

RESOLUTION NO. 24-004

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT  
AMENDING POLICY GOVERNING WATER SERVICES AND THE  
EXTENSION AND IMPROVEMENT OF THE WATER DISTRIBUTION  
SYSTEM AND FACILITIES OF THE ALAMEDA COUNTY WATER  
DISTRICT

WHEREAS, it is the desire of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT to establish a plan for the financing of the improvements and extension of its water distribution system and facilities;

WHEREAS, the District believes that the most equitable and feasible plan for the accomplishment of these objectives is one that places the burden of financing these extensions and improvements upon those applicants whose improvements result in a net increase in metered water service capacity to their premises;

WHEREAS, the Board of Directors originally established its policies governing water services and water distribution system extensions and their financing by resolution titled “Resolution No. 81 of Board of Directors of Alameda County Water District Governing Water Services and the Extension and Improvement of the Water Distribution System and Facilities of the Alameda County Water District” (hereinafter referred to as “Resolution 81”), which was first adopted on May 18, 1955;

WHEREAS, Resolution 81 was amended several times over the years to address changes in development and in the revenue necessary to finance water distribution and other infrastructure improvements required for such development;

WHEREAS, on February 9, 2019, the Board of Directors adopted Resolution No. 19-016 the Policy Governing Water Services and the Extension and Improvement of the Water Distribution System and Facilities of the Alameda County Water District (hereinafter referred to as “Development Policy”) that updated the District’s policies that were previously set forth in Resolution 81, Resolution No. 13-011, and Resolution No. 17-010 to accommodate the changing nature of development within its service area, to maintain fair, equitable and sustainable financing of improvements required to support development and to simplify the process for obtaining water services and extending its public water system for the benefit of existing and future customers and to reflect best practices.

WHEREAS, the District engaged HF&H Consultants, LLC (“HF&H”) to conduct a comprehensive study of the District’s development charges, and HF&H completed a development charges study on February 2, 2024 (“Development Charges Study”), which Development Charges Study is incorporated herein by this reference; and

WHEREAS, the District evaluated the HF&H Development Charges Study and has analyzed its policies based on the Development Charges Study findings; and

WHEREAS, the District desires to amend Resolution No. 19-016 and its Development Policy to incorporate the changes recommended in the Development Charges Study;

WHEREAS, staff recommends that the Board consider and adopt the modified policies governing water services and the extension and improvement of water distribution system and facilities as set forth in this resolution.

NOW, THEREFORE, BE IT RESOLVED that, the Board of Directors of ALAMEDA COUNTY WATER DISTRICT adopts the following amended policy:

**POLICY GOVERNING WATER SERVICES AND THE  
EXTENSION AND IMPROVEMENT OF THE WATER  
DISTRIBUTION SYSTEM AND FACILITIES OF THE  
ALAMEDA COUNTY WATER DISTRICT**

**SECTION 1: DEFINITION OF TERMS**

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| <u>Applicant:</u>                         | An individual, company, agency, or other entity applying for new or modified water service.  |
| <u>Auxiliary Water System Facilities:</u> | Water storage, treatment, pressure regulation, pumping, or other such water system facilities, excluding water mains.                          |
| <u>Board of Directors:</u>                | The Board of Directors of Alameda County Water District.   |
| <u>Customer:</u>                          | An individual, company, agency, or other entity requesting or receiving water service from the District via one or more water service devices. |
| <u>District:</u>                          | The Alameda County Water District.   |
| <u>Offsite Main:</u>                      | A public water main extension installed outside the boundaries of the premises to be developed or served.                                      |

<u>Onsite Main:</u>	A public water main extension installed within the boundaries of the premises to be developed or served.
<u>Premises:</u>	The property or area, including improvements thereon, to which water service is, or will be, provided.
<u>Service Line:</u>	The pipeline laid or to be laid from the water main to the meter or other water service device, together with the fittings and appurtenances necessary to connect said pipe to the water main and to the meter or other water service device.
<u>Secondary Water Main:</u>	The second water main installed within the same portion of street, highway, public or private right-of-way as another water main.
<u>Water Mains or Mains:</u>	Distribution or transmission pipelines located in streets, highways, public or private rights-of-way which are used to serve the general public, together with all integral appurtenances such as line valves, blow offs, and air valves and excluding fire hydrants, fire hydrant laterals, service lines, and water service devices. Water mains may be used for distribution or transmission of either potable or non-potable water.
<u>Water Meter or Meter:</u>	The device for measuring and recording the quantity of water flowing through the service line.
<u>Water Service Device:</u>	Those appurtenances through which water service is provided, including water meters and detector check valves, which serve as the point of connection between the public water system and the applicant's private plumbing. Each point of connection involves only one water service device, which is owned by the District.

**SECTION 2: APPLICATION FOR SERVICE**

Each application for new or modified water service within the District boundaries shall be made in writing and shall be in such form and shall contain such stipulations, terms and provisions as may be from time to time required by the District.

**SECTION 3: WATER SERVICE DEVICES, SERVICE LINES, AND WORK BY DISTRICT FORCES**

(a) When the premises to which water is to be furnished requires a new or modified water service device or service line, the applicant shall pay an installation charge based upon all

costs of the installation including service line, water service device, and appurtenances. The District shall retain the ownership of all service lines, water service devices, and any meter boxes or vaults containing said water service devices.

(b) The District may establish fixed charges for the installation of certain water service devices. The amounts of such installation charges shall be set from time to time by the Board of Directors and shall be established to recover the total District costs of installation.

(c) For projects with fixed installation charges, meters not installed within one (1) year from date of meter installation payment shall be subject to the meter installation charges in effect at time of meter installation.

(d) For projects without a fixed installation charge, applicants are required to deposit with the District an amount equal to the estimated total District cost of installing the service line, water service device, and appurtenances. Final billings to the applicant will be based on actual total District cost of installing the service line, water service device, and appurtenances. Connection charges for such projects shall be subject to the connection charges in effect at the time of meter installation.

(e) Applicants desiring to increase the size of their existing water service device and/or service line may cause the District to do so provided other consumers are not thereby deprived of adequate service (equivalent to their existing service). The applicant shall pay the total District cost to increase the size of their existing water service device and/or service line.

(f) Applicants desiring to decrease the size of their water service device shall pay the total District cost to decrease the size of their water service device.

(g) A water service device and/or service line may be moved at the request of a property owner from one location to another on the premises being served, provided the new location is approved by the District and the applicant pays the total District cost to relocate the water service device and/or service line.

(h) All work on District water facilities, such as in-service water mains, fire hydrants, service lines, or water service devices and their appurtenances, shall be conducted by District forces, which may include District employees and/or District contractors, at the expense of the applicant, unless otherwise determined by the District.

#### **SECTION 4: OFFSITE MAIN EXTENSIONS**

Offsite Main extensions shall be installed at the expense of the applicant from the nearest adequate source to a point designated by the District. The District shall determine the size, location, points of extension, feasibility, and conditions of extending water mains based on factors such as potential future development, water flow capacity, water quality, operational considerations, geotechnical conditions, groundwater hydrology, and other factors to ensure that the Offsite Mains do not create a financial burden on the District. The District's determination of size, location, points of extension, feasibility, and conditions of water main extension shall be final.

#### **SECTION 5: ONSITE MAINS OR IN-TRACT WATER DISTRIBUTION SYSTEM**

All Onsite Mains or in-tract main extensions of the District's distribution system, service lines, water service devices, fire hydrants and appurtenances shall be installed at the expense of the applicant. The District shall determine the size, location, points of extension, feasibility, and conditions of installing said facilities based on factors such as potential future development, water flow capacity, water quality, operational considerations, geotechnical conditions, groundwater hydrology, and other factors to ensure that the Onsite Mains do not create a financial burden on the District. The District's determination of size, location, points of extension, feasibility, and conditions of said water main extension shall be final.

#### **SECTION 6: AUXILIARY WATER SYSTEM FACILITIES**

All Auxiliary Water System Facilities shall be installed at the expense of the applicant. The District shall determine the size, location, design, configuration, points of extension, feasibility, and conditions of installing Auxiliary Water System Facilities based on factors such as potential future development, water flow capacity, water quality, operational considerations, geotechnical conditions, groundwater hydrology, and other factors to ensure that Auxiliary Water System Facilities do not create a financial burden on the District. The District's determination of size, location, design, configuration, points of extension, feasibility, and conditions of Auxiliary Water System Facilities shall be final.

**SECTION 7: AGREEMENTS**

All applicants, prior to making or arranging an extension of the public water system under the provisions of Sections 4, 5, or 6, shall enter into a written agreement with the District governing the extension of the public water system.

**SECTION 8: EASEMENTS**

(a) Water line easements granted to the District shall be provided by and at the expense of the applicant for all public water facilities such as water storage, pressure regulation, pressure boosting, transmission or distribution facilities, water mains, service lines, water service devices, and all related appurtenances, including but not limited to power, signal, conductors and their corresponding communications and electrical controls, together with their supporting equipment and materials, that are owned and maintained by the District that will be located outside of the public right-of-way or outside of an existing public utility easement or public services easement abutting the public right-of-way that would allow for the installation, use, repair, and replacement of the public water facility, or as otherwise required by the District. Any required water line easements must be granted by the property owner and deemed acceptable by the District prior to connection of any new public water system to the existing public water system or, if there is no public water system extension, prior to installation of water service devices and the provision of water service to the applicant's premises.

(b) Formal acceptance of all necessary water line easements by the Board of Directors or its designee, and final recordation of said easements with the County of Alameda, shall be a condition of new and continued water service.

**SECTION 9: REMOVAL AND RELOCATION OF EXISTING DISTRICT FACILITIES**

As a condition of water service to new customers and as a condition of continued water service for existing customers, a customer shall, upon demand of District, reimburse District for the total costs incurred by District in the removal and/or relocation of any existing District facilities required as a result of improvement work initiated by or done at the request of customer or improvement work done because customer develops, redevelops, or modifies real or personal property or any improvements thereon.

**SECTION 10: PREVENTION OF BACKFLOW**

A backflow prevention assembly approved by the District shall be furnished and installed by the applicant in accordance with District standards, rules and regulations on the customer (downstream) side of the water service device to the premises which in the District's opinion may or could contain cross-connections which could result in the pollution or contamination of the District water system in the event of backflow. Applicant-installed backflow prevention assemblies shall be initially tested and approved by the District, at applicant cost, before water service is provided to the premises.

**SECTION 11: ANNEXATION TO THE DISTRICT AND ANNEXATION FEES**

(a) Applicants for water service whose premises are outside of District boundaries shall apply for annexation to the District in accordance with procedures set by the District and the Local Agency Formation Commission of Alameda County (LAFCo).

(b) Properties that annex to the District shall, when so determined by District, become part of existing improvement districts and thereby subject to bond issues and indebtedness of those improvement districts. Such properties shall also be subject to taxes imposed by District for payment of State Water Project Contract costs.

(c) Annexation fees shall be paid by all applicants requesting annexation of territory into the District. The annexation fee will cover all District costs relating to annexing the territory into the District such as: 1) coordination with: LAFCo and the District on the application, neighbors on the annexation consent notifications, the appropriate city and Alameda County for tax sharing agreements; 2) associated mapping work; and 3) any information required by the District in support of the application to LAFCo. Applicants shall deposit with the District an amount equal to the estimated total cost of District services related to the annexation including District staff costs, any necessary third party costs and/or legal costs. Supplemental deposits may be required as needed to maintain sufficient funding as a condition of the District providing continued services related to the annexation of the territory. Final billings to the applicant will be based upon actual total District cost.

**SECTION 12: CONNECTION CHARGES**

(a) FACILITIES CONNECTION CHARGES

(1) The purpose of the Facilities Connection Charges is to reimburse District for the costs of growth-related capital improvements within the District's Capital Improvement Program.

(2) Non-residential Facilities Connection Charges shall be based on the capacity of the meter. Residential Facilities Connection Charges shall be based on the type and number of residential units to be served.

(3) All applicants, prior to connecting to a water main, prior to increasing the size of an existing water meter, or prior to occupancy of a new accessory dwelling unit (as defined by Government Code 65852.2(f) and 65852.22) constructed along with a new single family residential unit on the same lot, shall pay applicable Facilities Connection Charges. Meters not installed within one (1) year from date of Facilities Connection Charge payment shall be subject to the Facilities Connection Charges in effect at the time of meter installation, except as provided by Government Code Section 65589.5 which locks in certain Facilities Connection Charge amounts to those in effect at the time the project's development preliminary application was submitted and deemed complete by the applicable city.

(4) The amount of the Facilities Connection Charges shall be determined from time to time by the Board of Directors.

(b) SPECIAL SERVICE AREA CONNECTION CHARGES

(1) The purpose of the Special Service Area Connection Charge is to reimburse developers or District for certain costs of offsite water mains, oversized water mains, or Auxiliary Water System Facilities that benefit only a special service area, such as a limited geographic area or a subset of the overall District service area.

(2) Each Special Service Area Connection Charge shall be based upon the terms of the development agreement between the District and the developer installing the improvements.

(3) Applicants whose premises to be served lie within these special service areas shall pay Special Service Area Connection Charges as may be set by the District in addition to Facilities Connection Charges and other applicable charges.

- (4) The applicability and amount of the Special Service Area Connection Charges shall be determined by the Board of Directors.

**SECTION 13: CHARGE CREDITS FOR PRIOR SERVICE**

(a) All applicants requiring a new or modified water meter to their premises may request a credit from the Facilities Connection Charge and Special Service Area Connection Charge for any existing, non-temporary water meter which is being removed or reduced in size as part of the project. Any existing, non-temporary water meter on the premises that is being removed or reduced in size will receive a full credit, provided the account associated with that water service is still active or has been closed for less than five (5) years at the time of application. Any water meter on the premises having an account closed for at least five (5) and less than ten (10) years will receive a partial credit that is pro-rated for each full year the account has been closed. No credit shall be granted for any water meter whose account has been closed ten (10) years or longer.

(b) The amount of the credit will be based upon the amount of the current Facilities Connection Charge or Special Service Area Connection Charge applicable to the water meter being removed or reduced in size, given the basis of the charge such as the capacity of the water meter and the type of water service provided by the water meter, in effect at the time of removal of the old meter or installation of the new meter, whichever is earlier, as determined by the District.

(c) To receive the credit, the water meter must be removed or reduced in size as part of the same applicant project to which the credit is to be applied.

(d) Any Facilities Connection Charge credit can only be used to offset any new or additional Facilities Connection Charge to the same applicant project that pertains to the removal or reduction in size of the existing water meter. Any Special Service Area Connection Charge credit can only be used to offset the new or additional charge amount for the same Special Service Area Connection Charge applicable to the same applicant project that pertains to the removal or reduction in size of the existing water meter. In no case shall a Facilities Connection Charge credit be applied to a new or additional Special Service Area Connection Charge, nor shall a Special Service Area Connection Charge credit be applied to a new or additional Facilities Connection Charge.

(e) The District's determination of charge credit amounts shall be final.

**SECTION 14: POTENTIAL REIMBURSEMENTS AND REFUNDS**

(a) GENERAL

The District shall provide the potential for applicants installing water mains or Auxiliary Water System Facilities that benefit other development to be eligible for potential reimbursement or refunds for the cost of certain portions of those installations as described below.

(b) POTENTIAL OFFSITE REIMBURSEMENT

(1) The applicant shall be eligible for potential offsite reimbursement for the cost of Offsite Mains, as determined by the District, that are installed under the provisions of Section 4 of this resolution, except as follows:

- i. The portion of an Offsite Main installed by the applicant along the frontage of the applicant's premises shall be limited to 50% potential offsite reimbursement.
- ii. Potential offsite reimbursement shall not exceed the cost of a 12" water main or the main size determined by the District as necessary to serve the applicant's premises, whichever is greater.
- iii. The applicant shall not be eligible for potential offsite reimbursement for mains, or portions of mains, required by the District to be installed for the sole benefit of the applicant.

(c) POTENTIAL OVERSIZE REIMBURSEMENT

(1) If the applicant installs a water main larger than 12" in diameter under the provisions of Sections 4 or 5 of this resolution, the applicant shall be eligible for potential oversize reimbursement equal to the incremental cost difference, as determined by the District, between the size main installed and a 12" main.

(2) Notwithstanding the above, if the District determines that a main larger than 12" is the minimum size main necessary to serve the premises of the applicant, then the applicant shall be eligible for potential oversize reimbursement equal to the incremental cost difference, if any, between the size of the main installed and the minimum size of main necessary to serve the premises of the applicant. The District shall determine the size of main necessary to serve the premises and the incremental cost differences, if any, for the purposes of determining potential oversize

reimbursements. The District's determination of potential oversize reimbursements for said facilities shall be final.

(3) If District requires applicant to install Auxiliary Water System Facilities under Section 6 of this resolution sized larger than necessary to serve the premises of the applicant, then the applicant shall be eligible for potential oversize reimbursement equal to the incremental cost difference, if any, between the size of Auxiliary Water System Facilities installed and the minimum size Auxiliary Water System Facilities necessary to serve the premises of the applicant. The District shall determine the size of Auxiliary Water System Facilities necessary to serve the premises and the incremental cost differences, if any, for the purposes of determining potential oversize reimbursements. The District's determination of potential oversize reimbursements for said facilities shall be final.

(4) The applicant shall not be eligible for potential oversize reimbursement for mains or Auxiliary Water System Facilities, or portions thereof, required by the District to be installed for the sole benefit of the applicant.

(d) REFUNDS FOR CAPITAL IMPROVEMENT PROGRAM FACILITIES

(1) If the applicant is required by District to install a secondary water main and said secondary main is part of the District's Capital Improvement Program and not required to serve applicant's premises, then the applicant shall be eligible for a refund equal to the total cost of installation of said secondary main, as determined by the District.

(2) If the applicant is required by District to install Auxiliary Water System Facilities and said Auxiliary Water System Facilities are part of the District's Capital Improvement Program and not required to serve applicant's premises, then the applicant shall be eligible for a refund equal to the total cost of installation, as determined by the District, of said Auxiliary Water System Facilities.

(3) If the applicant is required by District to install a non-potable water main under Section 5 (Onsite Mains) of this resolution that is sized larger than necessary to serve the premises of the applicant, and such non-potable water main is part of the District's Capital Improvement Program, then the applicant shall be eligible for a refund equal to the incremental cost difference, if any, between the size of said

non-potable main installed and the minimum size of the non-potable main necessary to serve the premises of the applicant. The District shall determine the size of main necessary to serve the premises and the incremental cost differences, if any, for the purposes of determining said refund. The District's determination of refunds for said facilities shall be final.

## **SECTION 15: SOURCES OF REIMBURSEMENTS OR REFUNDS**

### (a) FACILITIES IMPROVEMENT FUND

(1) The District shall maintain a fund, which will be identified as the "Facilities Improvement Fund," for the purposes of collecting revenue to pay for the growth-related component of capital projects in the District's Capital Improvement Program.

(2) All Incremental Cost Component charges from the Facilities Connection Charges collected from applicants under the provisions of Section 12 shall be deposited in the Facilities Improvement Fund.

(3) If the applicant installs a water main or Auxiliary Water System Facilities that are eligible for potential reimbursement under Section 14 of this resolution, and said water main or Auxiliary Water System Facilities are part of the District's Capital Improvement Program, then the District shall pay applicant said potential reimbursement as a refund from the District's Facilities Improvement Fund.

(4) Applicants eligible for refunds shall be paid by the District upon completion of the installation of the water main or Auxiliary Water System Facilities and applicant's submission of, and District approval of, necessary documentation of installation cost.

(5) The District will determine the amount of the refund. The District's determination of refund amounts shall be final.

### (b) INSTALLER'S REIMBURSEMENT ACCOUNT

(1) The District shall maintain a fund, identified as the "Installer's Reimbursement Account," and funded by Facilities Reimbursement Charges, for the purposes of providing a method whereby applicants who are installers of mains under the provisions of Sections 4 and 5 of this resolution, or Auxiliary Water

System Facilities under the provisions of Section 6 of this resolution, can potentially be reimbursed for certain portions of the installation costs as provided in Section 14.

i. The Facilities Reimbursement Charge was eliminated with the Resolution No. 19-016 updates to the Development Policy, however, the Installers Reimbursement Account remains available for the reimbursement of installation charges under the provisions of Section 14 of this resolution.

(2) That portion of the cost of installation subject to potential offsite reimbursement or potential oversize reimbursement under the provisions of Section 14, less any of said costs refunded from the Facilities Improvement Fund, is hereinafter referred to as "Installer's Reimbursable Costs."

(3) Annually on or before the 15th day of January of each year, the balance in the Installer's Reimbursement Account as of the close of the fiscal year last past shall be paid to the applicants who have a credit balance in the Installer's Reimbursement Account as of the close of the fiscal year. The amount of payment to each applicant shall be in the same ratio to the total amount contained in said fund as each Installer's Reimbursable Costs bear to the aggregate Installer's Reimbursable Costs. Notwithstanding the above, no applicant shall receive in any one annual payment an amount greater than 20% of the original Installer's Reimbursable Costs.

(4) The applicant shall remain eligible for participation in the Installer's Reimbursement Account until one of the following shall occur:

- i. Full reimbursement is made of Installer's Reimbursable Costs.
- ii. Applicant has been eligible to receive ten annual payments.

(5) The District will determine the amount of the Installer's Reimbursable Costs and the amount of the reimbursement. The District's determination of reimbursement costs and reimbursement amounts shall be final.

(6) The District may be reimbursed, as an installer under the provisions of this Subsection 15(b), for its costs related to the installation of mains or Auxiliary Water System Facilities benefitting development when such mains or facilities are not part of the District's Capital Improvement Program.

(c) This Section governs the method of distribution of reimbursement for all standard public water system extension contracts.

**SECTION 16: PRIOR CONTRACTUAL AGREEMENTS**

The provisions of this resolution are not intended to and may not violate contractual agreements in force between the District and previous applicants prior to the effective date of this resolution.

**SECTION 17: EFFECTIVE DATE OF THIS RESOLUTION**

This resolution shall become effective on May 1, 2024, upon which date this resolution shall supersede Resolution Nos. 19-016, 17-010, 13-011, and all prior revisions of Resolution 81.

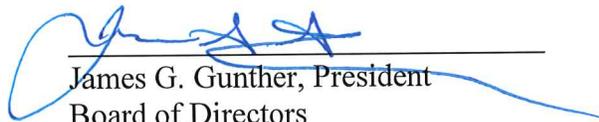
PASSED AND ADOPTED THIS 8<sup>th</sup> day of February 2024, by the following vote:

AYES: Directors Huang, Weed, Akbari, and Gunther

NOES: None

ABSENT: None

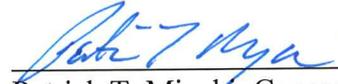
ABSTAIN: Director Sethy

  
James G. Gunther, President  
Board of Directors  
Alameda County Water District

ATTEST:

  
Marian Hsu, District Secretary  
Alameda County Water District  
(Seal)

APPROVED AS TO FORM:

  
Patrick T. Miyaki, General Counsel  
Alameda County Water District