DEVELOPMENT/REDEVELOPMENT CHARGES. The development/redevelopment charges established herein are intended to be a charge upon the act of development by whoever seeks the development. It is a fee for service because it contemplates that a development's receipt of essential water services is based upon the nature of that development. When the development occurs and what the extent of the development is are variables within the control and discretion of the developer.

The development/redevelopment charges imposed by this ordinance are not intended to be a tax on property or on a property owner as a direct consequence of ownership of property within the meaning of Section 11b, Article XI of the Oregon Constitution or the legislation implementing that section.

Even if the development/redevelopment charges herein imposed are viewed under Section 11b, Article XI of the Oregon Constitution as a tax against property or against a property owner as a direct consequence of ownership of that property, it is an incurred charge within the meaning of that Section and the statutes implementing it because:

1. It allows the owner to control the quantity of the service by determining the extent of the development to occur upon the property.
2. It allows the owner to determine when the service is to be initiated or increased by controlling when the development occurs.
3. State law and the ordinances of this City require the owner to provide certain basic utility services to the property when it is developed for human occupancy. The provision of these basic utility services is a routine obligation of the owner of the affected property and essential to the health and safety of the community.

Among the basic services that SUB is required to provide every improved parcel of real property are the capital improvements as defined in this ordinance.

The development/redevelopment charges imposed by this ordinance are based upon the actual costs of providing existing capital improvements and do not impose charges on persons not receiving a service and imposing a burden upon the City's existing capital.

The fee structure explained in this document is intended to recover capital improvement costs for those capital improvements already constructed, under
construction, or to be constructed which provide for water consumption and/or fire
protection. The charges have been calculated so that developments provide an
equitable amount of capital to support water facilities required, such as source,
transmission, pump station, storage and distribution facilities.

1. Definitions

A. **Developer**: A person or company responsible for providing water
facilities to the residential, commercial, or industrial developments. This
person or company may also be the building owner.

B. **Direct utilization of facilities**: Water service and/or fire protection taken
directly from a water facility constitutes direct utilization of water
facilities.

C. **Water facilities**: Water facilities include any equipment and materials
necessary for the supply, treatment, transmission, storage and
distribution of water.

D. **Lot**: A measured parcel of land having fixed boundaries and designated
on a plot or legal survey of a development. This definition also applies
to spaces within a mobile home park.

E. **Current estimated cost of installation**: The total cost of installing new
water facilities based on the most recent cost information available at
the time the estimate is prepared.

F. **Off-site**: Property or geographic area outside and not adjacent to the
physical boundaries of the development.

G. **On-site**: Property within and adjacent to the physical boundaries of the
development.

H. **Private fire service**: For the purposes of private fire service, this
document shall include:

1) **Fire sprinkler service**: A closed fire sprinkler system with pressure
or heat-operated sprinkler head only (no hydrants, fire hose
connections, or domestic service connections).

2) **Private fire hydrant service system**: A closed fire protection system
utilizing private hydrants and fire hose connections installed on
private property owned, operated, and maintained by the customer
(no domestic or commercial connections permitted).
3) Water use for other than firefighting or maintenance purposes and excess leakage is not allowed from private fire service systems. Excess leakage is defined as intentional excess use and, for the purposes of this policy, as 29 or more units of water per month for non-firefighting purposes. Maintenance uses of water from these systems shall be documented and be in accordance with the current provisions of the Springfield Fire Code.

I. Working Day: A day when the general offices of SUB are open to transact business with the public.

2. General Policy Statements

A. The customer shall pay all costs for lines and equipment installed on private property and away from public street right-of-way.

B. Where fire hydrant spacing must be reduced below standard spacing in order to provide adequate fire protection, the customer shall pay all additional costs incurred.

C. Property for which development/redevelopment charges have been paid shall not be required to pay additional development/redevelopment charges unless water system upgrading is or will in the future be necessary. Upgrading will be deemed necessary by SUB if (a) there is a change of use of the land; (b) there is an increase in the fire flow requirement; and/or (c) the property is subdivided or redeveloped.

D. Relocation of water lines or other facilities will be at the expense of the party requesting the relocation.

E. Where lines equal to or larger than 10-inch diameter are required for arterial or transmission purposes and are not required by the development, SUB shall bear the difference in cost. However, the developer may be required to fund the difference in cost through an advance-funding contract.

F. SUB shall determine the appropriate meter and service size, as well as requirements for backflow prevention devices for all service meters, including fire service connections. All meters and backflow prevention devices will be within 10 feet of the property line or acceptable easement, unless the division director or his designee approves an alternative location.

G. Water lines shall be extended to the perimeter of all developments to accommodate orderly extensions of the system.
H. All lots shall be metered separately, and meters shall be located within street rights-of-way or adjacent easements in front of the properties served. Mobile home parks, planned unit developments, and apartment complexes may be served by master meters or individually metered as determined appropriate by SUB, considering such things as easement widths and restrictions, accessibility of meters, location of the meters, circulation of water and site plans.

I. Additional appropriate charges to support the cost of water facilities for development or redevelopment shall be made as deemed necessary and approved by SUB.

J. All private fire hydrant service systems, except residential, will require full flow metering. The requirement for full flow metering in residential developments may be waived by SUB if there are three or less fire hydrants to be served from the private system, a double detector check back flow preventer is installed, and the division director approves the installation based on the length of private pipeline serving the fire hydrants and the customers maintenance and construction plans. The requirement for full flow metering may be instituted at any time for either a private fire hydrant service system or a fire sprinkler service if there is evidence of water use, tampering or leakage from the private fire hydrant service system.

3. Charges

A developer may be required to pay one or more of the charges contained in this section. These consist of connection charges, meter charges, existing water facilities’ charges, transmission charges, storage charge and new facility charges.

A. Connection charges

In order to recover the costs of supply and treatment facilities, the following charges shall be assessed to a developer when a metered or unmetered water service is requested.

1) Basic connection charge for domestic, commercial and industrial service
   
   a. Residential developments
      
      (i) Single family – $1,440 per service
(ii) Multiple family

(a) Duplex, triplex, and fourplex development units will be individually metered and charged at a rate of $1,440 per metered connection.

(b) Developments larger than a fourplex that request services by individual meters to each unit will be charged the prevailing single family residential rate.

(iii) Multiple family, commercial, industrial, and other developments

<table>
<thead>
<tr>
<th>Service size</th>
<th>Charge per service</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>$ 1,440</td>
</tr>
<tr>
<td>1&quot;</td>
<td>3,599</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>7,198</td>
</tr>
<tr>
<td>2&quot;</td>
<td>11,517</td>
</tr>
<tr>
<td>3&quot;</td>
<td>21,594</td>
</tr>
<tr>
<td>4&quot;</td>
<td>35,990</td>
</tr>
<tr>
<td>6&quot;</td>
<td>71,979</td>
</tr>
<tr>
<td>Above 6&quot;</td>
<td>Special agreement</td>
</tr>
</tbody>
</table>

(iv) Mobile home parks and planned unit developments will be charged at a rate of $1,440 per home site, whether the developments are served by individual meters or by master meters.

2) Private fire service charge (for fire protection only).

There is no connection charge for a private fire service connection. No domestic use is permitted from these services. For domestic use charges, see (iii) above, "Multiple family, commercial, industrial, and other developments."

3) The following charges will be added to other connection charges and are intended to recover pump station costs in upper level service areas.

<table>
<thead>
<tr>
<th>Level</th>
<th>Charge per service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>No additional charge</td>
</tr>
<tr>
<td>2nd &amp; 3rd</td>
<td>$ 688 per equivalent ¾&quot; meter</td>
</tr>
<tr>
<td>4th</td>
<td>$1,959 per equivalent ¾&quot; meter</td>
</tr>
<tr>
<td>5th</td>
<td>$3,730 per equivalent ¾&quot; meter</td>
</tr>
</tbody>
</table>
B. Water Storage Charge

The following charges are required to recover water storage costs in all service levels.

<table>
<thead>
<tr>
<th>Level</th>
<th>Charge per service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st*</td>
<td>$225 per equivalent 3/4&quot; meter</td>
</tr>
<tr>
<td>2nd &amp; 3rd**</td>
<td>$909 per equivalent 3/4&quot; meter</td>
</tr>
<tr>
<td>4th**</td>
<td>$1,424 per equivalent 3/4&quot; meter</td>
</tr>
<tr>
<td>5th**</td>
<td>$2,132 per equivalent 3/4&quot; meter</td>
</tr>
</tbody>
</table>

*40% funding from rates, 60% funding from water storage charges
**30% funding from rates, 70% funding from water storage charges

C. New meter installation charge

The fixed charges are for labor, material, and overhead costs of installing a new metered service. Pavement cutting, patching, boring, concrete costs, and all permit costs will be billed in addition to the fixed charges below.

<table>
<thead>
<tr>
<th>Meter size</th>
<th>Charge per service</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>$522</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$615</td>
</tr>
</tbody>
</table>

For pipe and meter sizes larger than one inch, costs will be charged for labor, materials, engineering, and overheads.

D. Transmission Charge

The developer shall pay a charge to recover the cost of installing water transmission facilities, defined as pipes 12" and larger, that connect the source facilities to the distribution facilities. In some cases, the transmission facilities are also used for distribution of water. In order to recover the cost of transmission, the fees are as follows:

<table>
<thead>
<tr>
<th>Service size</th>
<th>Charges per service</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>$400</td>
</tr>
<tr>
<td>1&quot;</td>
<td>1,000</td>
</tr>
<tr>
<td>1-1/2&quot;</td>
<td>2,001</td>
</tr>
<tr>
<td>2&quot;</td>
<td>3,201</td>
</tr>
<tr>
<td>3&quot;</td>
<td>6,002</td>
</tr>
<tr>
<td>4&quot;</td>
<td>10,003</td>
</tr>
<tr>
<td>6&quot;</td>
<td>20,006</td>
</tr>
<tr>
<td>Above 6&quot;</td>
<td>Special agreement</td>
</tr>
</tbody>
</table>
E. New facility charges

1) On-site development costs

   a. SUB-installed facilities

   The developer shall pay the calculated cost of water facilities installed by SUB within and/or adjacent to the development.

   Prior to commencement of facility installation, the developer shall pay SUB the calculated installed cost of the facilities. A developer shall furnish complete and approved plot plans for the project area being developed, including grade information, streets and sidewalk areas, sewer, landscaping, any available locations of other utility services, and an estimate of water service requirements, including fire flow requirements.

   Plans, specifications and cost estimates by SUB shall be based on the assumptions that the complete water system will be installed as a unit and the developer does not create obstacles to a reasonably clear installation unless otherwise agreed upon. If the developer changes the plans and constructs the development in a manner other than originally stated, the developer may be billed for any additional cost incurred by SUB.

   Design of water facilities shall be provided by SUB based on information provided by the developer. It is recommended that the developer confirm water service requirements with SUB prior to ordering special materials or equipment. All installations shall comply with state plumbing code, Health Department regulations, and SUB construction standards.

   The developer shall provide any easements required by SUB, at no cost to SUB. Such easements should be included in the recorded plot. If not, a written agreement for securing easements will be required before SUB starts construction of the project. Unless otherwise agreed upon and specified in the easement, no buildings or structures of any kind may be constructed on such easements.
The developer shall be responsible for all grading and staking of property lines and lot corners. Grade stakes indicating final grade shall be placed so that water facilities installed by SUB can be at proper depth after the development is completed. Any relocation in depth or routing of the installed systems made necessary by action of the developer shall be done at the expense of the developer. Any rough grading or clearing required shall be completed before installation of water facilities is started.

Facilities owned by SUB may be relocated or altered if practical upon written request of developer. Such moves or alterations shall be made at the expense of persons requesting such changes. Persons requesting such changes shall make satisfactory arrangements for the transfer or relocation of equipment owned by any other utility and/or third party which may be involved.

SUB's Installation Responsibilities—When SUB provides the water distribution system, the cost of all construction, such as but not limited to trenching, water line and service materials, rock backfill, disposal of excess spoils and/or additional grading, shall be at the expense of the developer. Standard water system installations are based on city construction requirements for backfill, reasonable soil or terrain conditions and uncomplicated access.

At all times, developer shall provide all work and materials for all street crossings including but not limited to excavations, waterline pipe, conduits and backfill per SUB specifications within the development. SUB will inspect the installations before backfilling the trench is started. Upon completion of the water system and SUB approval, SUB will assume ownership and maintain the waterlines in the street right-of-way.

If acceptable to SUB, and the developer/owner is qualified, the developer can provide SUB with all trenching, backfilling, and the installation of some conduits and/or waterlines per SUB specifications (SUB will provide conduits) and policies described in 5-3-E (1b) below. The developer shall coordinate with SUB to inspect the installation before all backfill is completed.
SUB will either install all the water lines and associated joint trench work or SUB will not install any of the water lines and associated joint trench work. If the Water Division does not install any of the water lines, the water lines will be installed as explained elsewhere in the policies.

For electric facility installations, if the developer provides the trench, conduits, and backfill per SUB’s specifications, then the developer’s development/redevelopment charges will be reduced by SUB’s calculated cost (without administrative overheads) to perform this work by a contractor.

b. Developer- or owner-installed facilities

As deemed appropriate by SUB, the developer may be allowed to install water facilities within the development rather than paying SUB to install the facilities. The installation shall be in accordance with SUB design and construction standards. All engineering for design and construction will be subject to approval by SUB. SUB costs for design, inspection, repair, or rework will be calculated and paid to SUB prior to the start of construction. Money will only be returned if the project is canceled by the developer. If the actual cost for design, inspections, improvements, repairs or rework exceeds the calculated costs, the developer will be charged for the extra amount. No access to SUB-owned facilities will be allowed. All taps and connections to existing water distribution mains will be done by SUB. Completed installations will only be accepted into the SUB system after all new installations pass final SUB inspections, all outstanding bills are paid to SUB, and a satisfactory bond is provided to SUB.

2) Off-site development costs

All off-site facilities will be installed by SUB. The developer shall pay to SUB the calculated cost of installing off-site facilities required to provide water to the development.

Prior to commencement of engineering and construction, the developer shall make full payment to SUB for the calculated
cost of installed facilities. Since off-site facilities may be directly
utilized by other developments, the off-site charges for a
particular development will be prorated on the basis of projected
benefits and utilization of the facilities by the development as
determined by SUB, as explained elsewhere in this policy.

F. Existing water line charges

When developer determines to utilize existing water lines, the
developer shall pay SUB the current estimated cost of installing the
development’s proportionate share of the lines or a minimum of
$1,339 per lot, whichever is greater. In addition, if a dual water line
system is required (water lines on both sides of the street), the
developer will be required to pay the full cost to duplicate the water
line, in addition to any existing line charges.

For purposes of calculating the estimated cost of installing a
development’s proportionate share of the existing line, a minimum
standard shall be half of the estimated installed cost of a 6-inch line
applied to the entire length of the development that is adjacent to the
water line, including street crossings and double-frontage lots. If a
larger line size is required, the appropriate charges will be made
based on need.

G. The minimum water line charge is $1,339 for an existing waterline.
The actual charge shall be based on the average cost of installing
water lines to an average size lot in a typical development. Should a
developer request an exact calculation of any particular piece of
property or development, SUB will perform the necessary
calculations of the actual cost to the developer. Calculations will be
performed on a fee basis, using SUB’s estimated cost, which will
include, but not be limited to, research records, review designs,
review costs, performance of necessary calculations, written reports,
administration, and overheads. Requests for individual review
should be written and be accompanied by fees to cover estimated
costs of analysis.

H. Excess Capacity Credit—Water facilities may be required with more
capacity than is necessary for the development. SUB shall provide
for a credit against an improvement development fee for the
construction of qualified public water facilities when: (a) the facility is
not located on or contiguous to the development; or (b) the facility is
located in whole or in part on or contiguous to the development and
the facility is required to be built with more capacity than is necessary
for the development to which the fee is related. The credit shall be only the fee charged for the type of improvement being constructed, and only for the cost of that portion of such improvement that exceeds SUB's standard requirements needed to serve the development. When the construction of a qualified public improvement gives rise to a credit amount greater than the improvement fee that would otherwise be levied against the project receiving development approval, the excess credit may be applied against improvement fees that accrue in subsequent phases of the original development project. Credits shall be used not later than ten (10) years from the date the credit is given.

4. Advance Funding

Developers may be required to enter into advance funding contracts with SUB to pay for water system facilities that may be directly utilized by others in the future.

The contract will provide for a ten-year reimbursement period for funds so advanced. Funds advanced shall be total project cost less the developer's proportionate share of the project costs. Annually, SUB shall review subsequent developments that take water service and/or fire protection directly from facilities addressed in the advance-funding contract. The developer who entered into the contract shall receive reimbursement equal to charges collected from subsequent developers to pay for the facilities directly utilized by other properties and which are covered by the contract. The developer shall be reimbursed from revenues generated by the Water Division only.

A developer receiving reimbursement shall receive no more than the amount advanced under the contract, plus interest as specified below. No further reimbursement shall be made by SUB after expiration of the advance funding contract, even if total reimbursement has not been made.

SUB shall make payments on January 1st of each year to the developer as outlined above, plus interest on the amount of advanced funds held by SUB during the previous twelve (12) months. The interest rate shall be equal to the posted rate appearing in the State of Oregon Bond Index for Ten-Year Oregon A-Rated Bonds. The Bond Index will be the average rate published for the week prior to the actual signing of the contract.
5-1-2 WATER DRC SURCHARGE FOR UPPER LEVEL DEVELOPMENTS. This is an interpretation of the current DRC policy of charging more when a development is on the second or higher pumping level.

"Facilities", as defined in this policy, include, but will not be limited to, upper level reservoirs, pump stations, parallel lines with different pressure level zones, related control cables for water system interties, land rights purchase and access developments.

The additional funds collected from second or higher pumping levels will be restricted in use and not be available for the general operation or construction of the water utility. The funds collected will be restricted to any future second level or higher development costs as defined under "Facilities."

The funds collected from second or higher levels will be collectively accounted for in an account called "upper level development fund." No effort will be made to account for each pumping level separately, or areas within a pumping level.

The cost of upper level facilities will be provided from the upper level development fund only after sufficient development has occurred in the first level pressure zone to adequately recover the Utility’s investment in all first level facilities (i.e., 80 percent of amortization of all first level storage and pump station capital expenses).

The utility may allow intermediate or temporary facilities to be financed by a developer to provide water service for a short period of time to smaller or isolated parcels of land in the upper level system. The temporary facilities would be constructed to SUB construction standards. Plans for the temporary facilities shall consider the long-range water system requirements for the upper level water system. All other development fees and conditions for development as defined by the Utility Board Policies would apply, including collection of the upper level pumping and reservoir connection charges.

It is the intent of this policy to have, as surcharge monies become available, the upper level development fund cover 100 percent of its assigned facilities cost, except for the upper level storage reservoirs.

The cost of upper level reservoirs will be partially funded by development charges and partially funded by water rates. The SUB Board will allocate the portion of upper level reservoir costs funded by water rates based on a proportion of benefits received by the upper level customers versus benefits received by the first level customers from the upper level reservoirs. SUB’s current policy is to fund 30 percent of the upper level reservoirs from rates and 70 percent of upper level reservoirs from the upper level improvement fund.
If there is not enough money available in the upper level development fund to cover the assigned portion of the cost, then money from the "renewal and replacement fund" will be made available on an interest-free loan basis to the upper level development fund until such time as the DRC surcharges for upper level developments repay any needed interfund loan. If there is not, or it appears there will not be, enough money available in both the upper level development fund and the renewal and replacement fund, then advances may be requested from the developer or the facility construction may be deferred.

Cost allocation between developers and SUB is as follows:

1. **Upper Level Pump Station Costs**—Fully funded from the development fees collected by SUB and collectively accounted for in the “upper level development fund.” If development fees in the “upper level development fund” that have been collected by SUB are not available, then developer is required to fully finance the total construction of the pump station facility costs (land rights, pump station, transmission, controls, security, telecommunications, etc.). SUB will reimburse the developer according to the excess capacity credit and the advance funding language contained in the existing SUB development policies.

2. **Upper Level Storage Costs**—Thirty percent of the pre-construction costs established by bids, estimates or other methods satisfactory to SUB of the upper level total construction storage costs (land rights, reservoir, piping, controls, security, telecommunications, etc.) to be funded by SUB from water rates. The remaining 70 percent of the upper level total construction storage costs to be fully funded from the development fees collected by SUB and collectively accounted for in the “upper level development fund.” If development fees in the “upper level development fund” that have been collected by SUB are not available, then the developer is required to finance 75 percent of the remaining upper level total construction storage costs (75 percent of the remaining 70 percent equaling 52.5 percent of the upper level total construction storage cost). SUB will finance the remainder of the upper level total construction storage cost (the remaining 17.5 percent of the upper level total construction storage cost). In no case shall SUB finance more than 50 percent of the upper level total construction storage costs (including the 30 percent portion of upper level total construction storage costs to be financed by SUB from water rates). The calculation of upper level total construction storage cost shall include any local, state or federal tax benefits the developer receives for the upper level development facilities, such as donation of property or facilities. The intent is that any tax advantages received by the developer will be equally (50/50) shared with
SUB. SUB will reimburse the developer according to the excess capacity credit and the advance funding language contained in the existing SUB development policies.

3. SUB may contribute cash to the upper level facility total construction facility costs (pump station facilities or storage facilities) as set forth in (1) and (2) above and can contribute towards financing of the upper level facilities by providing “in-kind” work such as, but not limited to, pipeline construction, control facilities, connecting pump stations to reservoirs, etc. The value of any work provided by SUB would be based on the SUB job cost accounting system including SUB overheads. The value of any such “in-kind” work shall be credited toward SUB’s contribution amount set forth in (1) and (2) above, regardless of the developer's actual final cost.

5-1-3 DEVELOPMENT/REDEVELOPMENT CHARGES CLARIFICATION (1/1/81). Meter modifications due to: (a) customer/owner request; (b) SUB request during reconstruction or repair of water lines; or (c) sale of individual units in a multi-unit structure (minor partition), shall be considered circumstances for waiver of the connection charge (for water source and transmission facilities), the storage charge, and the existing facilities charge when the structure to be served existed prior to January 1, 1981, and was an existing SUB customer. The decision to waive these fees shall be made by the general manager or his designee, based upon a finding that the property in question has met the criteria established herein. The minimum charge shall be the prevailing new meter installation charge. However, the complete installation charge shall be based on the complete cost of installation, including labor, material, overhead costs and permits.

5-1-4 WATER MAIN EXTENSIONS AND SERVICE LINES OUTSIDE CITY LIMITS. Water mains may be extended outside the city limits only on specific authorization of SUB and approval by the city council and other agencies having legal jurisdiction. Charges shall be applicable development and redevelopment charges, or actual costs (including labor, materials and overheads), whichever is greater.

5-1-5 INSTALLATION OF METERS ON PRIVATE LINES. Private water lines serving fire hydrants (private or public), private fire systems, or SUB-owned water meters may need new water meters installed at the connection point of the private line to the SUB-owned water system. Unmetered private water lines may leak, may not be located properly, may be the subject of illegal connections, may be unprotected cross connections, or experience other problems that would be detrimental to the SUB water system and its customers.
In order to insure that water quality is protected in the SUB system and all water use is charged to the owner of the private water lines, the owner of the private water lines shall be responsible for the cost of one or more new meter installations at the connection between the private line and the SUB water line. The new meters shall be installed if the water lines remain under private ownership and any one of the following conditions exist in the opinion of the division director: (a) the lines/hydrants do not receive adequate maintenance; or (b) leaks are not repaired in a timely manner; or (c) unauthorized and/or unmetered connections are made to the private line; or (d) the private line possesses a risk of backflow or cross connection to the SUB system. SUB may install the meters to protect its other water customers and charge the owner of the private line for the installation. Payment would be negotiated between SUB and the owner of the private line. If the negotiations were not successful, and the owner of the private line refused to pay for the new meter installation, water service would be terminated, following SUB’s standard procedures for termination of service.

5-1-6 EFFECTIVE DATE OF POLICY. The connection charges, water storage charge, new meter installation charge, existing facility charge, transmission charge, and upper level development charge referenced in this policy shall be adjusted annually in accordance with changes to a construction index defined as the Seattle Engineering News Record Construction Cost Index (Feb-Feb). In addition, all other specific water development costs, charges and fees referenced in this policy shall be adjusted annually based on actual historical costs, and/or projected costs for capital improvements to Springfield Utility Board’s water system.

SECTION II. CROSS CONNECTIONS

5-2-1 CROSS CONNECTIONS. SUB recognizes that it has a responsibility to provide its customers at the service connection with water that is safe under all foreseeable circumstances. In the exercise of this responsibility, SUB must take reasonable precautions to protect its water system from the hazards originating on the premises of its customers that may degrade and contaminate the water in the public water supply system.

This policy regulates cross connections within the public water supply system. Cross connections are actual or potential interties within a plumbing system where contaminated water may enter into the domestic water supply system.

SUB adopts by reference the Oregon Administrative Rules Chapter 333, Sections 061-0070 through 061-0072 and subsequent applicable rules. It shall be the duty of the Water Division to cause inspections to be made of all
properties served by the public water supply where cross connections with the public water supply are deemed possible. The frequency of inspections and re-inspections based on potential health hazards involved shall be established by the Water Division and as approved by the Oregon State Health Division.

Upon due notice to the property owners involved, the representative of the Water Division shall have the right to enter at any reasonable time, any property served by the connection to the public water supply system operated by SUB for the purpose of inspecting the piping system or systems thereof for cross connections. On SUB’s request, the owner, lessees, or occupants of any property so served shall furnish to the inspection agency any pertinent information regarding the piping system or systems on such property. The refusal of such information or refusal of access, when requested, shall be deemed an indication of potential cross connections and an associated threat to public health.

The Water Division is authorized and directed to discontinue water service after reasonable notice to any property wherein any connection in violation of this policy exists, and to take such other precautionary measures deemed necessary to eliminate any danger of contamination of the public water supply system. Water service to such property shall not be restored until the cross connection(s) have been eliminated in compliance with the provisions of this policy.

If desired by the customer, SUB personnel at the customer’s expense may install a backflow prevention device. The customer shall deposit in advance SUB’s cost of the device and installation.

This policy does not supersede local plumbing codes or state uniform plumbing codes and their subsequent revisions, but is supplementary to them.

SECTION III. TIME PAYMENT OF WATER SYSTEM DEVELOPMENT CHARGES

5-3-1 TIME PAYMENT OF WATER SYSTEM DEVELOPMENT CHARGES FOR CUSTOMERS ACQUIRED BY SUB. Whenever water customers who are receiving service from an existing water system join the SUB water system, and they do not have access to or the benefit of facilities financed by water system development charges as described in SUB policies, the water customers joining SUB will pay SUB water system development charges for their water service at the rate described in SUB policies and in the manner described as follows:

1. Water system development charges will be calculated for each water service, but collected and credited from the water customers within the territory joining SUB as a whole;
2. A water customer may pay the development charge for their service at the time they join the SUB system, according to policies in place at the time they join the SUB water system, or the water customer may defer the system development charge and pay for the water system development charge in the monthly water bill;

3. If the water customer chooses to pay on a monthly basis, a surcharge will be applied to the monthly water bill as follows: A monthly fixed surcharge will be applied as a flat monthly rate to each service, for a specified period of time. The total amount of deferred water system development charges and the interest rate assumed (if any) in the repayment schedule will be determined by the Board. The collection of the deferred development charges will extend until the aggregate amount required from the acquired system is paid in full; and

4. When the deferred water system development charge has been paid in full, the surcharge will be removed. No property lien will be required, but nonpayment will result in the termination of water service. Any water customer may pay off the deferred water system development charge for his or her own individual water service at any time. The fixed surcharge would be eliminated for that customer accordingly.

SECTION IV. WATER QUALITY ASSISTANCE

5-4-1 CUSTOMER ASSISTANCE. SUB will endeavor to provide assistance to those customers who are experiencing problems with their water quality or quantity in areas of water systems under private ownership. This assistance may be in the form of leak detection, water quality investigation, hydrant and line repair, backflow prevention, or pump installation/maintenance problems. This aid is of a low priority and will be done only as time is available. In addition, it is SUB's intent to charge for this service whenever it exceeds reasonable and prudent time limits, in the opinion of the division director. Any charges must be agreed to by written agreement between the customer and SUB, and a method of payment arranged.

An individual customer may require water services that exceed SUB’s standard service delivery of water, or may require water quality in excess of state and federal standards in order to meet their need for water used in special processing, manufacturing or other uses. SUB may provide higher quality services and/or higher quality water when SUB and the customer develop a written agreement which defines: (1) the new standards to be met or new services to be offered; (2) the period of time when SUB will maintain the new standards of services; (3) the
cost to the customer to achieve these higher standards or services; and (4) the method of payment for the higher standards or services.

SECTION V. POINT OF DELIVERY

5-5-1 POINT OF DELIVERY. The water utility's responsibility ends at the point of delivery, normally the meter. The water, its use and the facilities past the meter are the sole responsibility of the consumer. SUB makes no guarantee nor takes responsibility for reading the meters every month. SUB guarantees that the meter will be read at least every six months.

SECTION VI. STANDARDS AND SPECIFICATIONS

5-6-1 STANDARDS AND SPECIFICATIONS. SUB will establish and utilize standards and specifications that are consistent with nationally accepted criteria for water service, maintenance, and construction. It will provide a safe drinking water supply that meets or exceeds national standards for water quality as defined by state and federal agencies.

5-6-2 PROHIBITED CHEMICALS. The Springfield Drinking Water Protection Plan, adopted by the respective Boards of SUB on April 14, 1999, Rainbow Water District on April 14, 1999, and the Springfield City Council on May 17, 1999, identifies Springfield Drinking Water Protection Areas and recommends prohibiting all new uses of Dense Non-Aqueous Phase Liquids (DNAPLs) within the 0-10-year Time of Travel Zones. DNAPLs have been determined to be very dangerous to the drinking water supply. SUB has developed a definition of DNAPLs and a list of known DNAPL chemicals that will be used by the City of Springfield in Code amendments and Ordinances to implement the Springfield Drinking Water Protection Plan. A list of these DNAPLs is located in Appendix I of this Policy Manual.

SECTION VII. APPEALS PROCEDURES

5-7-1 APPEALS PROCEDURES. A person challenging the methodology for calculating the fee or a person challenging the propriety of an expenditure of development/redevelopment fee revenues may appeal the methodology or expenditure decision by filing a written request with the general manager's office for consideration by the utility's Board of Directors. A person challenging any other decision or policy may file an appeal by filing a written request with the general manager's office for consideration by the general manager. All appeals shall
describe with specificity the methodology, expenditure, or decisions from which the
person appeals and shall comply with sections 5-7-2 and 5-7-3 of this policy.

5-7-2 APPEAL OF EXPENDITURE. An appeal of an expenditure must be filed with the
general manager within two (2) years of the date of the alleged improper
expenditure. Appeals to the general manager of any other decision including
methodology for calculating the fee must be filed with the general manager's office
within ten (10) working days of the date of the decision. (See 5-7-9 for statute of
limitations regarding legal action to contest methodology).

5-7-3 APPEAL STATEMENT. The appeal shall state:

1. The name and address of the appellant;
2. The nature of the determination being appealed;
3. The reason the determination is incorrect; and
4. What the correct determination of the appeal should be.

An appellant who fails to file such a statement within the time permitted waives
his/her objections, and his/her appeal shall be dismissed.

5-7-4 APPEAL SCHEDULING. Unless the appellant and the general manager agree to a
longer period, an appeal shall be heard by a Hearings Officer designated by the
general manager or Board within fifteen (15) working days of the receipt of the
notice of intent to appeal. Such Hearings Officer may be a SUB employee and
shall be an engineer, accountant, or other individual with experience in the subject
matter of the appeal. At least ten (10) working days prior to the hearing, the Utility
Board shall mail notice of the time and location thereof to the appellant.

5-7-5 APPEAL HEARING. SUB's Board or Hearings Officer, as appropriate, shall hear
and determine the appeal on the basis of the appellant's written statement and
any additional relevant evidence presented by the appellants. At the hearing, the
appellant may present testimony and oral argument personally or by counsel.
The rules of evidence as used by courts of law do not apply.

5-7-6 BURDEN OF PROOF. The appellant shall have the responsibility of proving that
the determination or decision being appealed is incorrect and what the correct
determination or decision should be.

5-7-7 WRITTEN DECISION OF APPEAL BY HEARINGS OFFICIAL. On appeals
heard by the Hearings Official, the Hearings Official shall issue a written decision
within ten (10) working days after the hearing date and the decision of the Hearings Officer shall be applicable to SUB.

5-7-8 APPEAL TO THE BOARD. Appellants shall also have the option of appealing the Hearings Officer’s decision to SUB’s Board of Directors. Appeals shall be filed with the general manager’s office no later than 30 days after the hearing date.

When the decision of the Hearing Official is appealed to the utility’s Board, the Hearings Official shall prepare a written report and recommendation and submit it to the Board within ten (10) working days of receiving a notice of appeal for presentation to the Board at its next regular meeting. Further testimony regarding the appeal may be received by the Board only with the consent of two-thirds (2/3) of the members of the Board. By Board resolution, the report and recommendations of the Hearings Official shall be approved, modified, or rejected. Any legal action contesting the Board’s decision on the appeal shall be filed within sixty (60) calendar days of the Board's decision.

5-7-9 CONTESTING METHODOLOGY. In the event a person or entity intends to contest the methodology used for calculating a development/redevelopment fee by use of a legal action, such legal action must be filed within not less than sixty (60) days following the adoption or modification of the development/redevelopment charge ordinance or resolution by the local government.