

# STAFF REPORT



ITEM NO. 24  
CITY OF OCEANSIDE

DATE: June 25, 2014  
TO: Honorable Mayor and City Councilmembers  
FROM: Water Utilities Department  
SUBJECT: **ORDINANCE TO PERMIT AN EXEMPTION FROM PAYMENT OF WATER CAPACITY CHARGES FOR INCREASES IN METER SIZE NECESSARY TO ACCOMMODATE STANDBY CAPACITY FOR RESIDENTIAL FIRE SPRINKLERS IN SINGLE FAMILY DWELLINGS**

## SYNOPSIS

Staff and the Utilities Commission recommend that the City Council introduce an Ordinance to permit an exemption from payment of water capacity charges for increases in meter size necessary to accommodate standby capacity for residential fire sprinklers in single family dwellings and direct staff to implement the charges.

## BACKGROUND

Standby capacity charges are those charges which recoup the investment in the water infrastructure to serve the demands of the customer. The Water Authority put an ordinance in place which defines how the capacity charge is administered (Exhibit A). In 2002 the Water Authority Board of Directors amended its capacity charge ordinance to not impose a capacity on a person who replaces an existing residential water meter less than one inch in size with a residential water meter one inch in size when the replacement is necessary in conjunction with the installation and operation of a residential fire sprinkler system.

In 2008 the Water Authority Board of Directors amended its capacity charge ordinance to also allow new residential properties the same exemption. In simple terms, single family residential customers receive the larger capacity needed for the addition of residential fire sprinkler systems, but pay based on residential water use demands only. The exemption only applies to single family residential residences.

## ANALYSIS

A new law which took effect on January 1, 2011, requires that a fire sprinkler system be installed in all new single family home construction. The requirement results in an increase in the meter and capacity size needed to serve a single family residential home. The Water Authority ordinance allows member agencies such as Oceanside the flexibility in determining the service requirements for single family residential property by

permitting the capacity charge to be determined based on the fixture counts, without regard for the additional capacity for the addition of the fire sprinkler system. Staff has informally been implementing this policy since 2011.

**FISCAL IMPACT**

The capacity charge will be based on anticipated water use for the size of meter that would be required for the property as if the fire sprinkler system were not required, the property owner or developer will still be contributing a fair share of the system equity.

**COMMISSION OR COMMITTEE REPORT**

The Utilities Commission unanimously approved staff's recommendation at its regularly scheduled meeting on May 20, 2014.

**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

**RECOMMENDATIONS**

Staff and the Utilities Commission recommend that the City Council introduce an Ordinance to permit an exemption from payment of water capacity charges for increases in meter size necessary to accommodate standby capacity for residential fire sprinklers in single family dwellings and direct staff to implement the charges.

PREPARED BY:

  
Cari Dale  
Water Utilities Director

SUBMITTED BY:

  
Steven R. Jepsen  
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

James R. Riley, Financial Services Director



Exhibit A – Water Authority Ordinance No. 2008-01

Exhibit B – Ordinance

ORDINANCE NO. 2008- 01

ORDINANCE OF THE SAN DIEGO COUNTY WATER AUTHORITY  
AMENDING ORDINANCE NO. 97-1 TO PERMIT AN EXEMPTION FROM  
PAYMENT OF CAPACITY CHARGES FOR INCREASES IN METER SIZE  
NECESSARY TO ACCOMMODATE STANDBY CAPACITY FOR  
RESIDENTIAL FIRE SPRINKLERS IN SINGLE FAMILY RESIDENCES

WHEREAS, pursuant to Section 5.9 of the County Water Authority Act, the Board of Directors adopted Ordinance No. 97-1 imposing capacity charges on ultimate users of water; and

WHEREAS, many jurisdictions have adopted fire safety or building regulations that require installation of residential fire sprinklers; and

WHEREAS, installation of residential fire sprinklers may require additional standby capacity in a residential meter requiring an increase of meter size from a meter less than one inch in size to a meter of one inch in size; and

WHEREAS, determination of the meter size appropriate to provide service is the responsibility of each Water Authority member agency; and

WHEREAS, this ordinance is intended to provide member agencies with appropriate flexibility in making determinations of appropriate meter size to provide standby capacity for residential fire sprinklers for single family dwellings in a manner that will not materially increase water use at the property;

NOW, THEREFORE, the Board of Directors of the San Diego County Water Authority does ordain as follows:

Section 1. The foregoing recitals are true and correct and constitute legislative findings of this Board.

Section 2. Section 2.2.1 of Ordinance No. 97-1 as amended by Ordinance 2002-05 is further amended to read as follows:

2.2.1 When a water meter for a single-family residential property is required to provide standby capacity for a fire sprinkler system, the capacity charge may be determined according to the size of the meter necessary to meet the water use requirements for the property, as determined according to the rules of the member agency providing the meter, without consideration of additional size necessary to provide the standby capacity. Standby capacity to provide water for a fire sprinkler system is required when (1) the fire sprinkler system is required by law, including any requirement imposed as a condition of develop, permit, or occupancy, and (2) the fire chief, fire marshal, or

building official of the city, county, or special district responsible for fire protection service to the property has provided a written statement verifying the requirement for additional meter size. The determination under this section shall be made at the time the meter is first obtained, or at the time a meter is replaced with one of greater size because of the later installation of a fire protection system. This provision shall not apply to meters greater than one inch in size.

Section 2. Codification. The General Counsel may incorporate the provisions of Ordinance No. 97-1 and this ordinance into the Authority's Administrative Code.

PASSED, APPROVED AND ADOPTED, this 27<sup>TH</sup> day of March 2008.

AYES: Unless otherwise noted all Directors present.

NOES:

ABSTAIN:

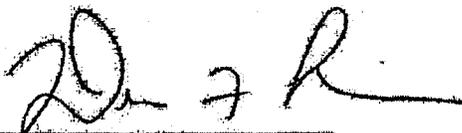
ABSENT: Craver, Croucher (p), Hogan, Knutson (p), Lewinger (p),  
Lewis, Linden (p), Lizzul, Martin, Parker and Quist

  
Fern M. Steiner, Chair  
Board of Directors

ATTEST:

  
Mark A. Watton, Secretary  
Board of Directors

I, Doria Fl Lore, Clerk of the Board of the San Diego County Water Authority, certify that the vote shown above is correct and this Ordinance No. 2008-01 was duly adopted at the meeting of the Board of Directors on the date stated above.

  
Doria Fl Lore  
Clerk of the Board

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF OCEANSIDE AMENDING  
OCEANSIDE CITY CODE, CHAPTER 37, ESTABLISHING  
WATER SYSTEM CAPACITY FEES

WHEREAS, on March 19, 2008, the San Diego County Water Authority adopted Ordinance No. 2008-01 related to an exemption from payment of capacity charges for increases in meter size necessary to accommodate standby capacity for residential fire sprinklers in single family residences;

WHEREAS, effective January 1, 2011, the State of California requires that all single family residential home construction include the installation of fire sprinkler systems ;

WHEREAS, determination of the meter size appropriate to provide service is the responsibility of the City of Oceanside,

WHEREAS, the City of Oceanside desires to adopt an ordinance consistent with the San Diego County Water Authority.

NOW, THEREFORE, the City Council of the City of Oceanside DOES ORDAIN as follows:

SECTION 1. Section 37.58.1 is hereby added to read as follows:

**“Sec. 37.58.1 Fees for increasing water capacity size; exception.**

When a water meter for a single-family residential property is required to provide standby capacity for a fire sprinkler system, the capacity charge may be determined by the Water Utilities Department according to the size of the meter necessary to meet the water use requirements for the property, without consideration of additional size necessary to provide stand-by capacity. The determination shall be made at the time the meter is first installed, or at the time a meter is replaced with one of greater size because of the later installation of a fire protection system. This provision shall not apply to meters greater than one inch in size.

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1 INTRODUCTION at a regular meeting of the City Council of the City of Oceanside held  
2 on the \_\_\_\_\_ day of \_\_\_\_\_, 2014, and, thereafter,

3 PASSED, AND ADOPTED by the City Council of the City of Oceanside, California  
4 this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by the following vote:

5  
6 AYES:  
7 NAYS:  
8 ABSENT:  
9 ABSTAIN:

10 \_\_\_\_\_  
MAYOR, CITY OF OCEANSIDE

11 ATTEST:

APPROVED AS TO FORM:

12 \_\_\_\_\_  
13 CITY CLERK

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15 \_\_\_\_\_  
16 CITY ATTORNEY

17 AN ORDINANCE OF THE CITY OF OCEANSIDE AMENDING OCEANSIDE CITY  
18 CODE, CHAPTER 37, ESTABLISHING WATER SYSTEM CAPACITY FEES  
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