



Folsom City Council Staff Report

MEETING DATE:	11/10/2020
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 10554 – A Resolution Authorizing Payment from the Water Operating Fund for Permit and Inspection Fees Associated with Pinhole Leak Repairs
FROM:	Community Development Department

RECOMMENDATION / CITY COUNCIL ACTION

Staff respectfully requests that the City Council pass and adopt Resolution No. 10554 - A Resolution Authorizing Payment from the Water Operating Fund for Permit and Inspection Fees Associated with Pinhole Leak Repairs.

BACKGROUND / ISSUE

The City has received multiple reports of small pinhole water leaks in local residential and business copper pipes starting in July 2020. There are currently more than 1,100 reported incidents in the City. As presented at City Council meetings on October 13th and 27th 2020, the City has consistently followed and met (and often exceeded) all federal and state drinking water regulatory requirements. Notwithstanding the safe and high-quality drinking water delivered by the City to Folsom residents and businesses, the City's consultant recommended, and the City promptly commenced, the addition of orthophosphate in the water treatment process in an effort to inhibit pit initiation and slow or mitigate pit propagation on the interior of copper pipes.

As communicated by residents, many of those impacted by pinhole leaks have completed or planned plumbing repairs to mitigate leaks. The California Plumbing Code (CPC) requires a permit for the installation, alteration, repair, replacement, or remodel of a portion or a full plumbing system. The CPC does allow for clearing of stoppages and repairing of leaks as long as the work does not include the replacement or rearrangement of valves, pipes, or fixtures.

Several residents impacted by pinhole leaks have expressed frustration with permit and fee requirements and have requested or recommended that permit and inspection fees for repairs for re-piping be waived.

POLICY / RULE

City Council approved Ordinance No. 1298 adopting California Building Codes, including the California Plumbing Code establishing the permit and inspection requirements for re-piping. Additionally, City Council approved Resolution No. 10479 establishing fees for building permits and inspections.

ANALYSIS

Section 104 of the California Plumbing Code establishes that a permit is required for the installation, alteration, repair, replacement, or remodel of a portion or a full plumbing system. In addition, gaining access to the plumbing system inside of walls, floors and roofs often require the removal of gypsum board, tile, and may affect other building systems such as shear walls and fire assemblies that require permits and inspections.

While a permit is required, the plans submitted for this work do not provide the level of detail to determine where the pipes are located in the house. This work is customarily performed by a contractor, and inspected by the City in the field, without “as built” plans being generated. Typically, only the plumbing components that would be on the “as built” plan would be locations of fixtures such as sinks, water closets and the water heater.

Over the last three months, there has been an increase in re-pipe permits submitted to the City’s Community Development Department. The table below summarizes the number of permits, average valuation, and average permit cost (which is based in part on the valuation of work). The valuations vary substantially presumably due to the amount of plumbing in the house, the difficulty of the access to the plumbing, the cost of the finishes being disrupted, and the material being used to replace the plumbing. In addition, some of the valuations include replacement of the water heater and installation of a filtration system. Most valuations were in the \$8,000 to \$16,000 range with a high near \$30,000.

Month	August	September	October (to date)
Number of Re-pipe Permits	10	36	53
Average Valuation	\$9,664	\$11,945	\$12,695
Average Permit Cost	\$217	\$238	\$248

A typical re-piping job requires two or three inspections. The first is when the chases are opened up and the plumbing is installed allowing the inspector to verify the plumbing is installed and secured properly. If there is a substantial amount of surfaces removed or the removal affected a shear wall or fire assembly (this should be determined at the first inspection), an intermediate inspection would be required to verify the re-construction is

Code compliant before finishes are installed. The final inspection verifies the work is complete and no code violations exist. Of course, if work is found to be in violation of the code or they only do a portion of the work at a time, additional inspections would be required.

The City's Water Operating Fund (Fund 520) accounts for expenses related to water utility operations. Staff respectfully recommends that the City's permitting and inspection fees related to pinhole leak repairs be determined a water utility expense payable by the Water Operating Fund to the General Fund. Furthermore, if authorized by the Council, applicants who have already paid the permit and inspection fees for pinhole leak repairs may receive a refund of their fees from the Water Operating Fund.

FINANCIAL IMPACT

Sufficient funds are available in the FY 2020-21 Water Operating Fund (Fund 520) budget for permit fees and inspections associated with pinhole leak repairs. Given an average repipe permit fee of \$235, permit and corresponding inspections for 1,500 permits could have a potential financial impact on the Water Operating Fund of approximately \$353,000.

ENVIRONMENTAL REVIEW

The authorization of funds is not considered a project under the California Environment Quality Act (CEQA) in accordance with CEQA Guidelines Section 15061(b)(3). Additionally, repair of existing facilities is a categorical exemption under CEQA. As a result, these actions are exempt from environmental review.

ATTACHMENT

1. Resolution No. 10554 -- A Resolution Authorizing Payment from the Water Operating Fund for Permit and Inspection Fees Associated with Pinhole Leak Repairs

Submitted,



Pam Johns, Community Development
Director

Submitted,



Marcus Yasutake, Environmental and Water
Resources Director

RESOLUTION NO. 10554

**A RESOLUTION AUTHORIZING PAYMENT FROM THE
WATER OPERATING FUND FOR PERMIT AND INSPECTION FEES
ASSOCIATED WITH PINHOLE LEAK REPAIRS**

WHEREAS, the City of Folsom has received multiple reports of small pinhole water leaks in local residential and business copper pipes starting in July 2020; and

WHEREAS, the City of Folsom has consistently followed and met (and often exceeded) all federal and state drinking water regulatory requirements; and

WHEREAS, notwithstanding the safe and high-quality drinking water delivered by the City to Folsom residents and businesses, the City has taken consultant recommended steps to inhibit pit initiation and slow or mitigate pit propagation on the interior of copper pipes; and

WHEREAS, many of those residents and business owners impacted by pinhole leaks have completed or planned plumbing repairs to mitigate leaks; and

WHEREAS, the California Plumbing Code requires a permit for the installation, alteration, repair, replacement, or remodel of a portion or a full plumbing system; and

WHEREAS, the City's Community Development Department has seen an increase in repipe permits over the last three-month period at an average permit cost of \$240; and

WHEREAS, the City's Water Operating Fund (Fund 520) accounts for expenses related to water utility operations; and

WHEREAS, sufficient funds are available in the FY 2020-21 Water Operating Fund (Fund 520) budget for permit fees and inspections associated with pinhole leak repairs.

NOW, THEREFORE, BE IT RESOLVED that the permitting and inspection fees collected by the Community Development Department related to pinhole leak repairs are a water utility expense payable by the Water Operating Fund to the General Fund.

BE IT FURTHER RESOLVED that permit applicants who have already paid the permit and inspection fees for pinhole leak repairs may receive a refund of their fees from the Water Operating Fund.

PASSED AND ADOPTED this 10th day of November 2020, by the following roll-call vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

ABSTAIN: Council Member(s):

Sarah Aquino, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

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