

Council Meeting Staff Report

June 20, 2018

Agenda No.:	7.A
Indexes (Council Goals):	BCC - N/A
Presenters:	Jack Richardson
Legislative File:	10758-18

Title

Discussion of Proposed Revisions to Water Rule W-6 "Back Flow Prevention and Cross Connection Control" of the DPU Rules and Regulations and Proposed Implementation of New Fees and Enforcement Action Plans to Modernize the Back Flow Prevention - Cross Connection Control (BFP-CCC) Program in Water Distribution.

Recommended Action

No formal action is to be taken. Discussion and informal agreement as to the selected path forward regarding final revisions to the rules and regulations and proposed fee structure and enforcement action plans is requested.

Staff Recommendation

Staff recommends that the BPU approve the proposed revisions to Water Rule W-6 and the proposed DPU Fee Structure as presented and directs staff to develop final approval and implementation documentation at the next available Board of Public Utilities meeting.

Body

Having an adequate Back Flow Prevention - Cross Connection Control (BFP-CCC) Program is required and essential to every public water supply system and yet many public systems struggle to consistently provide this protection on an annual basis. The Los Alamos County Department of Public Utilities Water Distribution system is not an exception to this statement.

The DPU's responsibilities under its current BFP-CCC Program have historically been met using in-house staff being reactive to notifications from various sources about known deficiencies. The proposed revisions to the existing Rules and Regulations - Water Rule W-6 for "Back Flow Prevention and Cross Connection Control" is an attempt to modernize the existing program by being more consistent with current best industry practices completing the following actions:

- Complete a County wide survey-investigation-inspection to ensure that the DPU is aware of all Utility water supply system customers who meet the requirements for having a functioning BFP device.
- Revise Water Rule W-6 in order to ensure it is up to date, meets current regulations and requirements and provides for any fee implementation and enforcement actions required determined as necessary and appropriate.
- Develop a cloud-based web enabled computer database to house the DPU BFP-CCC Program data: customers with required BFP devices; certified test and/or repairpersons; annual inspection reports; BFP device repair reports; BFP test equipment calibration reports; other relevant BFP-CCC information.
- Develop a system to certify and track approved BFP test persons and test equipment.
- Provide for a robust and consistent annual contact and BFP device inspection submittal program.
- Provide for a County wide inspection sweep every ten years to ensure all Utility water supply system customers are fully compliant and the system is fully protected.

BFP-CCC Program Data

- Number of Private Customers Requiring BFP Devices = 350 (est'd)
- Total Number of BFP Devices = 400 (est'd)
- Number of LA Public School Customer BFP Devices = 7
- Number of County Customer BFP Devices = 20 (est'd)
- Maximum Number of BFP Devices at One Customer Site = 3 (est'd)
- Average Number of BFP Devices per Private Customer Site = 1

BFP-CCC Program Schedule

- Agreement AGR17-41 was initiated in July 2017 with Viking II out of Albuquerque.
- The database template for DPU was completely developed in February 2018.
- Proposed revisions to Water Rule W-6 and fee proposals are being submitted for initial discussion in June 2018.
- The County wide survey-investigation-inspection was begun in April 2018 and will be completed by August 2018. Some preliminary results of the survey were used in finalizing the estimates in the listed BFP-CCC Program Statistics data set.
- Data from the County wide survey-investigation-inspection is input in September 2018.
- Proposed BFP-CCC Program discussion by the BPU June 2018. Including discussion of any fees and fee implementation schedule.
- Approval of final version of BFP-CCC Program; including fees and enforcement processes in July 2018.
- Educational materials passed out during April - August 2018 sweep inspection.
- Utility bill inserts regarding BFP-CCC Program changes in the November - December 2018 period.
- Reminder emails or letters to all customers in April 2019 about upcoming 1 July 2019 deadline. Letters regarding having both an acceptable installation and acceptable test result documentation submitted to DPU by 1 July 2019.
- Initiation of the fee schedule 1 July 2019 - included in customer correspondence.
- Continue the annual inspection review notification emails or letters to all affected customers every April each year.
- Plan for and execute the next 10-year County wide sweep inspection in FY 2028.

Alternatives

Alt One - Implement new BFP-CCC Program with fees and enforcement actions as proposed.

- Inspection Fee = \$50.00 per Inspection. All customers required to have a containment BFP assembly inspection completed by DPU. Assessed only to those customers whose premises are not in compliance with Water Rule W-6 at the time of inspection.
- Annual Administrative Fee = \$30.00. Annual fee per testable containment BFP assembly for all customers required to have one or more testable containment BFP assemblies per Water Rule W-6. {Need to determine single annual charge or monthly add-on}.
- Administrative Late Fee = \$30.00. Fee to recover costs related to administering the customer not meeting notification schedule for submittal of annual report or repair per testable BFP device or other minor deficiency.
- Administrative Willful Damage/Bypass Fee = \$300.00. Fee to recover costs related to administering the customer willfully not installing or damaging or bypassing or tampering with a required BFP assembly.
- Registration Fee = \$55.00. To cover initial registration and cost of first year notifications expenses for new customers after 1 July 2019.
- Work Schedule = \$35.00 per hour for inspection or testing which are required to be witnesses by the DPU scheduled outside of normal working hours (Monday - Friday 7:00 am - 4:30 pm) and Saturdays.
- Work Schedule = \$70.00 per hour. Inspections which are required to be witnesses by the DPU

scheduled Sundays and holidays.

- Tester and Repairperson Certification and Registration = \$100.00. Tester and Repairperson certification/registration costs. Plus \$100.00 for renewal every three (3) years.

Proposed fees for typical existing customer with 1 containment BFP assembly = \$30.00 annually starting 1 July 2019. All other fees and charges are waived for existing customers prior to 1 July 2019.

Proposed fees for typical new customer with 1 containment BFP assembly = \$55.00 one-time program registration fee per containment BFP assembly plus \$30.00 annually per containment BFP assembly (\$85.00 initial year then \$30.00 annually thereafter) starting 1 July 2019 after installation. Assuming initial inspection meets Water Rule W-6 requirements and inspection takes place during normal working hours then the containment inspection fee of \$50.00 would be waived.

Private sector tester and/or repairpersons will be to submit a \$100.00 initial registration fee with a \$100.00 renewal fee every three (3) years.

Alt Two - Continue to incorporate all BFP-CCC Program costs into the Water Distribution O&M budget without assessing any fees to customers, testers or repairpersons. Continue the existing single enforcement mechanism of water service termination for any deficiency or violation of Water Rule W-6.

Fiscal and Staff Impact

The initial BFP-CCC Program development and set up have a contracted cost for the first year (FY2018) of: Firm Costs = \$15,500 (consultant) & Estimated Costs = \$2,000 (In house staff) and \$50,000 (400 survey contacts @ \$125.00 per contact) and \$7,250 (50 County owned inspections and 10 County owned repairs). Estimated costs will vary depending on the actual final number of contacts required to complete the survey or final number of assemblies requiring inspection and repair or final in house staff hours expended. The initial costs for the first year (FY18 = \$72,500 + in house staff time) are proposed to be funded through the O&M budget in Water Distribution.

Proposed future subsequent year County wide sweep survey-investigation-inspection activities are proposed to be contracted with a consultant and funded through the proposed BFP-CCC Program fees. Estimated cost (FY18 dollars) = \$50,000 would be anticipated no more than once every 10 years.

The following annual yearly costs (FY19 and beyond) listed here are for the consultant to provide Database Management and Program Assistance = \$3,000 and an estimated in house staff cost = \$2,000. These consultant costs are firm and contracted through FY2020; with possible annual extensions for up to three years through FY2023. Services included in these costs are for the consultant to develop annual notification emails and letters and any necessary follow-up reminder letters, delivery (postal service or email), receipt of submittals consolidated by DPU staff, data input and database management, data security and backup, report development and management, assistance to DPU staff as required and any other miscellaneous services required to operate and maintain a functioning cloud-based web enabled management and reporting system.

Normal DPU staff time for initial BFP-CCC Program start up and for future years' workload would be funded through the Water Distribution O&M budget as they are now currently funded.

The annual costs for the consultant (\$3,000/year) if paid for through the Water Distribution O&M budget would not be passed on to DPU customers in the BFP-CCC Program.

The annual costs for the consultant (\$3,000/year) if paid for through the implementation of the proposed fees would be passed on to DPU customers in the BFP-CCC Program.

Refer to the “..Alternatives” section above for further discussion.

Attachments

- A - Water Rule W-6 with proposed revisions
- B - Proposed DPU Fee Schedule Revised to Include BFP-CCC Program Fees
- C - Proposed DPU BFP-CCC Field Inspection Form
- D - Example of BFP Test Kit Calibration Report Form
- E - Proposed Water Rule W-6 with Highlighted and Annotated Revision Markup
- F - Existing Water Rule W-6 with Highlighted and Annotated Revision Markup
- G - Summary of Fees and Compliance Periods of Nearby Cities
- H - Copy of the Agreement (AGR17-41) with Viking II, Inc.