

# Olivehurst Public Utility District



## Agenda Item Staff Report

**Meeting Date: October 21, 2021**

### **Item description/summary:**

In attachment 1, Please find appropriate document with full proposed recommended changes/recommended items up for changes. Addressed hereon, are the proposed changes to the "Construction Hydrant/Load Count Meter Agreement".

- Water Permits will run for one year, beginning on July 1 and are valid thru following June 30. If project exceeds time period, additional permit will be required.
- Fee increase from \$50 to \$100 in order to meet cost of filing, inspections, and education of usage of meters. Also fee will help cover cost of proposed once a month meter reading.
- Create consistent billing cycle to once a month
- Increase deposit of Owner owned Meters from \$100 to \$2000.
- Price increase of OPUD owned Meters from \$1700 to \$2500.
- Number system issued for each water permit which is read as xxxx-xxxx. For example, in the year 2021 the 23<sup>rd</sup> permit would be read as 2021-0023. Allows for easy record keeping. See attachment 2 which shows fees of other agencies in the greater area for comparison. See Attachment 3 for current Construction Meter Agreement.

### **Fiscal Analysis:**

It has come to my attention, after reviewing current construction meter procedures and standards, our system has failed to hold clients/customers accountable for payment of construction water usage from OPUD, which has caused and led to a significant loss of income for the community. Off just initial Eyeballing the last 3 years, I would estimate at a minimum \$50,000-\$100,000 of water has been given away free and with this new system, it will hold client/owners/supervisor accountable on a monthly basis. With more development and large contractor building out Plumas Lake and nearby areas, whether that be currently or in the near future, it's important we make sure we iron out our "Construction Hydrant/ Load Count Meter Agreement" as soon as possible and establish the high standards that user will need to follow and be regulated when it comes to using OPUD water for their uses.

### **Employee Feedback**

### **Sample Motion:**

Motion to authorize staff to proceed/not proceed with implementation of any or all changes proposed to the Construction Hydrant/Load Count Meter Agreement.

# ATTACHMENT 1

# **OLIVEHURST PUBLIC UTILITY DISTRICT**

*Our mission is to provide high quality services to enhance our community's quality of life.*



## **BOARD OF DIRECTORS**

Dennise Burbank   John Floe   MaryJane Griego   Lacey Nelson   Marc Perrault

## **GENERAL MANAGER**

John Tillotson

Good afternoon staff,

My name is Swarnjit and I am honored to be a part of the OPUD staff and be able to serve the community.

It has come to my attention, after reviewing current construction meter procedures and standards, our system has failed to hold clients/customers accountable for payment of water usage from the OPUD, leading to a significant loss of income for the community. Below please find my initial findings and proposed recommendations for a solution in the very near future.

In order for a construction operator to have access to OPUD water service, they must first notify OPUD, place a OPUD supplied/contractors own meter at the designated and approved fire hydrant, and make sure to remove meter after end of each workday and reinsert the next construction day. At current rates, OPUD supplies construction meters with a \$1700 deposit and for contractor own meters, a \$100 deposit. The fee for getting a construction water meter permit is \$50 for the life of the project, which includes 15 units of water. There was a recent change to deposit to OPUD for district supplied meters (\$1000 to \$1700) but no other changes have been made to the Construction Hydrant/Load Count Meter since its revised date of 04/30/2010.

Below you can find my proposed amendments to current Construction Hydrant/Load Count Meter Agreement.

1. Construction Water Permit are effective for one year, beginning on July 1 and are valid through June 30. If project is to be longer than a year, an additional permit will need to be required for proper time period.
2. Increase of fee from \$50 to \$100 for OPUD staff to educate client on meter usage and functionality and filing of services along with invoicing procedure. Also increase in cost will help establish a system in-house for record keeping and setting timetables for calling contractors/clients regarding payment requirements and answering any questions regarding new updated policy. Also included in the fee will be for supervisors that will use a vehicle or water hauler, an inspection will be conducted by city staff, and at there discretion can happen either at our office, located at 1970 9<sup>th</sup> Avenue, Olivehurst Ca, 95961, or site location and will need to include supervisor in charge and include Vehicle Make, Model, License Number, and must have an air gap or an approved backflow device. Staff will inspect each meter with client/owner and It is the supervisors responsibility for training own personnel/staff involved with the use of approved truck

along with installation of water meters to hydrants. Any damage to OPUD owned property/meters will fall solely on designated representative on the addressed permit.

3. Current practices have OPUD staff charging contractors/clients at roughly around a year after their initial application, or a year from their last meter reading. In most cases, project length is less than a year and clients with their own meter just leave the site and never contact staff to come out and do final readings. The other factor is having to pay a large bill at the end can be daunting for contractors/clients than it would be to do monthly. In the new proposal, construction meter users to be billed once a month and have a month to pay bill. Meters will be read once a month by OPUD officials. Time period of fee statement to be determined at a later date. This allows the contractor/client to view their monthly construction water usage and be proactive in conserving as much as possible and being aware of their usage instead of waiting a whole year to find out how much they've used. (Below is a recommendation only and one of many approaches dealing with late payments; open to all or any options regarding late fees: Any late payment will incur current residential rate fees or the following: The contractor/client will be charged a late fee after the required due date with a 10% additional cost to their water usage bill for the unpaid month. If payment is still not further paid, an additional 10% will incur the next month. If bill is not paid within two months with additional 20%, OPUD has the right to fine the project client and shut the project down).
4. Price increase of deposit of Owner Meters from \$100 to \$2000. (This encourages contractors/clients to not leave the site without notifying OPUD to come and read final meter reading when a project is closed out. Current practices and records show over 25+ owned contractor/client meter that have not reported back to OPUD regarding final meter reading and no invoice has ever been submitted to the owner or unable to reach client/contractor. Having only a \$100 deposit for contractor/client owned meter is very minimal compared to likely water use (which is easily over \$100) therefore the contractor/client don't bother to come into the office and ask for a final meter reading to get back their \$100. What the increase to the \$2000 contractor/client owned meter would do is encourage contractor/client to notify OPUD of project closeout which then allows OPUD staff to either go on site do a meter reading and report back in house of project closeout and submit last invoice to client. This will increase the amount of projects that will be closed out within OPUD and keep contractors/clients accountable regarding water usage from OPUD.
5. Price increase of OPUD owner meters from \$1700 to \$2500. (This price increase includes cost of meters, potential inflation price, cost to order, shipping, etc...). The current \$1700 rate only covers the cost of meters and with current COVID-19 protocols and the shortage of metals and resources, prices will only be increasing, at least for the near future. Raising it to a minimum \$2500 will cover all costs down the future that normally afterthoughts when it comes to not just having the actual product (water meter) but what it actually takes to get to our hands/office.
6. Permits will be issued by number for easy record keeping. Permit numbers will be addressed as following: xxxx-xxxx. For example if it's the year 2021 and the next

customer will be the 23<sup>rd</sup> construction meter permit, the permit number will be read as 2021-0023. This will make it easier to look up for record keeping/invoicing by the finance department along with assigning the proper serial number to the permit, allowing for better record keeping and assuring where meter are located.

I look forward to hearing from staff/board advisors for any question and concerns and look forward to hearing from you regarding proposed amendment to current construction Hydrant/Load Count Meter Agreement.

## ATTACHMENT 2

	Permit Fee	Refundable Deposit	Meter Monthly Rental/ Backflow tag	Usage	
<b>OPUD</b>	-	1,000.00	15.00	1.65	
<b>Sacramento Suburban Water District</b>	50.00	2,300.00		1.18	
<b>City of Roseville</b>	230.00	1,500.00	100.00	1.25	
<b>Sacramento Co. Water Agency</b>				\$42.11+\$1.17 monthly	1"
				\$113.04+\$1.17 monthly	3"
				\$175.11+\$1.17 monthly	4"
				\$292.58 Bi-	
<b>Citrus Hights Water District</b>		1,778.00		monthly+\$3.1920/unit	

## ATTACHMENT 3



Olivehurst Public Utility District  
1970 9th Avenue  
Olivehurst, CA 95961  
Office: (530) 743-8132  
Fax: (530) 743-3023  
Cell: (530) 933-8830



**CONSTRUCTION HYDRANT/ LOAD COUNT METER AGREEMENT**

Company Name \_\_\_\_\_

Applicant's Name \_\_\_\_\_

Billing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone Number \_\_\_\_\_ Alternative Number \_\_\_\_\_

Job #: \_\_\_\_\_

Location of Use (please be as descriptive as possible):

Plumas Lake

Olivehurst

Type of Use: Filling water truck  Street Sweeper  Other

Size \_\_\_\_\_ Painted Zeros \_\_\_\_\_ Dial \_\_\_\_\_

Meter Brand \_\_\_\_\_ Serial Number \_\_\_\_\_

Beginning / Starting Reading \_\_\_\_\_ End Reading: \_\_\_\_\_

Reads in: Cu. Ft.  Gallons  Read By: \_\_\_\_\_

Date Returned \_\_\_\_\_

**CONDITIONS FOR USE OF METERS**

1. For fire safety, the meter must be removed from the hydrant each night and whenever not in use, or upon OPUD approval.
2. Applicant shall open and close hydrant valves slowly - 2 minutes each way minimum.
3. Applicant shall only use hydrant(s) at locations specified by OPUD and specified above.
4. Meter shall be used only in locations approved by OPUD and specified above. Meters shall not be moved without prior notice to OPUD.
5. Applicant agrees that to adhere to these conditions and to reimburse OPUD for any costs incurred as a result of applicant's failure to adhere to these conditions.
6. Application fee of \$50 which includes usage up to 15 units and is not refundable.
7. Deposit of \$1700.00 for rental of OPUD meter or \$100.00 deposit if you provide your own meter.
8. All backflow devices must be tested and approved by a certified tester or show proof of certification and receive a permit tag, which costs \$15.00.

I understand and agree to the foregoing:

Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

REV 02.22.2019

Meter Returned in good condition \_\_\_\_\_

Comments: