:
 - ~~A) The southern DeLuz Road area is designated as Area "A" on the attached exhibit. The District shall extend adequate water service along DeLuz Road at District expense to these parcels provided that all the parcels in Area "A" have paid annexation fees to the Improvement Districts. Any parcel in Area "A" that is not touched by a waterline will be responsible for providing an adequate system extension for service consistent with District regulations, including TSA's and RMA's.~~
 - ~~B) The remote area west of the DeLuz Road Area "A" is designated as Area "B" on the attached exhibit and will be entitled to an adequate system extension from DeLuz Road to the eastern boundary of Section 6 provided that all parcels in Area "B" have paid annexation fees to the Improvement Districts, and the Area "A" improvement is complete. Any parcel in Area "B" that is not touched by a waterline will then be responsible for providing an adequate system extension for service consistent with District regulations, including TSA's and RMA's.~~
 - ~~C) The area west of DeLuz Road is designated as Area "C" on the attached exhibit and will be entitled to adequate system extensions in DeLuz Road south to the center of Section 32 provided that all parcels in Area "C" have paid annexation fees to the Improvement Districts. Any parcel in Area "C" that is not touched by a waterline will then be responsible for providing an adequate system extension for service consistent with District regulations, including TSA's and RMA's.~~
 - ~~D) The area in Section 31 which is unannexed to the Improvement Districts and not currently (1-1-99) touched by a waterline is designated as Area "D" on the attached exhibit. Parcels in Area "D" will be entitled to an extension and looping of the Distribution System from the end of the existing 4 inch main to the end of the Guy 8 inch main extension provided that all parcels in Area "D" have paid annexation fees to the Improvement Districts. Any parcel in Area "D" that is not touched by a waterline will then be responsible for providing an adequate system~~~~

~~extension for service consistent with District regulations, including TSA's and RMA's.~~

~~E) All remaining areas in the Parent District and not annexed to the Improvement Districts will be responsible for providing an adequate system extension for service consistent with District regulations, including TSA's and RMA's, provided that the parcel in question has paid all required annexation fees to the Improvement Districts.~~

~~F) Nothing in this policy shall prohibit a parcel from extending adequate distribution systems in accordance with District regulations at its own expense for service provided that all required annexation fees for the parcel have been paid.~~

Sec. 19.13 Customer Valve.

There shall be a stopcock or wheel valve in every attachment between the meter and the main next to the meter which said stopcock or wheel valve and the meter and other devices and fittings, including the meter box supplied by the District, shall be for the exclusive use and under the control of the District.

There shall be a stopcock or wheel valve in each service connection located on the consumer's side of the meter, at a point to be designated by the District, which stopcock or wheel valve shall be for the use of the consumer and shall be referred to as the "customer valve."

The District has responsibility to repair or replace facilities up to and including the customer shut off valve. Repair and maintenance of facilities beyond the customer valve is the responsibility of the customer.

The District is not responsible for water loss due to leaks or other problems on the property side of the customer valve.

If there is an emergency, the District, at its discretion, can make temporary repairs and charge the customer a minimum of \$50. However, the District is under no obligation to repair leaks beyond the customer valve and assumes no long term liability for those repairs. It is recommended that the customer obtain the services of a licensed plumber to make permanent repairs.

Sec. 19.14 Water Must Pass Through Meter.

All water sold by the District and used by any consumer must pass through that customer's meter, and no delivery will be made by the District except through that customer's meter. In the event that it should be discovered that water is served to any premises by means of a bypass or any other mechanical device or instrument which permits water to be served other than through that customer's meter, the District shall have the right to immediately cut off the supply of water to said consumer until the person guilty of such conduct shall have reimbursed the District for the cost, as determined by the District, of the water so illegally used. The District shall assess a \$100 penalty, per incident, to any person who steals water in any amount.

Sec. 19.15 Mains, Service Pipes, Equipment Belonging to District.

All water mains, extensions of service pipes, meters, and all other equipment used in the delivery of water to any meter, including the meter and the customer valve shall belong to and be the property of the District, and shall be maintained and repaired by the District.

Customer shall permit reasonable access to the meter and valves to effect said maintenance and repairs and to read the meter. Replacement shall be made by the District when such equipment is rendered unserviceable through reasonable use thereof.

However, the cost of replacements, repairs, or adjustments of any equipment of said District, including meters, when rendered necessary by any act, negligence or carelessness of the consumer, shall be made by the District at the expense of the consumer.

Sec. 19.16 Meter Area Clean and Consumer Line Free from Leaks.

Every consumer of water must keep his service pipes, valves, fixtures, and all other apparatus beyond that belonging to and serviced by the District in good repair and free from leakage at his own expense and he will be responsible for all damages which may result from failure to comply with this rule.

Sec. 19.17 Fires.

In the event that fires should take place within the District, where it is necessary to use the distribution mains of the District to supply water to extinguish such fires, the District may temporarily discontinue service to any meter, and the affected consumer shall not be permitted to use water from any of the District mains until such fire is completely extinguished.

Sec. 19.18 Access to Meters.

No person shall place or cause to be placed on or about or around any meter, hydrant, stopcock or service connection of any of the mains, pipes or water-works of the District any material of any kind which may serve or act as an obstruction to the free access or use of such meter, hydrant, stopcock or service connection. Upon failure to remove such obstruction after reasonable notice, the District shall have the right to have the water shut off and keep the same from being turned on again until such obstruction is removed and the necessary fee for turning on said water paid to the District.

Sec. 19.19 Temporary Discontinuance of Service for Repairs, etc.

The District reserves the right at any time to discontinue the service of water from its mains to water consumers for the purpose of making repairs or extensions to all parts of the system under the operation and control of the District or for any other purpose which may be found necessary by the District in order to properly maintain its system. In such case, the District will, if practicable, give notice to the consumer of such interruption in service.

Sec. 19.20 Allowances or Rebates.

No allowance or rebates in rates or charges shall be made under any circumstances, except as hereinafter in this Administrative Code authorized, and the

rates herein prescribed for service of water shall be a charge against any and all property as hereinbefore specified, until the District shall receive written notice of request to discontinue the water to such property, provided, however, that notwithstanding such written notice or request, the District shall still collect the minimum amount prescribed by this Administrative Code for the standby service as long as the meter is in place.

Sec. 19.21 Water Served to Others.

It is hereby declared to be a violation of the consumer's contract for which the District shall have the right to discontinue the service of water, if any water consumer shall be found to have served water to a consumer whose water has been shut off for breach of any of the provisions of this Administrative Code.

The District or representatives of the District shall have the right at all times to have free access to all parts of the premises of the consumer supplied with water to inspect the water system maintained by the customer.

Sec. 19.22 Backflow Prevention Devices.

In accordance with Title 17 of the California Administrative Code, backflow prevention devices to protect the District distribution system from possible contamination will be owned and maintained by the District.

The device will be located at the service connections. The type of protection that shall be required to prevent backflow into the public water supply shall be commensurate with the degree of hazard that exists on the customer premises. The type of protective device that will be required (listed in an increasing level of protection) includes: Double check Valve Assembly-(DC), Reduced Pressure Principle Backflow Prevention Device-(RP) and an Air gap Separation-(AG). The customer may choose a higher level of protection than required by FPUD. The minimum types of backflow protection required to protect the public water supply, at the water user's meter connection to the property with various degrees of hazard, are listed below. Situations not covered in the listed below shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by FPUD.

Sec. 19.22.1 Type Of Backflow Protection Required.

1. An (AG) is required on premises where there are waste water pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
2. An (AG) is required on premises where hazardous substances are handled in any manner in which the substances may enter the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the District.
3. An (RP) is required on premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected. Any sign of injection systems on the property, including unused systems will require an (RP).

4. Auxiliary Water Supplies--Any water supply other than that received from a public water system.
 - A) (AG) is required on premises where there is an unapproved auxiliary water supply which is interconnected with the public water system. A RP or DC may be provided in lieu of an AG if approved by the District.
 - B) An (RP) is required on premises where there is an unapproved auxiliary water supply and there are no interconnections with the public water system.
5. Recycled Water
 - A) An (AG) is required on premises where the public water system is used to supplement the recycled water supply.
 - B) An (RP) is required on premises where recycled water is used, and there is no interconnection with the potable water system.
 - C) An (RP) is required on residences using recycled water for landscape irrigation as part of an approved dual plumbed use area. If the District is also the supplier of the recycled water, to utilize an alternative backflow protection plan that includes an annual inspection and annual shutdown test of the recycled water and potable water systems.
6. Fire Protection Systems
 - A) An (RP) is required on premises where the fire system is directly supplied from the public water system and there is an unapproved auxiliary water supply on or to the premises (not interconnected).
 - B) An (AG) is required on premises where the fire system is supplied from the public water system and interconnected with an unapproved auxiliary water supply. A RP may be provided in lieu of an AG if approved by the District.
 - C) An (RP) is required on Premises where the fire system is supplied from the public water system and where either elevated storage tanks or fire pumps which take suction from private reservoirs or tanks are used.
 - D) An (RP) is required on Premises where the fire system is supplied from the public water system and where recycled water is used in a separate piping system within the same building.
 - E) A (DC) is required for single family residence with fire protection system. The (DC) needs to be installed and maintained by the property owner.

7. An (RP) is required on premises where entry is restricted so that inspections for cross-connections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
8. An (RP) is required on premises where there is a repeated history of cross-connections being established or re-established.
9. An (RP) is required where adjacent parcels under common ownership are served by more than one meter. RP devices will be required at each meter.
10. An (RP) is required on all new agricultural (AS), agricultural/domestic (AT), commercial agricultural (CA), or commercial agricultural domestic (CB) services. An RP will be installed by the District only with the new meter services.
11. Property owners who appeal to the District to change classification from a classification other than agricultural (AS, AT, CA, CB) will be required to install a Reduced Pressure Backflow Preventer at the property owners expense. See Section 19.22.3 & 4.

Evaluation of Hazard. The District shall evaluate the degree of potential health hazard to the public water supply which may be created as a result of conditions existing on a user's premises. The District, however, shall not be responsible for abatement of cross-connections which may exist within a user's premises. As a minimum, the evaluation should consider: the existence of cross-connections, the nature of materials handled on the property, the probability of a backflow occurring, the degree of piping system complexity and the potential for piping system modification. Special consideration shall be given to the premises of the following types of water users:

- A) Premises where substances harmful to health are handled under pressure in a manner which could permit their entry into the public water system. This includes chemical or biological process waters and water from public water supplies which have deteriorated in sanitary quality.
- B) Premises having an auxiliary water supply, unless the auxiliary supply is accepted as an additional source by the District.
- C) Premises that have internal cross-connections that are not abated to the satisfaction of the District.
- D) Premises where cross-connections are likely to occur and entry is restricted so that cross-connection inspections cannot be made with sufficient frequency or at sufficiently short notice to assure that cross-connections do not exist.
- E) Premises having a repeated history of cross-connections being established or reestablished.

Sec. 19.22.2 Backflow Device Installation on New Services.

The District shall install Reduced Pressure Backflow Preventers on new potable water meter services when applicable. (see Type of Backflow Device Protection Required)

An additional charge will be made for installation of backflow prevention devices as follows:

Reduced Pressure Principle Devices (installed along with new meter)

| | |
|-------------------------------|---------|
| For each ¾ inch meter | \$470 |
| For each 1 inch meter | \$555 |
| For each 1-1/2 inch meter | \$1,025 |
| For each 2 inch meter | \$1,229 |
| For each 3, 4 or 6 inch meter | Cost |

Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.

Sec. 19.22.3 Reduced Pressure Backflow Preventer Retrofits.

Retrofit: Installation of a Backflow device after the service connection has been established.

General Design Considerations.

- A) The design and construction of the backflow prevention assembly shall meet the requirements called for in this specification.
- B) The nominal size of the backflow prevention device shall be equal to the size of the purchased meter. For example, a (1") meter shall have a (1") backflow prevention device.
- C) The assembly shall include same size valves located on either side of the backflow prevention assemblies. Four test cocks shall be appropriately located on the assembly for testing and certification.
- D) The nominal size of reduced-pressure principle detector assemblies shall be as shown on the Approved Plans or as directed by the Fire Department of jurisdiction.
- E) Enclosures and concrete slabs shall be provided only as shown on the Approved Plans or as required by the agency of jurisdiction.

Sec. 19.22.4 Reduced Pressure Backflow Preventer Device Retrofit –Installed by Property Owner

The property owner shall be responsible for the Reduced Pressure Backflow Device Retrofit. Once the device is installed, passes the backflow test, and meets the District's standards the device will become the property of the District. The device will be charged the standard monthly service charges and will be tested annually.

Upon notification by the District that a Reduced Pressure Backflow Device is needed, the property owner will have sixty (60) days to comply. After sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to corp or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and the device is installed, passes, and meets the District standards.

Installation.

- 1) Installations of retrofit backflow devices will not be performed by District Personnel and is the sole responsibility of the property owner.
- 2) Forty-eight (48) hours prior to installation, the Backflow Department will be notified at (760) 728-1125, extension 1129. Installations and inspections will be scheduled Monday through Thursday's only – excluding all District holidays. District personnel will shut off the angle stop before the meter. If the installer or property owner shuts off the angle stop and causes damage, the installer and property owner will be responsible for damages. The damages will be calculated at a time and materials rate.
- 3) Installation shall comply with the latest edition of the Uniform Plumbing Code and applicable District requirements.
- 4) Backflow prevention assemblies shall be installed in accordance with the District's standard drawings.
- 5) Water service and fire service shut-off valves will be secured closed during installation until an approved backflow prevention device is installed and tested in compliance with this specification.
- 6) When static pressure exceeds 175 psi, a pressure-reducing valve may be installed. Please contact the Backflow Department for determination of necessity.
- 7) After installation of the backflow device, the Backflow Department must be notified to inspect the installation to insure that the device meets the District specifications. It will then be tested by District personnel.
- 8) There will be no charge if the backflow device is installed correctly and test properly on the first inspection. If the backflow device fails the first test, it shall be the responsibility of the property owner to have any necessary repairs made. Repairs must be made according to District specifications. Any additional inspections will be charged one hundred twenty dollars (\$127) plus the costs of parts if needed.

- 9) Backflow / RP device charges will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs.
- 10) Any damages or leaks after the customer shut-off valve will be the property owner's responsibility.

Sec. 19.22.5 Well Destruction and Alteration.

To protect the State's groundwater supplies, the Legislature authorized the establishment of standards (Department of Water Resources Bulletins 74-81 and 74-90) and regulations pertaining to the construction, alteration, and destruction of wells.

California Water Code Section 13750.5 requires that those responsible for the construction, alteration, or destruction of water wells, cathodic protection wells, groundwater monitoring wells, or geothermal heat exchange wells possess a C-57 Water Well Contractor's License. This license is issued by the Contractors State License Board.

California Water Code Section 13751 requires that anyone who constructs, alters, or destroys a water well, cathodic protection well, groundwater monitoring well, or geothermal heat exchange well file with the Department of Water Resources a report of completion within sixty (60) days of the completion of the work.

The Land and Water Quality Division regulates the design, construction, modification, and destruction of water wells throughout San Diego County to protect San Diego County's groundwater resource. Water Wells are commonly used as the only potable water supply in the rural areas of San Diego County. For general information call the San Marcos office at (760) 471-0730.

Upon the completion of the well destruction or alteration, the property owner is responsible for supplying proper documentation to the District.

If the property owner chooses not to follow the California Water Code (listed above) within sixty (60) days, the District shall have the right to discontinue water service and charge a fee of fifty dollars (\$50) to lock the meter. A fee of one hundred (\$100) will be charged for broken or damaged locks. Damage to corp or angle stop in attempt to restore services will be billed at actual time and material and added to the water bill. The water service will be restored only after the fees are paid and a Reduced Pressure Backflow Device is installed (See Section 19.22.3&4) and passes and meets the District standards.

Sec. 19.23 Booster Pumps.

No person shall place or cause to be placed a device to raise the pressure of water supplied him by the District unless said booster system plans and proposals have been submitted to the District's General Manager and written approval for its installation and use has been secured. In the event such apparatus is installed without permission, the General Manager will immediately discontinue service to the consumer and resume service only after satisfactory removal or correction and payment of turn-on

charges and payment for any repair or treatment necessary for sanitary and safe operation.

Sec. 19.23.1 Fallbrook Service Area Pressure Zones. Any approved individual service booster pump in the following pressure zones will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer:

- 1) Toyon Heights
- 2) Sachse
- 3) Red Mountain
- 4) Gheen
- 5) Modified Town
- 6) Rattlesnake

Sec. 19.23.2 DeLuz Heights Service Area Pressure Zones. Any approved individual service booster pump in the DeLuz Service Area will be installed, operated, and maintained entirely at the individual customer's expense and will remain the property of the individual customer, with the exception of the following meter numbers:

- 1) Meter No. 7783
- 2) Meter No. 7784
- 3) Meter No. 7789

Sec. 19.24 Fire Hydrants.

For installing, maintaining and use of fire hydrants, the following will apply:

The District will install fire hydrants and necessary piping so required where and when jointly approved by the ~~District staff~~ Chief Engineer of the District and the Chief of the Fire District at the cost of the North County Fire Protection District.

In the event hydrants are required as part of pipeline extensions to service a subdivision or consumer, the cost of such hydrants will be included in the cost of the extension construction and paid for by the subdivider or consumer. Charges for installation of hydrants on the existing District distribution system will be as follows:

| | |
|------------------------------------|-----------------------------|
| Model J-3700 (2-port hydrant)..... | \$9,057 (complete assembly) |
| Model J-3765 (3-port hydrant)..... | \$9,808 (complete assembly) |
| Fire flow testing | \$527 |

If paving over 20 feet is required, there is an additional fee of \$254 per trench foot. If county road inspection is required, there is an additional fee of \$1,389.

Charges for fire hydrants will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Maintenance and repairs to hydrants, valves and connecting pipelines, will be performed by the District at the expense of the North County Fire Protection District.

Sec. 19.25 Automatic Sprinkler and Fire Protection Systems.

For automatic sprinkler and fire protection systems, the District upon request, will install a detector check valve system subject to the payment of the following installation charges by the user:

4 inch serviceCost
6 inch serviceCost
8 inch serviceCost

Sec. 19.26 Construction Meters.

For each use of a fire hydrant by any person not officially associated with a fire fighting organization, by pre-arrangement and approval of the District, and upon receipt of a \$1,254 deposit, a meter installation charge of \$121 will be made. There will be a relocation charge of \$121 to cover cost of moving a construction meter. Upon notification by customer that the construction meter is no longer needed, District staff will retrieve the meter. Charges for construction meters will be adjusted annually based on the ENR (Engineering News Record) Construction Cost Index (CCI) of February. Staff will report back to the Board of Directors no less than every five (5) years with analysis comparing fees to actual costs. Upon retrieval, deposits will be refunded to the customer less any accrued operations charges and water use charges. The cost to repair a damaged construction meter will be deducted from the deposit. The construction meter will be locked to the fire hydrant and moved only by District staff. If the meter is stolen, the District will bear the cost of replacement.

Sec. 19.27 Water Used for Annual Crops.

For each use of water for agricultural purposes solely for the growing of annual crops, as described in Sec. 19.1, Temporary Ag Service, the connection charge levied by Sec. 19.8 will not be assessed for this purpose.

All other fees, assessments, and charges of this Administrative Code will be in effect. The Board of Directors will determine annually the availability of water for these purposes, and the use will be continued on a year to year basis at the discretion of the Board of Directors.

Sec. 19.28 Illegal Use of Water.

The District may discontinue service to any consumer who uses or permits the use of District water beyond District boundaries or who within the District permits the flow of water beyond the limits of his property which is recorded as being served by the meter service through which the water is supplied. After discontinuing service for such cause, a charge of \$100 plus the estimated cost of the water so wasted or misused will be made and water service will not be resumed until paid.

Sec. 19.29 Water Service Outside District.

In the event that the District should at any time have surplus water over and above that which may be needed and used within the limits of the District, then and in that event, the Directors of the District are hereby authorized to enter into a contract for the sale of such surplus water outside the boundaries of the District, upon such terms and conditions and for such rates as the Directors may at the time deem for the best interests of said District, provided, however, that in no case shall the Directors of said District, in fixing the rate to be charged for water in such contract, charge less than a

sum which would represent the cost of actually developing and delivering said water outside of said boundaries of said District.

Sec. 19.30 Application of Water Service to Affordable Housing

Per Government Code Sec. 65589.7, effective July 1, 2006, the District shall not deny or condition the approval of an application for water service to, or reduce the amount of services applied for by, a proposed development that includes housing units affordable to lower income households unless the District makes specific written findings that the denial, condition, or reduction is necessary due to the existence of one or more of the following:

- a) The District does not have sufficient water supply as defined in paragraph (2) of subdivision (a) of Government Code Sec. 66473.7 or is operating under a water shortage emergency as defined in Water Code Sec. 350, or does not have sufficient water treatment or distribution capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- b) The District is subject to a compliance order issued by the State Department of Health Services that prohibits new water connections; or
- c) The District does not have sufficient sewer treatment or collection capacity to serve the needs of the proposed affordable housing development as demonstrated by a written engineering analysis and report; or
- d) The District is under an order issued by the Regional Water Quality Control Board that prohibits new sewer connections; or
- e) The applicant fails to agree to reasonable terms and conditions for water service from the District which is generally applicable to other development projects seeking water service from the District including, but not limited to, payment of any fee or charge authorized by Government Code §66013.

Sec. 19.30.1 Review of Service Policies.

At least once every five (5) years after passage of this policy, the policies contained in this section shall be presented to the Board of Directors of the District for a review and evaluation of the written policies governing water service to proposed developments that include housing units affordable to lower income households.

Sec. 19.31 Administrative Fees.

The following administrative fees will be charged for the preparation, processing, and recording of the following documents:

| | |
|------------------------------|------|
| Insufficient Funds Check | \$25 |
| Temporary Service Agreements | \$50 |
| Remote Meter Agreements | \$50 |
| Quitclaim of Easement | \$50 |

| | |
|------------------------------------|-------|
| Grant of Easement | \$50 |
| Grant Deed | \$50 |
| Temporary Sewer Service Agreements | \$50 |
| Repayment Agreements | \$100 |

ARTICLE 19

Sec. 19.1,19.4,19.6, 19.21, 19.23 & 19.28 – Rev. 6/93
 Sec. 19.5, 19.21 & 19.24 – Rev. 2/94
 Sec. 19.8 – Rev. 4/95
 Sec. 19.1 – Rev. 8/95
 Sec. 19.33-19.43 – Rev. 8/95
 Sec. 19.5, 19.24-19.25 – Rev. 9/96
 Sec. 19.6-19.8 – Rev. 9/96
 Sec. 19.23 – Rev. 10/96
 Sec. 19.8 – Rev. 6/97
 Sec. 19.1 – Rev. 7/97
 Sec. 19.11 – Rev. 7/98
 Sec. 19.9 – Deleted (all parcels paid) – Rev. 9/98
 Sec. 19.21 – Rev. 6/99
 Sec. 19.8 – Rev. 7/99
 Sec. 19.9 – Rev. 11/99
 Sec. 19.20.2 – Rev. 11/99
 Sec. 19.9.2 – Rev. 7/00
 Sec. 19.8 – Rev. 12/00
 Sec. 19.8 – Rev. 8/01
 Sec. 19.21, 19.23 – Rev. 07/03
 Sec. 19.6, 19.21 – Rev. 6/04
 Sec. 19.8, Rev. 1/05
 Sec. 19.5 – Rev. 7/05
 Sec. 19.4 & 19.8 – Rev. 3/06
 Sec. 19.5, 19.6, 19.19, & 19.21 – Rev. 6/06
 New sec. 19.27 added 6/06
 Sec. 19.5, 19.8 & 19.23 – Rev. 12/06
 New Sec. 19.4 – Added 2//07
 Sec. 19.20 – Rev. 3/07
 Sec. 19.22 – Rev. 6/07
 Sec. 19.6 – Rev. 6/07; 19.7 – Added 6/07; 19.20 – Rev. 6/07; 19.22 – Rev. 6/07
 New 19.11 – added 8/07
 Sec. 19.1 (last para pg. 1) & 1st para. Pg. 2 – Rev. 12/07
 Sec. 19.8.2 – Add 3/08
 Sec. 19.1, 19.6, 19.7, 19.8, 19.8.1, 19.9, 19.14, 19.22, 19.24, 19.26, 19.27, and 19.31 – Rev. 6/08
 Sec. 19.1, 19.6, 19.8, 19.8.2, 19.10, 19.11.2, 19.11.3, 19.11.4, 19.11.5, 19.11.6, 19.22, 19.24, - Rev. 6/09

19.1, 19.5 Rev. 8/09
Sec. 19.22-19.22.5 – Rev. 10/09
Sec. 19.8.1 – Rev. 5/10
Sec. 19.5 – Rev. 10/10
Sec. 19.3 – Rev 12/10

ARTICLE 19 CONTINUED

Sec. 19.6, 19.7, 19.8.2, 19.22.2, 19.24,
19.26 – Rev. 5/11
Sec. 19.8, 19.9 – Rev. 4/12
Sec. 19.1, 19.5, 19.6, 19.7, 19.8,
19.8.2, 19.22.2, 19.24, 19.26 – Rev.
6/12
Sec. 19.5, 19.6, 19.7, 19.8, 19.8.2,
19.22.2, 19.24, 19.26 – Rev. 6/13
Sec. 19.1, 19.5, 19.6, 19.7, 19.8,
19.8.2, 19.10, 19.22.2, 19.24, 19.26 –
Rev. 6/14
Sec. 19.8.1 – Rev. 10/14
Sec. 19.6, 19.7, 19.8, 19.8.2, 19.22.2,
19.24, 19.26 Rev. 6/15
Secs. 19.1, 19.5, 19.11, 19.11.1,
19.11.2, 19.11.3, 19.11.4, 19.11.5,
19.11.6, 19.22.1 Rev. 3/16
19.4.2 (add), 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.24, 19.26 – Rev.
7/16
Sec. 19.10 - Rev. 1/17
Secs. 19.4.2, 19.6, 19.7, 19.8, 19.8.2,
19.10, 19.22.2, 19.22.4, 19.24, 19.26 –
Rev. 12/18

Article 23. **Construction, Regulations Governing.**

Sec. 23.1 Water Line Extensions and Replacements by the District.

As finances permit, the District will repair and replace the system of mains, storage reservoirs, pumps and controls that are provided existing, maintained, and operated by the District-will be expanded to afford adequate service of water within the District. Storage reservoirs connected by these mains will be located at convenient high points within the District so that reasonable pressures under gravity flow can be provided to the consumers around them. Pressures higher than those available under gravity flow will not be provided by the District except as may be considered under a special rate Ordinance.

~~As adequate funds become available, the District will, at its discretion, provide, maintain and operate mains to serve water to, but not within, each forty acre parcel or larger single ownership parcel within the District.~~

Extensions desired beyond the existing system in service, ~~which the District either does not plan to provide, or does not have the necessary funds to provide within the desired time,~~ shall be provided by others desiring the extensions.

~~When a District share for pipeline system looping occurs~~ The District can fund pipeline looping projects, when all properties are served and a short pipeline section is needed to loop the end of the pipeline to another pipeline in the distribution. When this occurs in a subdivision or other development project, the project plans of improvement must include all District pipeline improvements, both private and District funded portions, prior to being approved by the District.
Ordinance No. 226.

Sec. 23.2 Water Line Extensions, privately financed.

The following terms and conditions shall apply to extensions and others who provide them:

- a) An extension, at the expense of others, may be required as a condition of service where the property to be served does not abut a District pipeline. A required pipeline extension shall extend a minimum of 20 feet beyond the property line into the property.
- b) An extension, at the expense of others, shall be required as a condition of service where the property to be served does not abut a District pipeline and where the land is to be part of a subdivision or a similar development. For minor subdivisions (5 parcels or fewer) the pipeline extension shall extend a minimum of 20 feet in to the last parcel to be served.
- c) The District will accept, maintain and operate those extensions constructed to its standards and requirements by others. Whenever an extension is to be provided by others, it shall conform to the then current Standard Specifications for Distribution System Construction, as approved by the Board of Directors.
- d) The location of all extensions and service connections shall be at the discretion of the District.

- e) Whenever it is not possible for an extension provided by others to lie within a County Road, the District shall require that an easement, normally thirty (30) feet in width, be provided, which will enable the District to maintain and replace the pipeline.

23-1

- f) An extension to serve a major subdivision (greater than 5 parcels) or other property being similarly developed may be required to the far edge of the last lot served.
- g) All extensions shall be constructed with pipe of a size adequate in the judgment of ~~the Chief Engineer of the~~ District staff to serve the area and the minimum size shall be six (6) inches.
- h) Fire hydrant installations as required by the North County Fire Protection District and then existing ordinances of San Diego County shall be provided as an integral part of all extensions.
- i) The District can approve exceptions to these requirements in the form of a Remote Meter Agreement per Section 19.2 or a Temporary Service Agreement per Section 19.3.

Sec. 23.3 Repayment Agreements - Water and Sewer Line Improvements.

Improvements provided by others which benefit owners fronting upon but not contributing toward the cost at the time of construction may be subject to a privately financed extension agreement for the collection and refunding of part of the cost. The Agreement consists of the following:

- a) The District will have title to the improvements and will operate and maintain them as a part of the District's system.
- b) The District agrees to collect a proportionate contribution for the cost of the improvements to provide service to those adjoining lands benefiting from them for a period of 10 years or until all proportionate charges have been collected and refunded, whichever period is less.
- c) The District agrees to refund to the financing owners the proportionate contribution funds that are collected.
- d) The District will have the sole authority to permit connections to or extensions from and service connections to said privately financed improvements.
- e) The basis upon which proportions of the cost of the improvement(s) shall be computed for each privately financed extension agreement shall be negotiated by the Board of Directors with the financing owners and shall generally consist of practicable front footage, acreage, number of service connections, or such other basis as may be determined by the Board of Directors to be equitable to the financing owners and other benefiting property owners.

- f) The improvement(s) will be installed in an easement granted to the District free of liens and encumbrances.

23.3.1 Administrative Costs. The administrative cost to the financing owners shall be one hundred dollars (\$100) and shall be collected by District at the time such privately financed extension agreement is entered into.

Payment for District service(s) that has been used on any parcel of land shall have been made in full before the parcel is to be eligible to receive service from a new extension or service connection.

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Sec. 23.4 Pipeline Extensions - Sewer.

23.4.1 Process. If an Applicant seeks an application for sewer service for property which is not adjacent to a District sewer system pipeline, the Applicant shall be required to enter into a written agreement with the District to construct additional facilities determined necessary by the District at the time the application is submitted.

23.4.2 Agreement. No pipeline extension shall be allowed unless the Applicant executes the agreement entitled "Agreement for Construction of Sewer Facilities to be Dedicated to the Fallbrook Public Utility District".

23.4.3 Fees. For line extensions, the Applicant shall pay the District a cash deposit computed as follows:

- (a) Inspection fees of \$5 per lineal foot;
- (b) One hundred fifty percent (150%) of the District's estimate of the total construction costs for the line extension, or one hundred fifty percent (150%) of the actual bid secured by the applicant for the work, if lower.

Sec. 23.5 Construction Ownership and Maintenance of Sewer Lateral Pipelines.

The sewer lateral pipeline is that portion of the service lateral between the connection to the common sewer main and the service cleanout, located typically at the edge of the right-of-way where it connects with the owner lateral.

The installation of sewer lateral pipelines and connection of sewer lateral pipelines to the sewer main transmission lines of the District shall be done only by personnel of the District. The District is authorized to contract for such installation and connection when personnel of the District are not available to install and connect the lateral pipeline. The

contract work shall be inspected and approved by the District before acceptance of the work by the District.

The entire sewer lateral pipeline and owner lateral from the connection to the common sewer main to the house connection shall belong to and be the property of the Owner. The common sewer main, including all manholes and appurtenances, shall belong and be the property of the District. The District may maintain that portion of the Owner's lateral between the common sewer main and the service cleanout upon the request of the Owner. The District may repair that portion of the Owner's lateral between the common sewer main and the service cleanout upon the request of, and at the expense of, the Owner.

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Sec. 23.6 Temporary Sewer Service Connections.

A Temporary Sewer Service Agreement is a recorded agreement between the District and a consumer that a connection will be placed temporarily at a location which must be pumped to serve the property, where the District intends, at some future date, to extend the District collection system to abut, or cross, the property described in the agreement, and that the consumer is responsible for extending his own temporary private lateral from the main to his property, obtaining whatever temporary easements are required for such extension, and maintaining private pump stations in a sanitary fashion, free of odors. Such agreements shall establish the financial obligations of the consumer related to the future installation costs of the District's collection system and the cost of connection to the gravity main, and shall be binding upon the signatory and all successor owners of said property.

Failure to comply with the terms of the agreement shall be cause for termination of sewer service to said property and the basis for establishing a lien against the property for collection of any amounts due the District. Upon change of ownership, any parcel receiving sewer service under a Temporary Sewer Service Agreement will be required, as a condition of continued service, for the new owner to enter into a new Temporary Sewer Service Agreement with the District.

ARTICLE 23

Sec. 23.1 – Rev. 7/94

Sec. 23.4 – Rev. 6/95

Sec. 23.5.2 – Rev. 9/96

Sec. 23.3 - Rev. 1/99

Sec. 23.5, Sec. 23.5.1- Rev.
6/99

Sec. 23.6 – Added 11/99

Sec. 23.5 – Rev. 1/01

Sec. 23.5 – Rev. 6/07

23-4

MEMO

TO: Engineering & Operations Committee
FROM: Aaron Cook, Senior Engineer *AC*
DATE: July 11, 2019
SUBJECT: Pipeline and Valve Replacement Program

Description

This memo provides an update to planned changes to the Pipeline and Valve Replacement Program planning, and how progress is tracked.

Purpose

Up to this point, the capital improvement program has grouped valves and pipelines together for planning and tracking purposes. Additionally, the CIP has focused on the asset value to determine the replacement cycle for valves and pipelines. Based on feedback from the Board, beginning in FY 19-20, staff will separate Valve Replacement from Pipeline Replacement in standard progress reporting, and will include data for length of pipeline replaced in addition to dollar value spent on replacements.

Valves:

There are 6,872 total valves in the existing distribution system. Field staff are currently replacing approximately 100 valves per year with an annual valve replacement budget of \$400,000. The current rate results in a 70-year replacement cycle. Typically, the service life of an isolation valve is between 25 and 30 years.

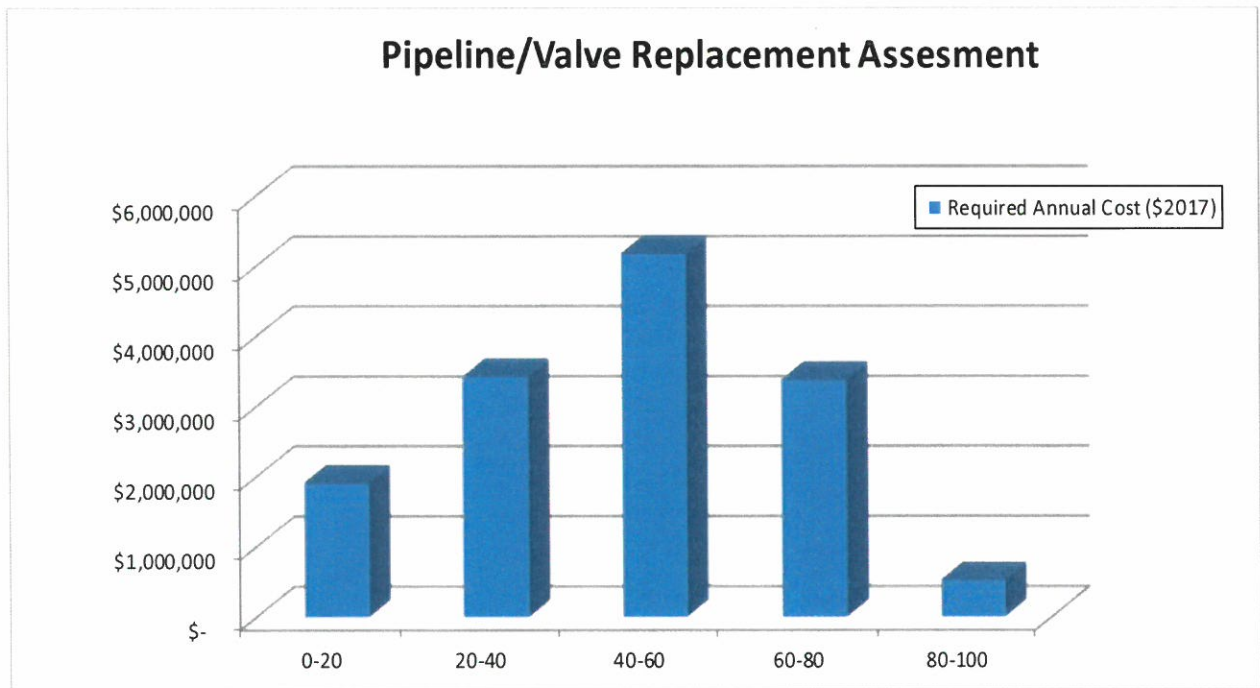
| <i>Year</i> | <i>Quantity Replaced</i> |
|-------------------|--------------------------|
| <i>FY 2016/17</i> | 82 |
| <i>FY 2017/18</i> | 112 |
| <i>FY 2018/19</i> | 57 |
| <i>FY 2019/20</i> | 100 (Goal) |

Water Mains:

There are 268 miles (1,415,040 feet) of water main in the existing distribution system. Based on current budget allocations of approximately \$1.7 Million, close to 5,000 linear feet of pipe are being replaced annually. Based on length of pipe replaced alone, this results in a 280-year replacement cycle.

| <i>Year</i> | <i>Linear Feet Replaced</i> |
|-------------------|-----------------------------|
| <i>FY 2016/17</i> | 1,178 |
| <i>FY 2017/18</i> | 5,386 |
| <i>FY 2018/19</i> | 4,885 |
| <i>FY 2019/20</i> | 4,600 (Goal) |

The \$1.7 Million annual budget is based on asset analysis performed in 2017, with the intent to increase the annual budget in 20-year increments in order to achieve a 100-year replacement cycle. This was developed by assigning an asset replacement value to every segment of water main pipe in the District's system and arranging investment priorities based on existing pipeline age and condition.



Over the last few years, pipeline construction costs have increased significantly. For example, based on pipe replacement contracts, actual installed cost per linear foot of 8-inch steel pipe has increased from \$190 in 2015 to \$400 in 2019. To better understand the effects of these cost increases on the District's pipeline replacement program, staff are currently working to update the asset replacement value assigned to each segment of water main.

Budgetary Impact

There is no budgetary impact at this time. The analysis is being performed by staff.

Recommended Action

No action at this time. Staff will continue to update our internal asset management system to reflect current asset values and present the results to the Engineering and Operations Committee for further consideration. Staff will also proceed with individually reporting both valve and pipeline replacement efforts from a quantity and asset value perspective in monthly key performance indicator reports.

M E M O

TO: Engineering & Operations Committee
FROM: Aaron Cook, Senior Engineer *AC*
DATE: July 11, 2019
SUBJECT: Steel Reservoir Coating Inspection Services

Description

This memo provides an update on inspection service costs related to the steel reservoir recoating program and seeks authorization to amend the previously approved professional services agreement.

Purpose

As part of the Capital Improvement Program, the District initiated a steel water reservoir recoating plan in 2014, with the intention of recoating each of its nine reservoirs within a 10-year period. As of June 2017, five of the nine reservoirs had been completed. On June 26, 2017, the board authorized MCS Inspection Group, Inc., a coating inspection provider, to provide inspection services for three of the remaining four reservoirs. Due to extensive corrosion damage discovered during the execution of the projects, an additional \$19,710 is required for inspection services.

Upon completion of the Sandia Tank, the inspection services contract will be closed. There is one more reservoir remaining to complete the recoating program—the 2.8 MG Tank, which is scheduled for the FY 2020-21 CIP. As part of that project, an RFP for a new inspection services contract will be issued.

Budgetary Impact

Inspection services are included in the Capital Budget.

Recommended Action

That the Committee recommend that staff seek authorization from the Board for a Professional Services Contract Amendment with MCS Inspection Group for an additional \$19,710.

M E M O

TO: Engineering and Operations Committee
FROM: Jason Cavender, Operations Manager
DATE: July 11, 2019
SUBJECT: SCADA Support Contract – SCADA Integrations

Description

To discuss staff recommendation to approve a new contract with SCADA Integrations to assist with instrumentation, controls, and SCADA support. This contract will be three years with an additional fourth year option, with a not-to-exceed amount of \$37,500 per year.

Purpose

The District utilizes a significant amount of remote monitoring and control of water and wastewater facilities in order to optimize operation of the system and reduce operational labor requirements. Some specialized troubleshooting and programming support is necessary to develop and maintain these systems.

Our current contract with SCADA Integrations for this service expires on July 1, 2019. Due to the upcoming expiration on May 7, 2019, FPUD staff sent a new Request for Proposals to 12 firms, with 3 responsive bidders.

On May 22, 2019, a committee comprised of Jason Cavender, Operations Manager, and Chris Hamilton, Senior Instrumentation and Controls Specialist, interviewed the three responsive firms: TESCO, HydroScientific West, and SCADA Integrations. Each firms' experience, references, and overall cost were rated as selection criteria in addition to the interview.

After all scores were added, the committee agreed to recommend award to SCADA Integrations as they were proven to have the best combination of all deciding factors.

Budgetary Impact

This item is in the adopted Fiscal Year 2019/20 budget in Water Services, contract services, for the amount of \$22,500, and in Wastewater Services, contract services, for the amount of \$15,000 for a total of \$37,500, so there is no additional budget impact from the approval of this item.

Recommended Action

That the Committee support staff recommendation to award the three-year contract, with fourth year option, to SCADA Integrations for a not-to-exceed amount of \$37,500 per year.