



TRUCKEE MEADOWS WATER AUTHORITY
Board of Directors

AGENDA

Wednesday, February 19, 2020 at 10:00 a.m.
Sparks Council Chambers, 745 4th Street, Sparks, NV

Board Members

Chair Vaughn Hartung
Member Neoma Jardon
Member Jenny Brekhus
Member Paul Anderson

Vice Chair Kristopher Dahir
Member Jeanne Herman
Member Naomi Duerr

NOTES:

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), Reno City Hall (1 E. First St., Reno), Sparks City Hall (431 Prater Way, Sparks), Sparks Justice Court (1675 E. Prater Way, Sparks), Washoe County Courthouse (75 Court St., Reno), Washoe County Central Library (301 South Center St., Reno), Washoe County Administration (1001 East Ninth St., Reno), at <http://www.tmwa.com>, and State of Nevada Public Notice Website, <https://notice.nv.gov/>.
2. In accordance with NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call (775) 834-8002 at least 24 hours before the meeting date.
3. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at <http://www.tmwa.com/meeting/> or you can contact Sonia Folsom at (775) 834-8002. Supporting material is made available to the general public in accordance with NRS 241.020(6).
4. The Board may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
5. Asterisks (*) denote non-action items.
6. Public comment is limited to three minutes and is allowed during the public comment periods. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk. In addition to the public comment periods, the Chairman has the discretion to allow public comment on any agenda item, including any item on which action is to be taken.
7. In the event the Chairman and Vice-Chairman are absent, the remaining Board members may elect a temporary presiding officer to preside over the meeting until the Chairman or Vice-Chairman are present (**Standing Item of Possible Action**).
8. Notice of possible quorum of Western Regional Water Commission: Because several members of the Truckee Meadows Water Authority Board of Directors are also Trustees of the Western Regional Water Commission, it is possible that a quorum of the Western Regional Water Commission may be present, however, such members will not deliberate or take action at this meeting in their capacity as Trustees of the Western Regional Water Commission.

1. Roll call*
2. Pledge of allegiance*
3. Public comment — limited to no more than three minutes per speaker*
4. Approval of the agenda (**For Possible Action**)
5. Approval of the minutes of the January 15, 2020 meeting of the TMWA Board of Directors (**For Possible Action**)

6. Discussion and action, and possible direction to staff regarding the feasibility study of a potential Orr Ditch Hydroelectric plant — Brent Eisert and Pat Nielson **(For Possible Action)**
7. PUBLIC HEARING ON RULE AMENDMENTS
 - A. Rule Amendment, Second Hearing and Adoption: Discussion and action on Resolution No. 281: A resolution to adopt amendments to Rule 7 water demand estimates for new or modified service applications — John Zimmerman and Laine Christman **(For Possible Action)**
 - B. Public comment — limited to no more than three minutes per speaker*

CLOSE PUBLIC HEARING

8. Discussion and action, and possible approval of a Second Amendment to Contract for Delivery of Water between TMWA and the Sun Valley General Improvement District — John Zimmerman **(For Possible Action)**
9. PUBLIC HEARING ON RULE AND RATE AMENDMENTS
 - A. Introduction and first reading of amendments to TMWA Wholesale Water Rates, Large Volume Resale Service (LVS) rate tariff (currently applicable to the Sun Valley General Improvement District wholesale water agreement) — John Zimmerman **(For Possible Action)**
 - B. Introduction and first reading of amendments to TMWA Rule 2 general conditions for delivery of water, Rule 3 application for, and discontinuance, termination, and restoration of the delivery of water, and Rule 4 payment for the delivery of water — Michele Sullivan **(For Possible Action)**
 - C. Introduction and first reading of amendments to TMWA Rule 5 Water System Facilities and Rule 6 Service and Meter Facilities — Scott Estes and Tiffany Anderson **(For Possible Action)**
 - D. Public comment — limited to no more than three minutes per speaker*

CLOSE PUBLIC HEARING

10. Discussion and action, and possible direction to staff regarding the appointment of Chris Melton to the Standing Advisory Committee (SAC) to fill the wholesale customer representative alternate for term beginning February 1, 2020 to December 31, 2021 — Sonia Folsom **(For Possible Action)**

11. Discussion and possible action on request for Board approval to settle a lawsuit with Farr Construction Corporation dba Resource Development Company (Second Judicial District Court Case No. CV17-00968) regarding construction of improvements to Fleish hydro facility— John Zimmerman (**For Possible Action**)
12. General Manager's Report*
13. Public comment — limited to no more than three minutes per speaker*
14. Board comments and requests for future agenda items*
15. Adjournment (**For Possible Action**)

TRUCKEE MEADOWS WATER AUTHORITY
MINUTES OF THE JANUARY 15, 2020
DRAFT MEETING OF THE BOARD OF DIRECTORS

The Board of Directors met on Wednesday, January 15, 2020, at Sparks Council Chambers, 745 4th Street, Sparks Nevada. Chair Hartung called the meeting to order at 10:11 a.m.

1. ROLL CALL

Members Present: Paul Anderson, Jenny Brekhus, Kristopher Dahir, *Naomi Duerr, Neoma Jardon, Vaughn Hartung, and Jeanne Herman.

A quorum was present.

**Member Duerr was present via telephone.*

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Gordon DePaoli.

3. PUBLIC COMMENT

There was no public comment

4. APPROVAL OF THE AGENDA

Upon motion by Member Dahir second by Member Jardon, which motion duly carried by unanimous consent of the members present, the Board approved the agenda.

5. APPROVAL OF THE MINUTES OF THE DECEMBER 12, 2019 MEETING

Upon motion by Member Dahir, second by Member Herman, which motion duly carried by unanimous consent of the members present, the Board approved the December 12, 2019 minutes.

6. INFORMATIONAL PRESENTATION ON THE STATE ENGINEER'S ADJUDICATION PROCESS

John Zimmerman, TMWA Water Resources Manager, provided an overview of water rights and the adjudication process of water rights.

Board members inquired about the moratorium set by the State Engineer's office in Cold Springs and impact on the Stonegate development. Mr. Zimmerman stated there is no impact and Stonegate is the exception because it is in our service territory, but staff is monitoring the events. Member Brekhus asked whether the Board should ask the State Engineer to adjudicate basins in which TMWA holds water rights. Mr. Zimmerman stated this request would not be necessary in basins in which TMWA holds water rights and would require a lot of staff time and resources. Ms. Brekhus also asked how would water rights be allocated if all the water rights were sold and the region experiences another drought. Mr. Zimmerman explained that the priority date of the water right controls and whoever appropriated rights to the source first would be entitled to take first in times of shortage and then the second person/party in line, and so forth.

7. PUBLIC HEARING ON RULE AMENDMENT

A. INTRODUCTION AND FIRST READING OF AMENDMENTS TO TMWA RULE 7 WATER DEMAND ESTIMATES FOR NEW OR MODIFIED SERVICE APPLICATIONS

Mr. Zimmerman stated staff has presented this item to the Board, the Standing Advisory Committee, and conducted public outreach. With no additional public comments received, staff is recommending the Board move forward to a second reading.

Member Brekhus asked if staff could add commentary boxes in terms to explain significant changes to Rule 7 and asked why staff recommended deleting Truckee Meadows Resource Area (TMRA) definition from Rule 7. Mr. Zimmerman replied staff would look at adding comments, that the TMRA is the area that can be served by Truckee River resources, but definition in Rule 7 applies to required dedication amount, which would be the same analysis whether a project is in an area that could be served by Truckee River resources or not so TMRA definition was not necessary. Member Brekhus asked if the Vidler water resources were Truckee River resources or serving areas in TMRA. Mr. Zimmerman responded that Vidler/Fish Spring water system is not part of the Truckee River water system, but could serve projects within TMRA.

B. PUBLIC COMMENT

There was no public comment.

Upon motion by Member Jardon, second by Member Dahir, which motion duly carried by unanimous consent of the members present, the Board

**approved to refer amendments to TMWA Rule 7 water demand estimates
for new or modified service applications to a second reading.**

**8. PRESENTATION OF TRUCKEE RIVER FUND ACTIVITIES FOR CALENDAR
YEAR 2019**

John Enloe, TMWA Director of Natural Resources, presented the staff report and provided an overview of all projects funded in 2019.

**9. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF
REGARDING THE IMPLEMENTATION OF THE PREVIOUSLY APPROVED
THIRD PHASE RATE ADJUSTMENT OF UP TO 2.5% CURRENTLY SCHEDULED
TO BE IMPLEMENTED ON OR AFTER THE FIRST BILLING CYCLE IN MAY
2020**

Michele Sullivan, TMWA Chief Financial Officer, reminded the Board of presenting the 5-year funding plan at their October 2019 meeting at which time staff recommended the 2.5% rate increase be implemented in the May 2020 billing cycle as currently scheduled. Since the Board deferred the 2019 rate increase to 2020, it will be 2 years without an increase by the time the increase is implemented in May 2020, and the 2.5% is in line with the Consumer Price Index (CPI) increase.

Discussion followed regarding why the Rate Stabilization Fund (RSF) was not being used now to circumvent a rate increase, and what circumstances would qualify the use of the RSF. Ms. Sullivan replied the 2.5% increase is taking steps towards closing the funding gap, and the RSF (currently at \$9.7m) should be used in the case of another drought year or an economic decline, but ultimately it is at the Board's discretion when to use the RSF. Ms. Sullivan added she could look at what other water utilities use to trigger the use of their RSF and report back to the Board at a future meeting. Mark Foree, TMWA General Manager, added the Board did change the financial policies recently that set some targets for unrestricted cash and the RSF to maintain a good credit rating. Member Brekhus noted that after looking at the financials from last year, she noted that revenue was higher than anticipated and asked whether this rate increase is needed. Ms. Sullivan explained that operating related revenues and expenses, and rehabilitation of current infrastructure, were on track, while developer contributions were higher. She explained that only operating income, expenses, and rehabilitation of the current infrastructure are considered when calculating the funding gap. Member Brekhus requested to revisit this since development contributions are being used elsewhere to redevelop the city center core. She also wanted to know how the current fiscal year is tracking to budget. Ms. Sullivan replied water sales are behind \$2.7 million for the year, but because TMWA is seeing savings in other areas, overall financials are tracking close to budget. Member Duerr requested that the Board see a comparison of the projections to actual over the last several years to better determine the accuracy of projections. Ms. Sullivan said she showed projections with comparisons dating back to 2017 at the October 2019 meeting and can do that again. Member Duerr also requested considering a postponement of the rate increase until fall, after the irrigation season. Ms. Sullivan responded that customers understand their bills increase in the spring when the irrigation season

begins, and since there has not been an increase in two years, and there is a significant funding gap she recommended not delaying the increase.

At this time Board Members thanked staff for their clear and simple explanation, and expressed approval and support of the 2.5% rate increase, the equivalent of cost of living increase, a merited step to maintain stability and protect our water resource.

Michael Pagni, TMWA General Counsel, explained no Board action was needed today to implement the 2.5% increase as the three remaining increases, approved by the Board under Resolution 269, will continue to be implemented in the manner and at the time previously approved without any further Board action. The Board may evaluate the financial position before implementation of these future increases and consider to defer or cancel at that time. Ms. Sullivan added she will return with a funding plan in October and can discuss the rate increase for the following May at that time.

No action taken. The previously approved rate adjustment will be implemented in the May 2020 billing cycle.

10. DISCUSSION AND ACTION, AND POSSIBLE DIRECTION TO STAFF REGARDING REVIEW OF AND POSSIBLE AMENDMENTS TO THE RULES AND REGULATIONS OF THE TMWA BOARD OF DIRECTORS ORIGINALLY ADOPTED MARCH 16, 2001 AND AMENDED MAY 8, 2002

Mr. Zimmerman stated at last month's Board meeting, Board Members expressed concerns about a letter written from Member Brekhus to Mr. Pagni requesting him to step down from representing either Stonegate or TMWA. Board Members also requested staff to look into bylaws, rules and regulations and consider language that would set parameters for how to properly request an agenda item on matters regarding appointment, suspension or removal of contractors approved by the Board and communications with the media. Staff has looked at TMWA's bylaws, the Cities of Reno & Sparks, and Washoe County for suggested language. Since the letter was directed to Mr. Pagni, staff obtained independent legal counsel from Gordon DePaoli, Woodburn & Wedge.

Vice Chair Dahir specified the proposed amendments to Board rules did not have to do with the conflict of interest issue or the request made to Mr. Pagni, rather the method in which the Board Member went about making it public and how it was perceived as representing the TMWA Board (which was not the case). Any decision made by the Board should be brought back to the Board to discuss questions, concerns or issues, and parameters should be established to ensure this does not happen again. As members of the TMWA Board we should function together and respect each other.

Member Brekhus explained her letter addressed to Mr. Pagni regarding her concerns of conflict of interest in his representing both TMWA and Stonegate, did not violate any rules and regulations as written, nor the proposed amendments. She stated it is important to revisit the rules especially with new Board Members, but expressed concerns about the new "Media Communications" section and the possibility of compelled, or restricted, speech and infringing on the First Amendment rights, potentially limiting how the press operates (thereby restricting access to public representatives), and requested to change the amendment language to be more accepting. Mr. Zimmerman replied the language used for the media

communications section was borrowed from Washoe County Rules & Regulations. Mr. DePaoli added the new section does not compel or restrict speech, and there are no penalties with not following the rule, but it is a provision that states Board Members be clear when they are expressing their individual views versus a Board position.

Chair Hartung stated that there is a procedure that should be employed for any Board action as a whole, agreed Member Brekhus writing a letter to Mr. Pagni was appropriate, but she could have shared the letter with Mr. Foree and brought it to the Board's attention in a different way. Instead, Member Brekhus ambushed Mr. Pagni through the press, as such some members of the public believed she was acting on behalf of the TMWA Board which did not serve the Board well. Chair Hartung believes if any Board Member has an issue with a contractor, then it should be brought to the Board to determine whether there is any type of conflict.

Board Members discussed the appearance that the letter, since it was written on City of Reno letterhead, represented the two governing bodies; the proposed language was acceptable and it is not taking away anyone's right to speak nor taking away of any First Amendment rights; they have to be careful when providing comments in public to be clear whether they are personal or official; and no one has the right to speak for another person or entity.

Member Brekhus stated it is problematic for one Board Member to tell another that they are not doing their job correctly, since all Board Members are independent. She continued that she would like to table this and propose a new section regarding the rotation of chairs through the jurisdictions (sharing of responsibility should be uniform on a regional cooperative basis) on annual basis such as is done at the Truckee Meadows Regional Planning Governing Board (TMRPGB).

At this time the Board discussed that it has discretion of who they vote in as chair and vice chair (from any jurisdiction), thereby giving them the flexibility to choose the right person; TMWA is not obligated by statute as is the TMRPGB; and they don't see the need to mandate rotation of chair and vice chair. Also, Member Duerr expressed concerns about the amendment to how an agenda item is requested and if it is detrimental to sharing of ideas to be discussed. Mr. DePaoli responded the intent is to not let that happen, there is no change in how the Board requests agenda items, rather any member can request an agenda item, but if there is an objection, then it becomes a two-step process: request to put it on the agenda to be noticed in accordance with Open Meeting Law, and on the next agenda, if the Board votes in favor of the agenda item, it will be put on the next agenda. If the Board votes to not put it on the agenda, that will be the end of the discussion.

Vice Chair Dahir stated for the record that no one is trying to stifle the media's voice or access to public representatives. Rather, it is a measure to prevent an individual on this Board misrepresenting their personal opinion as that of the entire Board, and to not learn about it in the paper prior to discussing it at a Board meeting.

Member Jardon added the intent of the proposed amendments are fully transparent and are being discussed in an open meeting; the action the Board Member took was non-transparent.

Member Brekhus made a motion, second by Member Duerr, to approve returning the Board Rules & Regulations at a future meeting to include the

new section of the chair rotation of home jurisdictions. The motion failed to pass by a vote of three in favor (Brekhus, Duerr and Herman) and four opposed (Anderson, Dahir, Hartung and Jardon).

Upon motion by Member Anderson, second by Member Dahir, which motion duly carried by six to one with Member Brekhus dissenting, the Board approved the proposed amendments.

11. GENERAL MANAGER'S REPORT

Mr. Foree noted that Member Herman requested staff review the Sun Valley General Improvement District (SVGID) wholesale agreement, and that staff has been working with SVGID on a proposed amendment to the agreement that will allow SVGID to expand its service area to include a new development and that such expansion will necessarily require expansion of TMWA's wholesale service area. Staff is also working on changes to the tier 1 water usage level with SVGID and will bring the proposed modifications to the contract to the Board next month for review.

12. PUBLIC COMMENT

There was no public comment.

13. BOARD COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

There was no Board comment.

14. ADJOURNMENT

With no further discussion, Chair Hartung adjourned the meeting at 11:41 a.m.

Approved by the TMWA Board of Directors in session on _____.

Sonia Folsom, Board Clerk.



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Brent Eisert, Hydroelectric Generation Supervisor
DATE: February 11, 2020
SUBJECT: Discussion and action, and possible direction to staff regarding the feasibility study of a potential Orr Ditch Hydroelectric plant

Summary

The Board asked staff to analyze the feasibility of constructing a small hydroelectric power plant that would support the wintertime power needs of the CBWTP. The CBWTP's annual average power costs for 2017 thru 2019 were \$631,000. The feasibility study shows that the power plant could offset those annual power costs by up to 42%. The project's permitting, design, bidding, and construction costs are estimated at \$5.6M. Taking advantage of over-generation with net-metering as well as renewable energy credits, the return-on-investment time is approximately 23 years with a net present value (NPV) of \$1.4M at 30 years. The facility is expected to operate for 50 years before large maintenance capital expenditures might be required. An additional 30 plus years of operational life is possible beyond the initial 50-year life.

Discussion

With this project, **no new facilities would be constructed in the river.** The project takes advantage of unused capacity in the Highland Canal available during the winter months. Existing infrastructure would be utilized to convey water to a newly constructed one-megawatt power plant located below the CBWTP adjacent to the Orr Ditch Pump Station. The project would not require permitting through the Federal Energy Regulatory Commission (FERC) because it would be a 'Qualifying Conduit Hydropower Facility' that requires only that FERC be notified of it.

Several Federal, state, and local permitting agencies will need to be engaged about the project, however, since all work will be above the river's flood channel elevation, the jurisdiction of many of those agencies may be limited, which would simplify and reduce the cost of the permitting process. Included in the study was site hydrology with daily average flow data from 1998 through 2017. The design capacity of the Highland Canal is 95 MGD and with this project the canal would flow at that capacity year-round to support the CBWTP and new hydroelectric power plant. The Farad water rights were reserved from the sale of that property and a portion (50 cfs) would be transferred to the Highland Diversion for use by the new hydroelectric plant.

New infrastructure for the power plant would include a traveling screen, intake screen structure, turbine/generator equipment vault, and piping connections. The project would utilize existing electrical infrastructure for connection to the CBWTP.

Project benefits

- No new in-river structures.
- Green Energy - Aligns with the Governor's Executive Order 2019-22 for greenhouse gas reduction goals and the recently enacted Senate Bill SB 358, which requires regulated utilities to source 50% of their electricity from renewable energy by 2030.
- Increases TMWA's hydroelectric profile to 7.7 megawatts.
- The new power plant facility would offset approximately 42% of the CBWTP annual power costs.
- Self-reliant clean energy power supply for the CBWTP during winter months and potentially during emergency power outages.
- TMWA customers ultimately benefit from the investment.

Recommendation

Staff recommends the Board approve proceeding with permitting, design, bidding, and construction of a one-megawatt hydroelectric power plant to be utilized mainly for powering the Chalk Bluff Water Treatment Plant (CBWTP) during winter months.

Orr Ditch Hydroelectric Project

Presentation

February 19, 2020

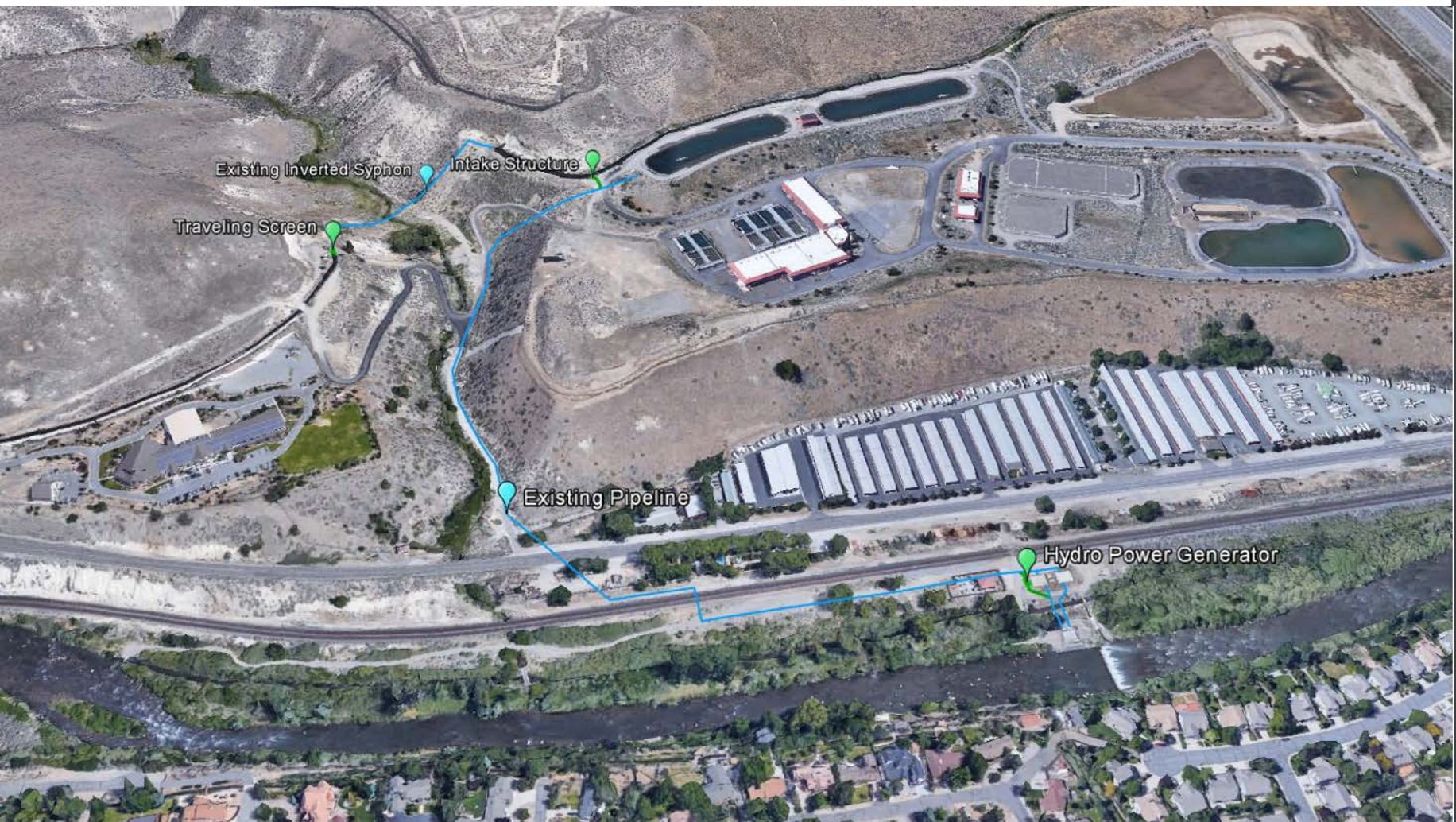


Executive Summary

- TMWA was tasked by its Board of Directors with conducting a project feasibility study for determining the practicality of constructing a small hydroelectric project that would support the power needs of the Chalk Bluff Water Treatment Plant (CBWTP), during the winter months.
- The project takes advantage of the unused Highland Canal capacity.
- Utilizes existing infrastructure connected to a newly constructed one megawatt power plant.
- **During 2017/2018/2019, the annual CBWTP electrical costs averaged \$631,000.**
- **Power offset is estimated up to 42% of CBWTP's annual energy usage.**
- **Project design and construction costs are conservatively estimated at \$5.6 million. Return on Investment time is anticipated to be approximately 23 years.**
- **NPV at 30 years is \$1.4M.**

Project Overview

[Click photo to view video](#)



Comparative Solar Power

- Peak power load at the CBWTP approaches 2 MW in the summer.
- 7 MW plant would likely be required to power the CBWTP due to the capacity factor associated with solar.
- Negative aspects of solar power:
 - Increased development costs – (\$10.5M estimated for solar construction to power CBWTP)
 - Increase land use (In excess of 50 acres needed to power the CBWTP) 5 acres available at CBWTP
 - Not available 24 hrs/day
 - Subject to inclement weather



Project Description

- **No new structures in the river**
- Qualifying Conduit Hydropower Facility (Federal Energy Regulatory Commission (FERC) provides a permitting exemption)
- Permitting
- Site Hydrology
- Water Right Transfer
- All year utilization of Highland Canal at Design Capacity
- Traveling Screen at Old Bluff
- Installation of Take Out Structure and Screen
- Utilization of Existing Orr Ditch Pump Station Pipe Line as new Hydro Facility Penstock
- Construction of Turbine/Generator Vault (1000 kW Plant)
- Inlet connection between Orr Ditch Pipe Line and Turbine/Generator Vault
- Outlet connection between new Turbine/Generator Vault and Orr Ditch Intake
- Project Costs – Value Engineering, Bidding Environment, Outside Consultant Cost Est.

Qualifying Conduit Hydropower Facility

- The project appears to meet the criteria for a “Qualifying Conduit Hydropower Facility”.
- The qualifying conduit hydropower facility process is the least involved FERC process for the construction of a new hydropower project.

Project Permitting

Agencies and stake holders for the project may include:

- NDEP
- NV Division of State Lands
- USACE
- USFWS
- NDOW
- City/County
- UPRR
- CTWCD/USACOE Flood Division
- Other non permitting parties such as Recreational Users and the Pyramid Lake Paiute Tribe

Water Rights

The non consumptive Farad Water Rights have been reserved from the sale of the Farad property and designated as instream flow.

To support the Orr Ditch Hydroelectric Project, it is anticipated that 50 cfs of those available diversion rights would be moved down to the Highland Diversion.



Similar Equipment



Project Benefits

- **With this project, no new facilities would be built in the river.**
- Green Energy – Enhances TMWA's commitment to hydroelectric production aligning with the City of Reno's conservation efforts under the Re-Energize Reno Program.
- This project aligns with the goals of the Governor's Executive Order 2019-22 promoting deployment of clean energy. Reference SB 254 and SB 358.
- **Increases TMWA's hydroelectric portfolio from 6.7 megawatts to 7.7 megawatts.**
- The facility will offset approximately 42% of CBWTP's annual electricity costs.
- Self-reliant power supply. Creates an additional level of redundancy for powering the CBWTP in times of emergency.
- Through base loading, the facility will create a reliable source of electricity even during periods of calm cloudy weather that otherwise affects wind and solar generation.
- TMWA rate payers will benefit once capital costs are recovered.

Financial Pro forma

- As part of the feasibility study, a financial analysis was performed to determine the payback period and the Net Present Value (NPV) of the project over time. This analysis considered the initial project investment, electric power generation and as well as anticipated operating and maintenance costs of the new facility. Also inclusive in the financial analysis is power net metering and renewable energy credits.
- Total project cost is estimated at \$5.6M, paid from existing funds.
- Payback period is 23 years with a Net Present Value at 30 years of \$1.4M.
- The equipment is estimated to have a 50 year life before requiring any major maintenance capital expenditure, at which time an additional 30 plus years of life of the facility is possible.

Next Steps

Should the Board approve the project, following would be the recommended next steps:

- File a Notice of Intent to construct a Qualifying Conduit Hydropower Facility with FERC.
- Begin the modifications of the existing water rights to allow for generation with the available flow.
- Begin work with the different Agency notifications and discussions.
- Move forward with the Orr Ditch Project planning, design, and construction.

Board Direction

Based on the Feasibility Study results, staff recommends moving forward with the Orr Ditch Hydroelectric Project. The project will help support long term power revenues from hydro power operation, increase power reliability to the CBWTP, and reduce plant operating costs.

Thank you!

TMWA Board Meeting

Corporate Office:

1355 Capital Blvd., Reno, NV 89502
834-8080
www.tmwa.com

TRUCKEE MEADOWS WATER AUTHORITY
(TMWA)

RESOLUTION NO. 281

A RESOLUTION TO ADOPT AMENDMENTS TO RULE 7 REGARDING
MODIFICATION OF THE WATER DEMAND DEDICATION RATE

WHEREAS, upon its formation, the Truckee Meadows Water Authority (“the Authority”) adopted Rules of Service on March 28, 2001, and such Rules have been modified and revised subsequent to the formation of TMWA; and

WHEREAS, the Authority’s Board desires to amend the Authority’s Rule 7 to clarify the application of said Rule; and

WHEREAS, after conducting a review of its Rule, the Authority has revised and amended the Rule to align more-closely with the current water usage demands of its customers; and

WHEREAS, proper notice has been given and a public hearing conducted on the proposed change; and

WHEREAS, the amendments to TMWA Rule 7 set forth in Exhibit 1 attached hereto and incorporated herein are appropriate and justified.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Truckee Meadows Water Authority that the amendments to Rule 7 as set forth in Exhibit 1 is approved and adopted, effective the date of adoption of this resolution.

Upon motion of _____, seconded by _____, the foregoing Resolution was passed and adopted on February 19, 2020 by the following vote of the Board:

Ayes: _____

Nays: _____

Abstain: _____ Absent: _____

Approved: _____

Vaughn Hartung, Chairman

Truckee Meadows Water Authority
Resolution 281 (continued)

STATE OF NEVADA,)
 : ss.
COUNTY OF WASHOE.)

On this 19th day of February, 2020, Vaughn Hartung, Chairman of the Board of Truckee Meadows Water Authority, personally appeared before me, a Notary Public in and for said County and State, and acknowledged that he executed the above instrument freely and voluntarily and for the purposes therein mentioned.

Notary Public

Truckee Meadows Water Authority

RULE 7

REQUIREMENTS FOR WILL-SERVE COMMITMENT LETTERS

A. Applicability

This Rule applies to and sets forth the responsibilities and requirements of a Person applying to the Authority for a Will-Serve Commitment letter from the Authority for the delivery of water to a new Service or Modified Service.

B. Definitions

1. Terms not defined in this Section shall have the meaning set forth in Rule 1.
2. As used in this Rule:
 - a. "Applicant" shall mean the Person applying for a Will-Serve Commitment letter.
 - b. "Authority Water Resources" shall mean water resources owned by the Authority and previously held within the Will-Serve Commitment Inventory.
 - c. "Current Usage" shall mean the annual quantity of water actually delivered to a Service Property based on most recent usage data as determined by Authority pursuant to Section I.2, generally expressed in acre-feet per annum or acre-feet per year.
 - d. "Dedicated Water Resource" shall mean water resource credits, water rights, or water rights and necessary facilities accepted for dedication by an Applicant prior to the issuance of a Will-Serve Commitment letter, in order to meet the actual Demand of a new Service or Modified Service and/or Deficit Demand.
 - e. "Deficit Demand" shall mean the difference, as determined by the Authority pursuant to Section I.2, between the Current Usage at the Service Property and the Demand recognized in the Will-Serve Commitment letter or Historic Demand, if any, to a Service Property.
 - f. "Demand" shall mean the estimated annual quantity of water to be delivered to a Service Property, generally expressed in acre-feet per annum or acre-feet per year.
 - g. "Historic Demand" shall mean the estimated annual quantity of water, as determined by Authority, historically delivered by Authority or Authority's predecessor to a Service Property.
 - h. "Permitted Water Right" shall mean a water right for which the Authority has been issued a permit by the Nevada Division of Water Resources to use for municipal purposes in the Authority's place of use and to be diverted at the Authority's points of diversion.
 - i. "Will-Serve Inventory" shall mean the inventory of uncommitted water resources owned by the Authority which may be made available to Applicants to support an Applicant's Will-Serve Commitment pursuant to this Rule.

Truckee Meadows Water Authority

RULE 7

REQUIREMENTS FOR WILL-SERVE COMMITMENT LETTERS

~~j. "Truckee Meadows Resource Area ("TMRA")" shall mean the portion of the Service Area within which the Authority will accept for dedication, subject to Section F.3, any Truckee River water source/right for the delivery of water to the Service Property.~~

C. Will-Serve Commitment Letter Required

1. When Required. All Applicants for new Service or Modified Service must file an Application with the Authority for, and if the Authority determines that water resources are required to service the Demand of the new Service or Modified Service, a Will-Serve Commitment letter must be obtained for such service.
2. Methods to Obtain. A Will-Serve Commitment letter may be obtained from the Authority by the dedication to the Authority of Dedicated Water Resources as provided in Section F or by purchase from the Authority as provided in Section G.

D. Responsibilities and Requirements of Applicant

1. The Applicant shall submit, at the time of Application for a Will-Serve Commitment letter, plans and specifications sufficient for the Authority to estimate Demand of the new Service or Modified Service as follows:
 - a. Subdivision plat or parcel map with square footages of lots, including landscaping plans for common irrigation areas showing turf areas with square footage and drip areas with water use calculations; and/or
 - b. Site plan(s) with layout of project, including plumbing and mechanical plans, floor plan(s), and landscaping plans showing turf areas with square footage and drip areas with water use calculations; and/or
 - c. Any other information that the Authority may reasonably require to estimate annual Demand.
2. An Applicant with project(s) requiring Irrigation Service(s) must furnish with the Application a written determination by the Local Government with jurisdiction over the sale of Reclaimed Water as to the extent to which the Local Government will commit to provide Reclaimed Water to the Applicant for some or all of the Irrigation Service Demand.

Use of Reclaimed Water is subject to the requirements of the Authority and NAC 445A to protect and separate the Authority's Potable supplies from Non-Potable water sources. If Applicant project(s) cannot be served by Reclaimed water or backflow protection devices do not meet Authority's Standards, the Applicant must supply water resources pursuant to Section F or G of this Rule sufficient to meet the Irrigation Service(s) Demand for the project(s).

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E. Methodology for Calculating Demand and Water Resources Requirement

1. The Applicant's Demand for new Service or Modified Service ~~within the TMRA shall be~~ shall be estimated using best available data and estimating procedures as determined by the Authority and computed as follows:

<u>Type of Unit</u>	<u>Demand (Acre-Feet Per year)</u>
Single family residential lot based on square foot lot size, with a minimum Demand of .42 <u>1.1</u> acre-feet per lot	$\frac{1}{1.1 + (\del{40}15,000 / \text{Lot size})}$
Mobile home parks with separate irrigation (per space)	0.25
Demand per unit for apartments, duplexes, condominiums, or townhouse units (excluding outside, utility room, laundry room and/or recreation uses)	0. 42 <u>1.1</u>
Commercial or Industrial Services (including residential utility room/ recreation areas)	The best available data and estimating procedures as determined by the Authority shall be used or estimated average annual Demand as furnished by the Applicant or Customer and accepted by the Authority shall be used.
Irrigation	3.41 acre-feet per acre, or, for drip systems, the Demand as calculated by a landscape architect or other qualified professional and verified by the Authority.

~~— The Applicant's Demand for new Service or Modified Service outside the TMRA shall be estimated using best available data and estimating procedures as determined by the Authority.~~

2. The acre-feet required for a new Service or Modified Service will be computed as follows:

Total Acre-Feet Required (AFA) = Total Project Demand x Multiplier

Multiplier = (a) for mainstream Truckee River Rights the multiplier shall be 1.11.

(b) for groundwater rights, the multiplier shall be 1.00.

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(c) for all other water resources listed in Section F, the multiplier shall be such other number and/or other water sources/rights sufficient to provide an acceptable water supply, including but not limited to return-flow requirements, as determined by the Authority on a case by case basis.

F. Obtaining a Will-Serve Commitment Letter by Dedication of Water Rights

1. Requirement. When an Applicant seeks issuance of a Will-Serve Commitment letter from Dedicated Water Resources, the Applicant must dedicate to the Authority water rights sufficient to meet the Demand of the new Service or Modified Service as calculated pursuant to this Rule. Dedication of water rights will typically occur through conveyance to the Authority of title to the water rights. Under limited circumstances consistent with the Authority's discretion set forth in Section F.3, the Authority may consider acquisition of water rights for dedication through exchanges, leases, future purchases, or other acquisition agreements. Except in the case where the Authority has expressly agreed to accept a temporary dedication or except as provided in Section I, dedication of water rights is irrevocable.
2. Types of Water Rights Eligible for Dedication. Water rights acceptable for dedication to the Authority may be comprised of one or a combination of the following. For purposes of calculating the quantity of water rights required for dedication, different multipliers may apply as set forth in this Rule to different types of water rights and/or water sources.
 - a. Mainstream Truckee River rights with a multiplier as set forth in Section E.2 of this Rule.
 - b. Other water rights of acceptable quantity and quality to the Authority with a multiplier as set forth in Section E.2 of this Rule.
 - c. Credits associated with the conversion of a domestic well to the Authority's water system as allowed by the Nevada Division of Water Resources.
 - d. Groundwater rights permitted for the Authority's use by the Nevada Division of Water Resources with a multiplier as set forth in Section E.2 of this Rule.
 - e. Imported or other water sources/rights and additional facilities/treatment necessary to implement or utilize these water sources which the Authority determines provide a sufficient water supply to meet the Demands of the new Service or Modified Service with a multiplier as set forth in Section E.2 of this Rule.

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- f. Credits established pursuant to this Section I of this Rule.

The Authority may require analysis of drought-year supply or yield of the water right(s), Nevada Division of Water Resources approval of transfer, and/or special conveyance to the Authority's facilities as conditions of accepting dedication of the aforementioned water rights.

3. Acceptance or Rejection of Water Rights. The Authority shall have the right, in its sole discretion, to accept or reject any water right(s) offered for dedication based upon its application of Section F.2 and its consideration of the following:
 - a. Whether the priority, quantity, ability to put the water right(s) to beneficial use, drought-year supply, yield, and quality of the water right(s) is sufficient to meet the Demand of the project for new Service or Modified Service;
 - b. Whether the water right(s) can be successfully changed under applicable law to allow their use by the Authority for municipal and industrial purposes, at the Authority's place of use, and for diversion at the Authority's points of diversion; and
 - c. Whether the Applicant can show unencumbered and clear title to ownership of the water right(s).

G. Obtaining a Will-Serve Commitment Letter by Purchase from the Authority

1. The Authority may maintain and make available from its Will-Serve Inventory of water resources available for commitment to support a Will-Serve Commitment letter to an Applicant's Project within the TMRAService Area as provided in this Section. The Authority shall determine the price of purchasing a Will-Serve Commitment based on a weighted averaged of all direct and indirect costs associated with the acquisition of water rights held in the Will-Serve Inventory, which shall include, but not be limited to:
 - a. The actual purchase or lease price of the water rights;
 - b. The cost or value of water rights determined through exchanges or trades of different various types of water rights or water resources identified in Section F.2 of this Rule;
 - c. The Authority's cost to research, verify and acquire title to the water rights;

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- d. The Authority's cost to change the point of diversion, place and manner of use of the water rights through the Nevada Division of Water Resources;
 - e. An annual carrying charge pursuant to the weighted average interest on the Authority's debt calculated and applied on a daily basis; and
 - f. Miscellaneous fees and office expenses associated with acquiring the water rights.
2. Will-Serve Commitment letters utilizing Will-Serve Inventory can only be purchased to the extent of the demand of Applicant's project and to the extent sufficient inventory exists in the Will-Serve Inventory. An Applicant shall not be permitted to purchase an allocation of more than 100 acre-feet from the Will-Serve Inventory under a single Application unless approved by the General Manager. Only Applicants eligible under Section G.4 may purchase Will-Serve Commitment letters. Priority among eligible Applicants to purchase Will-Serve Commitment letters shall be on a first come, first served basis determined by the date Authority has received a complete Application for the new or Modified Service. The Authority will notify an Applicant with priority in writing of the availability of sufficient inventory to serve the demand of Applicant's project via certified mail, hand delivery, fax, or email, and will reserve such inventory until 5:00 PM PST of the tenth full business day following delivery of such notice. In the event the Applicant does not purchase the Will-Serve Commitment letter by 5:00 PM PST of the tenth full business day following such notice, the Authority will release the inventory to the next eligible Applicant, and the Applicant electing not to purchase the Will-Serve Commitment letter shall forfeit its priority and move to the end of the line of all then eligible Applicants.
3. The price of purchasing a Will-Serve Commitment letter utilizing the Will-Serve Inventory will be established by the Authority in the following manner:
- a. Within fifteen (15) days of the end of each month, the Authority will calculate the general price associated with the acquisition of water rights in the Will-Serve Inventory by dividing the costs associated with the acquisition of water rights by the remaining balance of water rights in inventory. The resulting price shall be effective on the first business day of the following week; or
 - b. In the event additional water rights are acquired, the Authority shall determine a new price by dividing the costs associated with the acquisition of water rights by the remaining balance of water rights in inventory. The resulting price shall become effective on the first business day of the following week,

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4. The Applicant may purchase a Will-Serve Commitment letter sufficient to meet the Demand for the Applicant's Project within the TMRAService Area from the Authority only if the following conditions are met:
 - a. No water rights acceptable for dedication are appurtenant to the location at which new Service or Modified Service is being sought; or
 - b. The Applicant does not have any water rights banked with or previously conveyed to the Authority or other Local Government which remain uncommitted to a Project but could be available for Applicant's Project; or
 - c. The Applicant does not own any water rights that could be dedicated to the Authority pursuant to Section F of this Rule; and
 - d. The Authority has a sufficient inventory of water rights, in both quantity and type of resource, in the Will-Serve Inventory to meet the Demand for the Applicant's Project.

Where the Applicant is a Local Government or State agency seeking new or Modified Service, the Applicant may be granted an exemption to Section G.4(c) if Applicant's Water Resource(s) are committed to current or future water quality purposes, return flow requirements, effluent reuse, recharge, drought reserve, protection against demand fluctuations or such other appropriate water resource management or public use purposes approved by the Board.

Where the Applicant is a Wholesale Service applying for new or Modified Service on behalf of the owner of a retail project within the Wholesale Service's retail service area, Section G.4 shall apply to the owner of the of retail project as if the owner of the retail project were the Applicant.

H. Fees and Issuance of Will-Serve Commitment Letter

1. Fees Related to Dedication of Water Rights. Prior to the acceptance of Dedicated Water Resources to the Authority, Applicants will pay fees provided in Rate Schedule BSF to research and verify title, and the Applicant shall provide the Authority all documents and maps evidencing the water rights, including but not limited to (i) Nevada Division of Water Resources Application to Change and supporting Map and/or Report of Conveyance, and Abstract of Title; and (ii) copies of permits and/or certificates issued by the Nevada Division of Water Resources evidencing water rights, and Applicant is responsible for the costs as determined by the Nevada Division of Water Resources for the submission of a Report of Conveyance, Abstract of Title and all related documents as part of the application process with the Nevada Division of Water Resources.

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2. Fees for Issuance of Will-Serve Commitment letter. In addition to any other fees in this Rule, Applicants shall pay fees provided in Rate Schedule BSF to prepare the documents necessary to issue each Will-Serve Commitment letter.
3. Water Resource Sustainability Fee. Applicants for new or Modified Service within the ~~TMPRA~~Service Area relying on any water right other than the conversion of domestic well, imported water sources or groundwater rights for a Will-Serve Commitment letter will pay to the Authority's water resource sustainability fund the sum of \$1,600.00 per AF of Demand related to the new Service or Modified Service and to Deficit Demand prior to the issuance of the Will-Serve Commitment letter. Funds collected under this fee must be used for projects that improve the Authority's drought resiliency and water resource sustainability.
4. The Applicant is responsible for delivery of the Authority-issued Will-Serve Commitment letter and accompanying documentation to appropriate government entities.
5. Banking Water Rights. The Authority may, in its sole discretion, allow any Person to bank water rights with the Authority for future use by any Person. In the event an individual, any joint venture, partnership, corporation or other entity desires to dedicate water rights to the Authority for the Authority to hold or bank for the future use by the Applicant, or Applicant's designated successor, for a Will-Serve Commitment letter, the Applicant, or Applicant's designated successor, will pay applicable fees set forth in this Section and execute a banking agreement with the Authority. The Applicant, or Applicant's designated successor, shall be billed by the Authority for any fees such as Extension of Time associated with maintaining banked water rights in good standing with the Nevada Division of Water Resources.
6. Issuance of Will-Serve Commitment Letter After Dedication of Water Rights. After the Applicant has satisfied the requirements of Section F and paid the fees under Section H, and the Authority has accepted the Dedicated Water Resource, the Authority shall:
 - a. Prepare the necessary documentation to deed the Dedicated Water Resource to the Authority or Local Government;
 - b. Record such deed at the County Recorder; and
 - c. Upon execution of such deed and acceptance of the Dedicated Water Resource by the Authority, issue a Will-Serve Commitment letter to the Applicant for new Service or Modified Service at the location requested by Applicant.

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7. Issuance of Will-Serve Commitment Letter After Purchase. After an Applicant has satisfied the requirements of Section G, paid the price determined in Section G, and paid the fees under Section H, the Authority will issue a Will-Serve Commitment letter to the Applicant for new Service or Modified Service at the location requested by the Applicant.
8. Obligation to Serve. Until such time as the Authority has issued a Will-Serve Commitment letter to an Applicant and facilities are installed pursuant to the Authority's rules to delivery water to the Project, the Authority is not obligated to provide the new Service or Modified Service.
9. Will-Serve Commitments Appurtenance. Will-Serve Commitment letters issued by the Authority and Historic Demand are appurtenant to the Service Property.

I. Project Cancellation, Expiration or Termination and Adjustments

1. A Will-Serve Commitment letter is automatically revoked and shall be null and void without further notice from the Authority on the date (i) Applicant provides written notice to the Authority that Applicant's project is canceled; or (ii) approval for Applicant's project expires or is terminated by the applicable governing body. In such event and upon written request of the Applicant:
 - a. The Authority shall reconvey to the Applicant any water rights dedicated by the Applicant pursuant to Section F of this Rule for the revoked Will-Serve Commitment Letter; or
 - b. In the Authority's sole discretion, the Authority may hold or bank Dedicated Water Resources or Authority Water Resources in connection with the revoked Will-Serve Commitment letter for the use by the Applicant, or Applicant's designated successor or assign, for a new Will-Serve Commitment letter for another project(s); or
 - c. The Authority shall refund to the Applicant, without interest, the full amount paid to the Authority by the Applicant under Sections H.3 and G as applicable provided (i) the Applicant submits a written request for such a refund to the Authority within ninety (90) days of the issuance of the Will-Serve Commitment letter, or (ii) the total amount eligible for refund is \$100,000 or less. In the event the Authority grants a refund under this subsection, the Authority will return the Authority Water Resources supporting the revoked Will-Serve Commitment Letter to the Will-Serve Inventory; or

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- d. The Authority shall credit (~~credit~~credited in acre-feet) the Applicant, or Applicant's designated successor or assign, the amount of Water Resources purchased by Applicant under Section G, which credit can be applied to Application(s) for new Service and Modified Service within the Authority's TMPRA Service Area, subject to compliance with Authority's Rules, as directed in writing by the Applicant, or Applicant's designated successor or assign.
2. Will-Serve Commitment Adjustments and Issuance of Water Resource Credits. Adjustments to the quantity of water resources committed to a Service Property may be made pursuant to this Section where:
 - a. An existing building(s) or facility(ies) has been demolished or removed and service to the Service Property is disconnected. A water resource credit (credited in acre-feet) will be issued to the owner of the Service Property under this Section I.2.a equal to the Demand in the Will-Serve Commitment letter or Historic Demand, if:
 - (1) The owner of the Service Property on which service is to be disconnected records a deed restriction with the County Recorder in form acceptable to Authority declaring that there is no entitlement to water resources and/or water service from the Authority benefiting such parcel(s) at the Service Property; and
 - (2) Service at the Service Property is retired in accordance with Rule 6.

After completion of the requirements of Section I.2.a(1) and I.2.a(2) the Authority's commitment to deliver water to the Service Property shall be deemed revoked and any Applicant for the delivery of water to the Service Property must submit an Application for new Service and satisfy all requirements in this Rule, including supplying water resources pursuant to Section F or G prior to issuance of a Will-Serve Commitment letter for the new Service at the Service Property.
 - b. The projected Demand of a new Service or Modified Service at the Service Property is less than the Demand in the Will-Serve Commitment letter or the Historic Demand at the Service Property, in which event a water resource credit (credited in acre-feet) will be issued to the owner of the Service Property under this Section I.2.b equal to the difference. If the projected Demand of the new Service or Modified Service is greater than the Demand in the Will-Serve Commitment letter or the Historic Demand at the Service Property, no adjustment will be made or water resource credit issued, and the Applicant must dedicate sufficient water resources to the Authority in accordance with this Rule equal to the projected increase in Demand plus any Deficit Demand at the Service Property prior to the issuance of a new or revised Will-Serve Commitment letter for any new Service or Modified Service at the Service Property.

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- c. The owner(s) of a Service Property requests an adjustment of Demand based on Current Usage at the Service Property and:
- (1) The Service Property is not located on a parcel created by subdivision plat (or map) pursuant to NRS Chapter 278;
 - (2) The Demand being adjusted is not a Residential Service;
 - (3) The person(s) requesting the adjustment owns all real property at the Service Property benefitted by the quantity of water committed to the Service Property; and
 - (4) There is at least three (3) or more years of continuous metered water use data or other historic Demand data as determined by the Authority to establish the Current Usage for the Service Property being adjusted.

If the Service Property satisfies the requirements of Section I.2.c and Demand in the Will-Serve Commitment letter or Historic Demand is greater than the Current Usage, Authority shall issue a water resource credit (credited in acre-feet) to the owner of the Service Property equal to the difference and issue a revised Will-Serve Commitment letter to the Service Property. If a Deficit Demand exists at the Service Property no adjustment will be made or water resource credit issued.

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3. Water resources supporting any water resource credits issued by the Authority to the owner of a Service Property are owned by the Authority and shall be held for the benefit of the owner(s) of the Service Property, or his designated successor or assign subject to the terms and conditions set forth in Authority's water resource banking agreement. Water resource credits:
 - a. Shall be issued in acre-feet and shall state quantity in terms of Demand;
 - b. May be used in connection with an Application for new Service or Modified Service and is acceptable to meet the Demand under this Rule;
 - c. Must be used in the Authority's Service Area;
 - d. In areas where sewer flows are not returned to the Truckee River, additional resources must be supplied pursuant to Sections F or G for sufficient for return flows;
 - e. Shall be issued to the owner of the Service Property;
 - f. May be sold, assigned or transferred to other parties upon notification to and written approval from the Authority and only to the extent the water resource credits exceed one acre foot. The Authority may assist with such sales on request.

J. General Provisions

1. Nothing in this Rule shall be construed to usurp the planning functions of the Local Governments. Applicants shall be deemed in compliance with the provisions of this Rule if the Applicant causes the Local Government(s) to sell or lease to the Authority, pursuant to such Local Government(s) Ordinances, sufficient resources from resources held by the Cities or County, if such procedure is required by local Ordinance.



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: John Zimmerman, Water Resources Manager
DATE: February 10, 2020
SUBJECT: Discussion and action, and possible approval of a Second Amendment to Contract for Delivery of Water between TMWA and the Sun Valley General Improvement District

Board Member Herman in October requested staff bring TMWA's existing wholesale contract with the Sun Valley General Improvement District (SVGID) to the Board for review. Subsequently, SVGID requested TMWA expand its wholesale service area to include land on which a proposed residential development is to be located. The attached map shows the location of the proposed "5 Ridges" development, which is located between SVGID and TMWA's current retail service areas. SVGID approved annexation of the development into its service area, but that approval is contingent on expansion of TMWA's wholesale area.

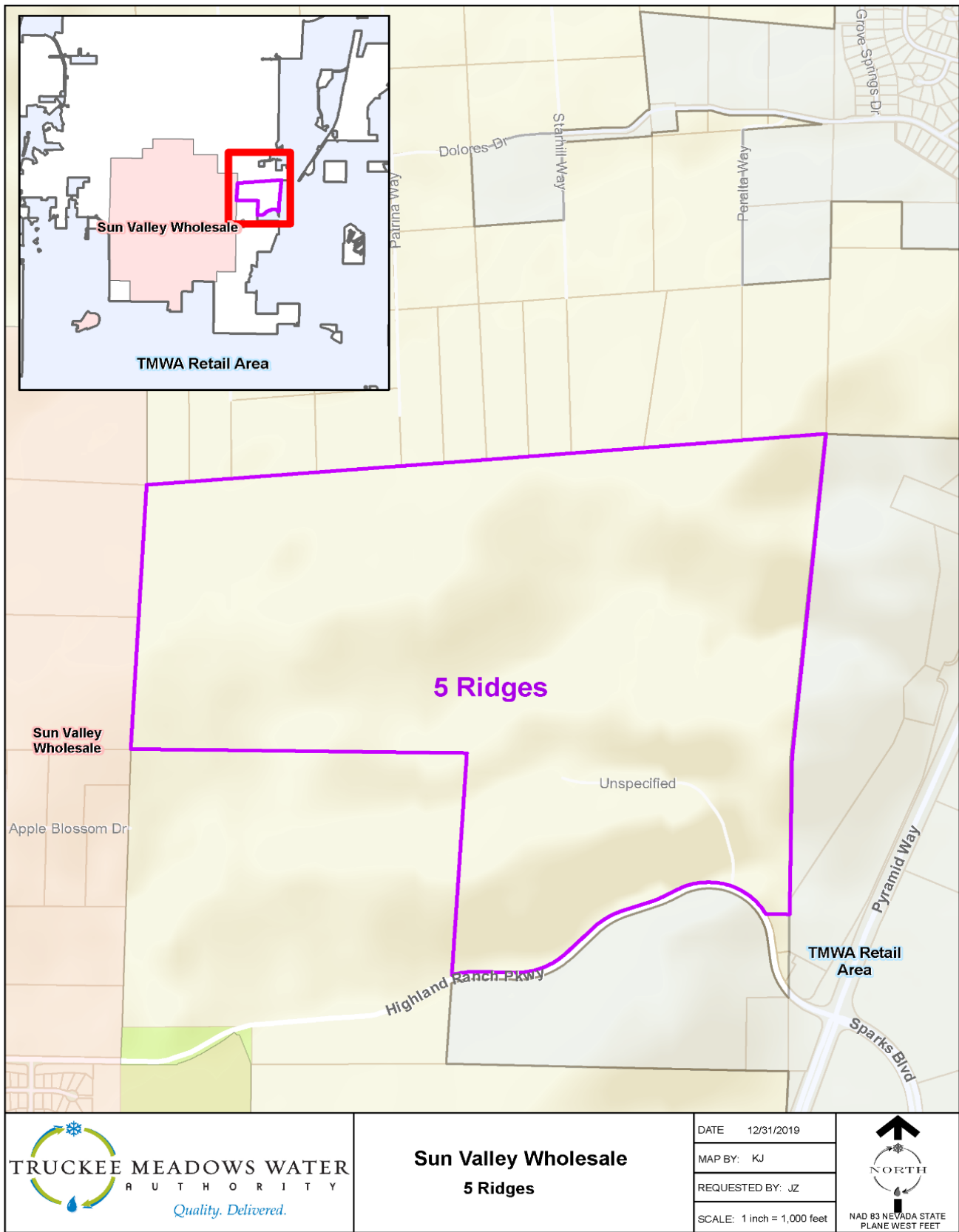
Staff recommends the Board approve expansion of TMWA's wholesale service area because having SVGID serve the development is the most cost-effective alternative from a water infrastructure perspective. The estimated cost to connect the development to SVGID's system is roughly one-half the estimated cost to connect to TMWA's system. SVGID's existing water facilities are closer to the development and at a higher elevation than TMWA's existing facilities so there are less new water facilities that must be built for SVGID to serve the development. Also, the topography is less of an obstacle to connecting to SVGID's system.

SVGID is the only customer under TMWA's Large Volume Resale Service (LVS) rate schedule. Accordingly, as part of reviewing the current wholesale contract, staff also reviewed SVGID's current wintertime water usage to determine if it was still in line with the first tier of the LVS rate schedule. The first tier is 29 MG/billing period and intended to capture approximately 80% of wintertime water use. Based on SVGID's current wintertime water usage, staff recommends changing the first tier of the LVS rate schedule to 34 MG/billing period. Staff proposes to make the change effective May 1, 2020 to coincide with TMWA's rate increase. The change would reduce TMWA's revenue from SVGID by approximately \$51,000/year.

Attached is the proposed amendment to the wholesale agreement, which shows the proposed expanded TMWA wholesale service area and, subject to Board approval, increase to the first tier volume to 34 MG/billing period effective May 1, 2020.

RECOMMENDATION

Staff recommends the Board approve the Second Amendment to Contract for Delivery of Water between TMWA and SVGID and authorize the General Manager to sign it. Additionally, staff recommends the Board proceed with the first reading of the proposed first tier change to the LVS rate schedule.



SECOND AMENDMENT TO CONTRACT FOR DELIVERY OF WATER

THIS SECOND AMENDMENT TO CONTRACT FOR DELIVERY OF WATER (Amendment) is entered into this _____ day of _____, 2020, by and between TRUCKEE MEADOWS WATER AUTHORITY, a Joint Powers Authority (Authority), and SUN VALLEY GENERAL IMPROVEMENT DISTRICT, a general improvement district created pursuant to NRS Chapter 318 (Customer). Authority and Customer are hereinafter sometimes referred to individually as "Party" and collectively as "Parties."

WITNESSETH:

WHEREAS, Authority is engaged in the distribution, sale and delivery of water service to residents of Reno and Sparks, Nevada, and areas of Customer;

WHEREAS, Customer is a quasi-municipal corporation governed pursuant to the provisions of Nevada Revised Statutes, Chapter 318, and provides water service within the Customer's Service Area;

WHEREAS, Authority and Customer entered into that certain Contract For Delivery of Water dated July 14, 2004 (Original Agreement), which sets forth terms and conditions pursuant to which Authority agreed to provide wholesale water service to Customer up to the maximum delivery rate of 3,600 gallons/minute (Original Capacity);

WHEREAS, Authority and Customer entered into that certain First Amendment to Contract for Delivery of Water dated January 8, 2008 (First Amendment, together with the Original Agreement referred to as Agreement), which increased the Original Capacity by 1,100 gpm and added an additional point of delivery;

WHEREAS, Customer desires to expand its service area (Customer's Service Area), and thereby expand Authority's wholesale service area, to include a new residential development;

WHEREAS, Customer and Authority desire to amend the Agreement to expand the wholesale service area to allow Customer to receive wholesale water service within the expanded service area, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Authority and Customer do covenant and agree as follows:

1. **Capitalized Terms.** Capitalized terms not otherwise defined in this Amendment shall have the meaning ascribed to them in the Agreement.

2. **Conflicting Terms.** To the extent the provisions of this Amendment conflict with any of the terms and conditions of the Agreement, as amended by the First Amendment, the provisions of this Amendment shall control. Except as specifically modified hereby, each of the terms and conditions of the Agreement shall remain in full force and effect and are enforceable in accordance with their respective terms.

3. **Service Boundary Adjustment.** The Parties agree to adjust their respective service boundaries as shown on Exhibit A.

4. **Commodity Rate Threshold Change.** The first tier of Authority's existing Large Volume Resale Service (LVS) rate schedule shall be increased from 29,000,000 gallons/billing period to 34,000,000/billing period. Subject to approval by Authority's Board, this change shall be effective May 1, 2020. Authority shall retain full authority and discretion to adjust Authority's rates and rules of service, including without limitation LVS tiers, from time to time after the Effective Date.

5. **Conditions to Service.** Customer acknowledges and agrees that this Amendment merely addresses conditions required for the expansion of Customer's Service Area, and Customer and Customer's retail customers must comply with all applicable requirements in Authority's Rules before the Authority has any obligation to provide water service.

6. **Binding Effect.** This Amendment shall be binding upon and inure to the benefit of Authority, Customer and their respective permitted successors and assigns.

7. **Authorization.** The undersigned, by their signatures, represent and warrant that they are authorized agents of their respective entities and are authorized to execute this Amendment.

8. **Governing Law.** The laws of Nevada shall govern the validity, construction, enforcement and interpretation of this Amendment. Venue for any legal action arising out of this Amendment shall be in Washoe County, Nevada.

9. **Entire Agreement.** This Amendment may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought. No oral statements or representations made before or after the execution of this Amendment regarding the subject matter of this Amendment are binding on a party, nor may any such oral statements or representations be relied on by a party.

10. **Severability.** If any provision of this Amendment is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable. The Amendment shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of the Amendment. The remaining provisions of the Amendment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Amendment.

11. **Attorney's Fees.** In the event that any action is necessary to enforce the rights of any party hereto, the prevailing party in any such action shall be entitled to reasonable costs and attorneys' fees.

12. **Effective Date.** This Amendment shall be effective upon the date of approval by the Authority's Board of Directors "Effective Date."

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date written below.

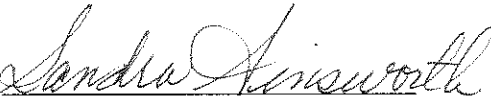
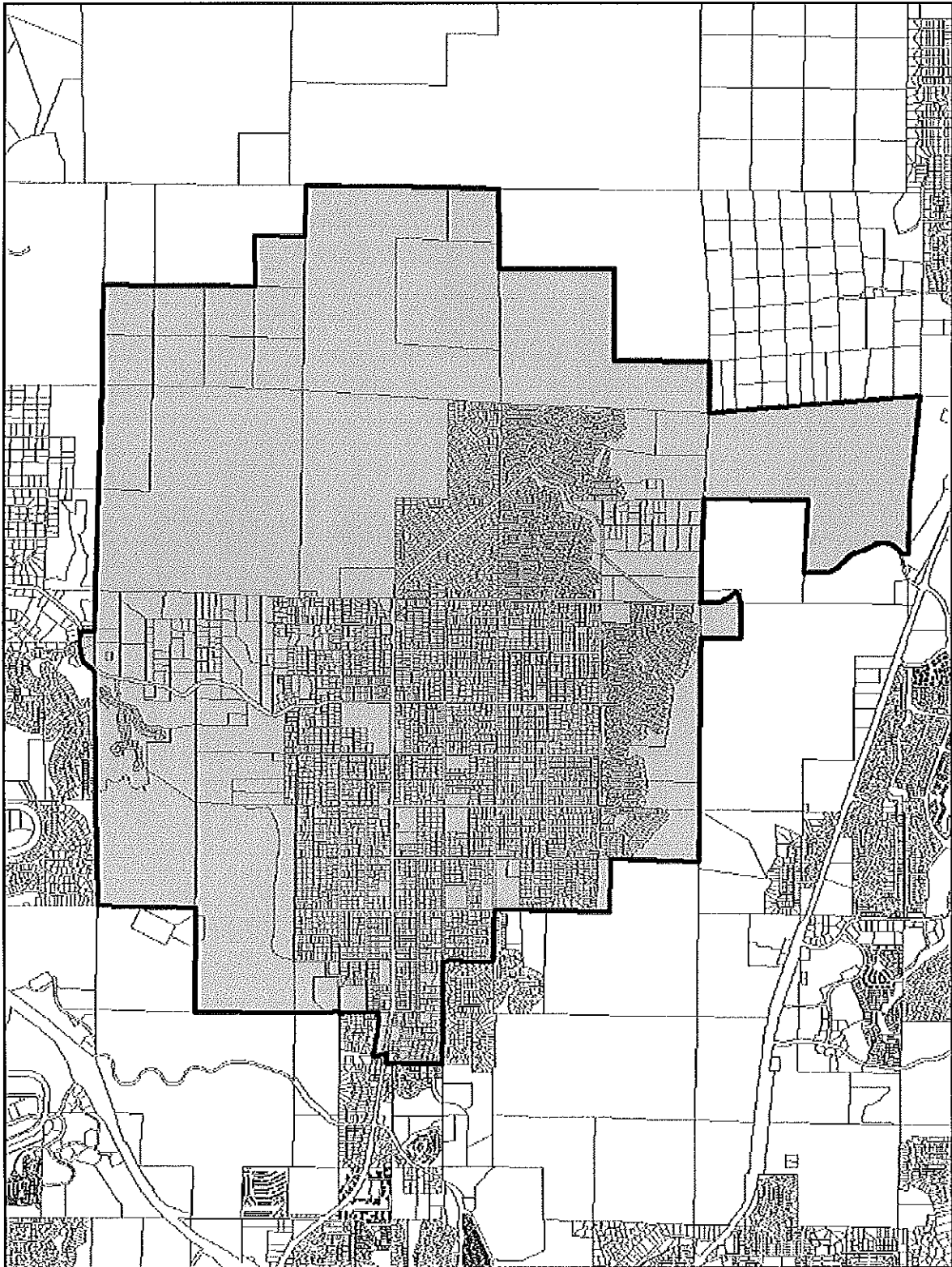
"Customer"	"Authority"
SUN VALLEY GENERAL IMPROVEMENT DISTRICT	TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority
By: 	By: _____
Its: Chairperson _____	Its: _____
Dated: January 23, 2020 _____	Dated: _____

Exhibit A





STAFF REPORT

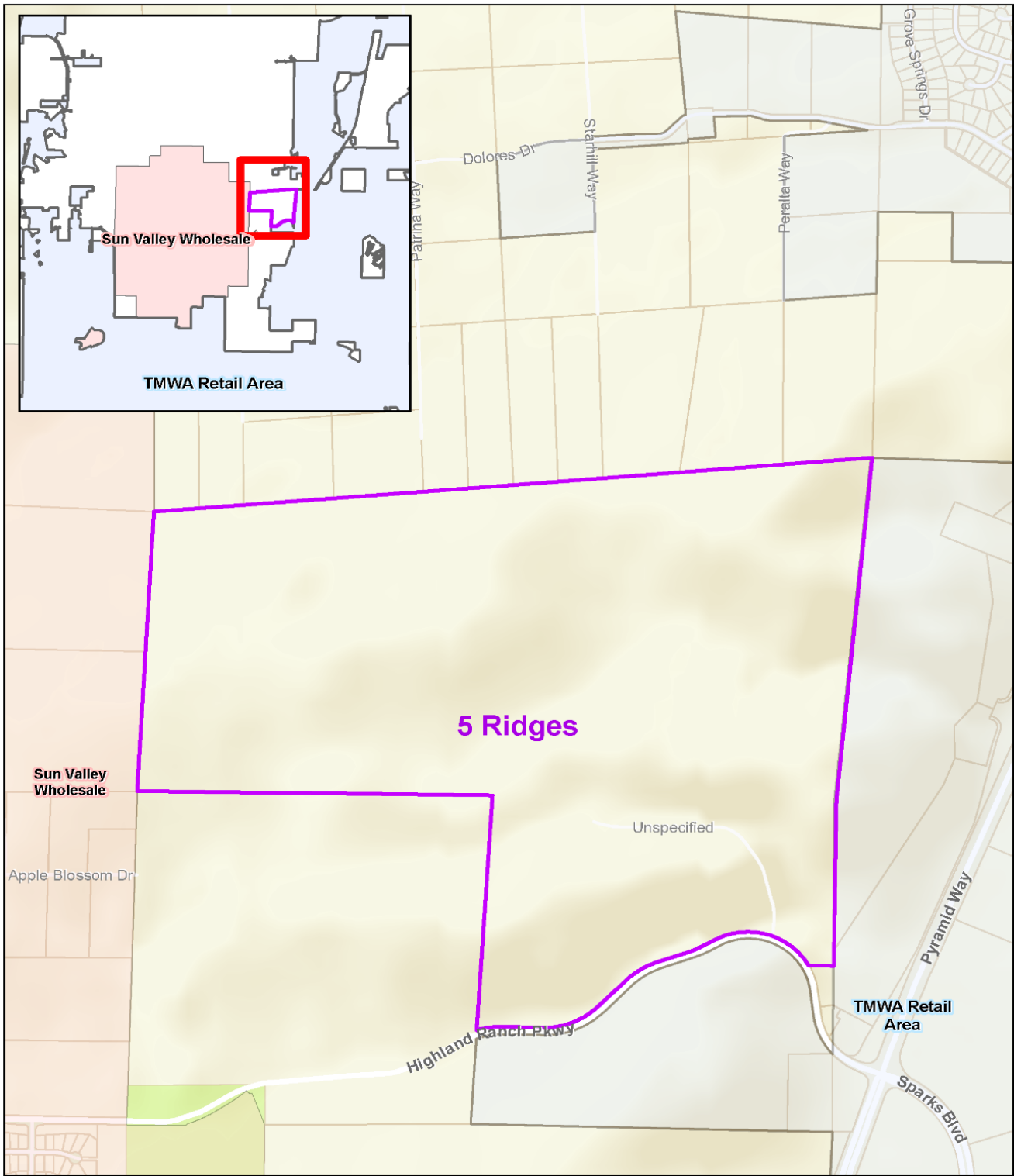
TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: John Zimmerman, Water Resources Manager
DATE: February 10, 2020
SUBJECT: **Introduction and first reading of amendments to TMWA Wholesale Water Rates, Large Volume Resale Service (LVS) rate tariff (currently applicable to the Sun Valley General Improvement District wholesale water agreement)**

SUMMARY

This item is related to the proposed amendments to TMWA's existing wholesale contract with the Sun Valley General Improvement District (SVGID). Under the proposed wholesale contract amendment, TMWA's Large Volume Resale Service (LVS) rate schedule would be changed to expand the wholesale service territory and increase the first tier water usage level to 34 MG/billing period. Staff recommends the changes be made effective May 1, 2020 to coincide with TMWA's rate increase. The change would reduce TMWA's revenue from SVGID by approximately \$51,000/year. Attached is a map of the proposed expansion area and a redline of the LVS rate schedule showing the proposed changes.

RECOMMENDATION

Staff recommends the Board proceed with a second reading of the proposed change to the LVS rate schedule at the next regularly-scheduled TMWA Board meeting.



W:\projects\water_resources\SunValleyWholesale\Update\5Ridges\Exhibit.mxd

 <p>TRUCKEE MEADOWS WATER AUTHORITY <i>Quality. Delivered.</i></p>	<p>Sun Valley Wholesale 5 Ridges</p>	<table border="1"><tr><td>DATE</td><td>12/31/2019</td></tr><tr><td>MAP BY:</td><td>KJ</td></tr><tr><td>REQUESTED BY:</td><td>JZ</td></tr><tr><td>SCALE:</td><td>1 inch = 1,000 feet</td></tr></table>	DATE	12/31/2019	MAP BY:	KJ	REQUESTED BY:	JZ	SCALE:	1 inch = 1,000 feet	 <p>NORTH NAD 83 NEVADA STATE PLANE WEST FEET</p>
DATE	12/31/2019										
MAP BY:	KJ										
REQUESTED BY:	JZ										
SCALE:	1 inch = 1,000 feet										

Truckee Meadows Water Authority

RATE SCHEDULES

LVS – LARGE VOLUME RESALE SERVICE

APPLICABILITY

Large Volume Resale Service is applicable to water companies for resale within a Customer's Wholesale Service area included in this rate schedule.

AVAILABILITY

Large Volume Resale Service is available from existing facilities of Authority located within its Wholesale Service territories.

RATES

Commodity Rates per 1,000 Gallons

Sun Valley General Improvement District

First 29 <u>34</u> ,000,000 Gallons per Billing Period	\$1.57
Greater than 29 <u>34</u> ,000,000 Gallons per Billing Period	\$2.60

Additional Charges

Customer Charge per Meter per Billing Period	\$134.20
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Late Charge:

5% of any amount in arrears from previous billings.

Other Charges:

As specified in Rate Schedule OC excluding Regional Water Management Fee and applied to total bill.

MINIMUM CHARGE

The Minimum Charge for delivery of water for this service shall consist of the Customer Charge, commodity charge, late charge, and right-of-way toll per Billing Period.

SPECIAL CONDITIONS

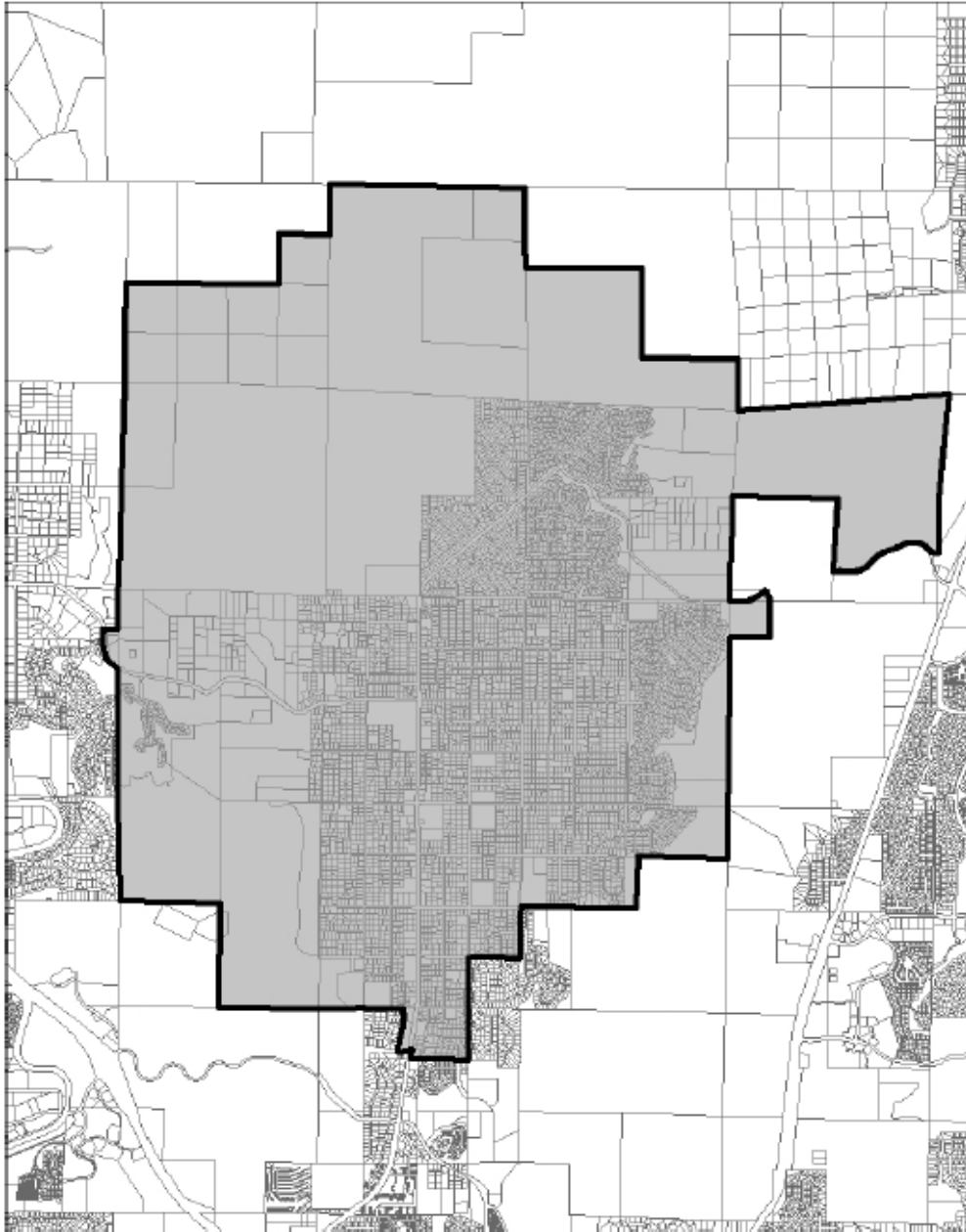
1. A written contract for delivery of water between the Authority and Customer will be required. The contract shall require the Customer to distribute water within a mutually agreeable specified geographic area, or use water for a mutually agreeable specified purpose.
2. The Customer shall pay all interconnection costs necessary to provide delivery of water per this Rate Schedule, consistent with the Authority's Rules. Any exceptions to this provision will be clearly delineated in the contract.
3. This Rate Schedule is closed to new applications for the delivery of water through a 3" Service Connection.
4. The Authority, in agreement with Customers billed under this Schedule, may annually adjust the tier usage level in this schedule which adjustment would be effective the first billing cycle in June. The adjustment made to each Customer's tier would be based on the average usage of the preceding Winter Usage.

Truckee Meadows Water Authority

RATE SCHEDULES

LVS – LARGE VOLUME RESALE SERVICE

PARCEL A - Sun Valley General Improvement District Wholesale Service Area



NOTE: The wholesale service areas within this schedule are the approximate boundaries of the wholesale Customer and are subject to occasional adjustment by the wholesale Customer and Authority. The Authority attempts to keep a current map posted on its website at www.tnwa.com; however, this map may not show sufficient detail to depict location of a Service Property which the Authority will determine at the time of application.

Added: 01/01/15



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, CFO, Treasurer
DATE: February 7, 2020
SUBJECT: **Introduction and first reading of amendments to TMWA Rule 2 general conditions for delivery of water, Rule 3 application for, and discontinuance, termination, and restoration of the delivery of water, and Rule 4 payment for the delivery of water**

SUMMARY

Staff has performed a review of Rules 2, 3 and 4 related to the delivery of, and billing and payment for water service. A review of these rules was prompted by the current implementation of a new Customer Information System (CIS). Changes to the rules are to accommodate new options in the CIS related mainly to a comprehensive customer online portal, to align existing processes to better utilize the new CIS, as well as to correct a few outdated references. A redline version including all changes to Rules 2, 3 and 4 is attached for review by the Board.

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

A. Definitions. Terms not defined in this Section shall have the meaning set forth in Rule 1. As used in this Rule:

1. "Excessive" as used in relation to the use, expenditure, or application of water means any immoderate or unreasonable consumption of water which results in the following:
 - a. Water running into any street, road, parking lot, gutter, drainway, swale, sewage system, or any place for the disposal of water in a steady stream or flow, or collecting in pools or in any depressed area to a depth of one inch or more; or
 - b. Using, expending, or applying the water supply provided by the Authority in a manner contrary to any water conservation regulation, policy, rule, condition, directive, or request that has been issued to the Customers of the public water system in question or that has been given general public notice by the Authority.
2. "Hand Watering" refers to the use or expenditure of water supplied to a Customer through a hose connected to a piping system while such hose is hand held and such water is used for any exterior purpose or is otherwise expended outside any dwelling, building or structure.
3. "Irrigation" means to apply or to expend water onto land, whether by channels, by flooding, by sprinkling, or any other means whatsoever, except hand watering.

B. Characteristics of the Delivery of Water

1. Delivery of Water by the Authority
 - a. Quantity of Water. The Authority will supply water at the Customer's Service Connection in adequate quantities to meet the reasonable needs and requirements of the Customer, as determined by the Authority, based on information furnished by the Customer.
 - b. Water Pressure. Pursuant to NAC 445A.6711, the Authority will maintain water pressure in accordance with the following:
 - (1) Residual Water Pressure at a Service Connection will be at least:
 - (a) 20 psi, under Maximum Day Demand plus Fire Demands; or,
 - (b) 30 psi, under Peak Hour Demands; or,
 - (c) 40 psi, under Maximum Day Demands.

Added: 03/23/01 Amended: 10/01/03; 03/17/04

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

- c. Static Water Pressure at a Service Connection will not exceed 150 psi.

2. Quality of Water Delivered

- a. For all Potable Service Classifications, the Authority will provide water that meets or exceeds the safe drinking water regulations set forth by the State of Nevada Board of Health as administered by the Health Division's Bureau of Health Protection Services.
- b. The delivery of water to a Customer(s) may be terminated at the sole discretion of the Authority in order to protect water quality and protect public health.
- c. As a condition of delivery of water the Authority may require installation and maintenance by the Customer of certain equipment necessary to protect system water quality including but not limited to:
 - (1) Backflow Protection Devices. Pursuant to NAC 445A, a new or existing Service Connection may require the installation of an appropriate backflow prevention assembly. The Authority may refuse or terminate delivery of water pursuant to Rule 3 until the Applicant or Customer has installed the appropriate backflow prevention assembly and had it inspected and tested to the satisfaction of the Authority and the governmental agency having jurisdiction.
 - (a) All backflow prevention assembly(ies) shall be installed per the Authority's Standards, shall be annually tested as set forth in NAC 445A, and belong to the Service Property owner. The Authority shall have access to conduct inspections and tests of backflow prevention assembly(ies). The Applicant or Customer shall install the backflow prevention assembly(ies) at his expense except as otherwise provided in this Section.
 - (b) The Authority may require the owner of a Service Property to complete a backflow protection control survey of the plumbing system in order to ascertain health hazards and potential cross-connections. The Authority may install the backflow prevention assembly(ies) and/or may require the installation and testing of additional backflow prevention assemblies within the Service Property owner's plumbing system at the Applicant's or Customer's expense.

Added: 10/01/03 Amended: 03/17/04

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

3. Continuity of Service

a. Emergency Interruptions

- (1) The Authority will make all reasonable efforts to prevent interruptions to delivery of water and when such interruptions occur will endeavor to reestablish delivery of water with the shortest possible delay consistent with the safety to its Customers and the general public.
- (2) Where an emergency interruption of delivery of water affects any public fire protection service, the Authority will promptly endeavor to notify the Fire Chief or other public official responsible for fire protection of such interruption and of subsequent restoration of normal service.
- (3) Under disaster conditions the Authority will cooperate to the fullest extent with the governmental agency having authority in the area.

b. Scheduled Interruptions

- (1) Whenever the Authority finds it necessary to schedule an interruption to its delivery of water, the Authority or its designee will, where feasible, notify all Customers to be affected by the interruption, stating the approximate time and anticipated duration of the interruption. Scheduled interruptions will be made at such hours as will provide least inconvenience to the Customers consistent with reasonable Authority operations.
- (2) Where Public Fire Protection Service is provided by the mains affected by the interruptions, the Authority will promptly endeavor to notify the Fire Chief or other officials responsible for fire protection, stating the approximate time and anticipated duration. In addition, the Fire Chief or other officials responsible for fire protection will be notified promptly upon restoration of delivery of water.

c. Apportionment of Supply During Times of Shortage. During times of threatened or actual water shortage, the Authority will apportion its available water supply among its Customers with due regard to public health and safety.

d. Non-Performance. Any agreement for Service hereunder between Authority and Applicant or Customer is hereby subject to the rules of contract law as they apply to impossibility of performance in the State of Nevada.

Added: 10/01/03 Amended: 03/17/04; 03/01/05; 03/01/08

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

C. Water System Facilities and Services and Meter Facilities

1. The Authority has the right to meter all Services.
2. The Authority may require a separate Service and Meter Facility for each Service Classification and for each building on a Service Property where necessary for operation, maintenance or billing purposes of the Authority, including a Service Property created by subdividing the original Service Property subsequent to the initial delivery of water to the original Service Property. A suitable Meter shall be installed at each building and owners of Service Property with multiple occupancy units may request that separate Meters be installed for each unit. Such request shall be granted where feasible for the operating convenience of the Authority and installed pursuant to the Authority's Service and Meter Facilities Rule.
3. Service and Meter Facilities and Fire Facilities shall not be used by any Person for purposes other than those specified in the appropriate application for delivery of water or the applicable Rate Schedule.
4. Fire hydrants and Private Fire Protection Services will be maintained at the expense of the owner of the Service Property.

D. Loss or Damage to Service and Meter Facilities

1. Customer shall be solely responsible for any loss or damage to Service or Meter Facilities or to Customer's facilities caused by Customer, persons residing with Customer, Customer's agent or invitees. In the event Authority's Service or Meter Facilities are damaged by Customer, persons residing with Customer, Customer's agent or invitees, Customer shall also be responsible for paying any charges associated with the repair of Service and Meter Facilities, fees as set forth in Rate Schedule SC and/or penalties or any liability pursuant to NRS 704.800 and 704.805. In addition to the foregoing, the Authority may bring a civil action for damages against any person who violates the provisions of Section 5(a) and recover a sum equal to treble the amount of the actual damages, plus all reasonable costs and expenses incurred by the public utility because of that conduct, including the cost of equipment, investigating the matter and expert witnesses and attorney's fees.
2. Customer shall, at Customer's sole risk and expense, furnish, install, inspect, and keep in good and safe condition all facilities required for: (1) receiving delivery of water from the Authority, regardless of the location of the Service and Meter Facilities, or other equipment of the Authority; and (2) applying and utilizing such Service and Meter Facilities, including all necessary protective appliances and suitable housing therefore.

Added: 10/01/03 Amended: 03/17/04; 03/01/08; 05/21/09

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

3. Customer shall be solely responsible for the transmission and delivery of water over or through Customer's pipes, Meter(s), and equipment, regardless of the place where such may be metered. Authority shall have no responsibility for any loss or damage to Customer's receiving facilities.

E. Water Waste Enforcement

1. Water Waste. As a condition of service, Customers of the Authority must use water delivered through the Authority's system in a manner that promotes efficiency and avoids waste. All Customers of the Authority are required to comply with all applicable water efficiency codes. It is a violation of the Authority's Rules for any Customer to waste water as defined in this Rule. For the purposes of this Rule, the use, consumption or expenditure of water under any of the following conditions shall constitute the waste of water within the meaning of this Rule.
 - a. Wasting of water refers to any act of a Customer involving the Excessive use, application, or expenditure of water supplied.
 - b. Use of water through any Service or Meter Facility when the Customer or his agent responsible for the use of such water has been given notice consistent with Rule 3 to repair one or more leaks in any piping system or any plumbing fixture connected directly or indirectly to such Service and Meter Facility and such Customer or his agent or representative has failed to complete such repairs.
 - c. The washing of automobiles, trucks, trailers or any other type of mobile equipment, except: (1) in washing facilities operating with a water recycling system or using a non-potable water source, (2) where required by health and sanitary regulations, or (3) in conjunction with a hose to which a self-closing nozzle is attached.
 - d. The Irrigation of lawns as follows:
 - (1) Premises with even addresses – Tuesday, Thursday and Saturday.
 - (2) Premises with odd addresses – Wednesday, Friday, and Sunday.
 - (3) After Labor Day holiday weekend through Memorial Day holiday weekend – any time of day.
 - (4) After the Memorial Day holiday weekend through the Labor Day holiday weekend – any time of day except between the hours of 12:00 p.m. and 6:00 p.m.
 - (5) Nothing contained in this Rule shall prohibit:
 - (a) The Hand Watering of vegetable or flower gardens, lawns, trees and shrubs in a non-wasteful manner.
 - (b) The watering of newly seeded lawns or sod, lawns in public parks, playgrounds, athletic fields, common areas, and parkways on any day and at any time of day if done in a non-wasteful manner, subject to a variance granted annually by the Authority.

Added: 10/01/03 Amended: 03/17/04; 01/20/10; 01/19/12

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

- (c) The use of a drip irrigation system in a non-wasteful manner.
 - (d) The Authority may condition any variance with appropriate requirements, including installation of a meter.
 - e. Use of water in violation of any applicable law or ordinance.
2. Water Use Restrictions During Emergency Conditions. If a water emergency is declared by Local Government(s), the Authority may implement additional restrictions on water use as defined by Local Governments. The Authority may restrict water usage beyond that established herein upon a finding that absent such further restriction there is an actual or imminent threat to public health and safety.
3. Notice of Violation and Water Waste Penalty Charges. Upon any observation of water waste at a Service Property, the Customer will be notified by the issuance of a notice of violation including assessment of the applicable Water Waste Penalty Charge. Such notice will be affixed at the Service Property in a conspicuous manner and will be mailed to the Customer. Any notice of violation that will result in the assessment of a Water Waste Penalty Charge will be sent to the Customer via certified mail. Successive violations at a Service Property by the same Customer within a calendar year will result in the assessment of a Water Waste Penalty Charge upon the Customer pursuant to this table:

1 st Violation	2 nd Violation	3 rd Violation or Greater*
\$0.00	\$25.00	\$75.00

*A Meter will also be installed for billing purposes on any Unmetered Service for Delivery of Water to the Service Property.

Any Water Waste Penalty Charge assessed will be placed on the Customer's monthly water bill. Failure to pay the penalty may result in the Termination of Delivery of Water pursuant to Rule 3.

Added: 10/01/03 Amended: 03/17/04; 01/20/10

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

F. General Provisions

1. The Authority will maintain, open for public inspection at its business offices, pertinent information regarding the service rendered, a copy of the Rules and Rate Schedules of the Authority, service area maps and forms of contracts and applications applicable to the territory served.
2. Except as otherwise provided in these Rules:
 - a. Notice to a Customer will normally be in writing and will be delivered or mailed to the Customer's last known address, or customer's last known electronic communication preference.
 - b. In emergencies, or when circumstances warrant, the Authority, where feasible, will endeavor to promptly notify affected Customer(s) and may make such notification orally, either in person or by telephone, electronically, or any other reasonable means available.
 - c. Notice from Customers shall be submitted in writing to the Authority at its business office, via the customer web portal, or by phone through a customer service representative.
3. Unless provided for in these Rules, a Customer shall not resell water received from the Authority. This provision is not intended to prevent an owner, lessee, or operator of an apartment house, hotel, office building, trailer court, or other multiple-family dwelling from recovering the cost of water from its tenants.
4. Temporary Service. The Authority may at its discretion, if no undue hardship to its existing Customers or to the Authority's water resources will result therefrom, furnish Temporary Service under the following conditions:
 - a. The Applicant will be required to pay to the Authority, in advance, all the costs of installing and removing the facilities necessary to deliver water.
 - b. Where the duration of water delivery is to be less than one (1) month, the Applicant may also be required to deposit a sum of money equal to the estimated bill, subject to adjustment and refund or repayment in accordance with actual bill due upon discontinuance of water delivery.
 - c. Where the duration of water delivery is to exceed one (1) month, the Applicant may also be required to establish credit pursuant to Authority's Rules.
 - d. Temporary water use is subject to ongoing review by the Authority to determine its impact on the Authority's water resources or Facilities, and is subject to immediate

Added: 03/17/04 Amended: 05/21/09; 3/18/20

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

interruption or curtailment at the Authority's discretion. In the event the Authority determines temporary water delivery has become a permanent water use or the

Added: 03/17/04 Amended: 05/21/09; 3/18/20

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

Customer desires to convert a Temporary Service to Permanent Service, the Customer must satisfy all conditions necessary for new or Modified Service pursuant to the Authority's Rules otherwise Temporary Service will be terminated.

5. Theft of Water or Damage to Property.

a. No person shall obtain any water from the Authority with the intent to avoid payment therefore, by:

- (1) Opening, breaking into, tapping or connecting with any pipe, flume, ditch, conduit, reservoir, Fire Facilities, Meter or other apparatus belonging to or used by any other Person or by the Authority, and taking and removing therefrom or allowing to flow or be taken therefrom any water, belonging to another;
- (2) Connecting a pipe, tube, flume, or other instrument or appliance with any pipe, conduit, tube, flume, Fire Facilities, Meter or other apparatus belonging to or used by the Authority or belonging to or used by any other Person in such a manner as to take therefrom water for any purpose or use without passing through the Meter or instrument or other means provided for registering the quantity consumed or supplied;
- (3) Altering, disconnecting, removing, injuring or preventing the action of any headgate, Meter or other instrument used to measure or register the quantity of water used or supplied; or
- (4) Altering, disconnecting, removing, injuring or interfering with any Meter, Fire Facilities, pipe, conduit, flume, or other attachment or apparatus belonging to or used by the Authority, without the prior consent of the Authority.
- (5) Attempt to deter or prevent any Authority employee, by means of threat, force or violence, from performing his duty.
- (6) Willfully or maliciously destroy or injure any property of the Authority.

b. The Customer shall be subject to charges under the Authority's Rate Schedule SC for each occurrence in Section 5.a.

Added: 03/17/04 Amended: 03/01/08; 05/21/09

Truckee Meadows Water Authority

RULE 2

GENERAL CONDITIONS FOR THE DELIVERY OF WATER

- c. The Authority may pursue all remedies under its Rules and Rates and Nevada Law, including without limitation those set forth in NRS 197.090, 206.310, 199.300, 193.100, 704.800 and 704.805, regarding any unlawful acts by any Person related to the Authority's property, employees or delivery of water. In addition to the foregoing, the Authority may bring a civil action for damages against any person who violates the provisions of Section 5(a) and recover a sum equal to treble the amount of the actual damages, plus all reasonable costs and expenses incurred by the public utility because of that conduct, including the costs of equipment, investigating the matter and expert witnesses and attorney's fees.

Added: 03/01/08 Amended: 05/21/09

Truckee Meadows Water Authority

RULE 3

APPLICATION FOR, AND DISCONTINUANCE, TERMINATION, AND RESTORATION OF THE DELIVERY OF WATER

A. Application for the Delivery of Water

1. Content. Each Customer applying for delivery of water will be required to provide the Authority information which includes, but is not limited to, the following:
 - a. Date and place of application.
 - b. Street address of the Service Connection where water is to be delivered.
 - c. Date the Customer will be ready for delivery of water.
 - d. Whether the Service Property(ies) has been previously supplied with water by the Authority.
 - e. Purposes for which water is to be used.
 - f. Address, and other electronic communication information to which notices and/or bills are to be mailed or delivered.
 - g. Whether the Customer is owner of, tenant of, or agent for the Premise(s).
 - h. Social Security Number or Federal Tax Identification Number, or if such are not provided, the Customer may be required to appear at Authority's business office and present a government-issued picture identification.
 - i. Any information as the Authority may reasonably require.

Authority shall determine the applicable Rate Schedule.

2. Place. Customers applying for the delivery of water for an existing Service may apply via telephone during normal Business Hours or at the Authority's website, www.tmwa.com. Exceptions may be made at the Authority's sole discretion.
3. Individual Liability for Joint Delivery of Water. Two or more parties who join in one application for delivery of water shall be jointly and severally liable for payment of bills and shall not be billed separately.
4. Change in Customer's equipment or operations. Customers desiring to make any change in the size, character or extent of the equipment or operations for which the Authority's delivery of water is utilized shall immediately file a new application for delivery of water with the Authority.

Added: 03/23/01 Amended: 10/01/03; 03/01/08; 05/21/09; 3/18/20

Truckee Meadows Water Authority

RULE 3

APPLICATION FOR, AND DISCONTINUANCE, TERMINATION, AND RESTORATION OF THE DELIVERY OF WATER

5. Conditions for Refusal. Except as otherwise provided in this Rule, the Authority may refuse delivery of water to a Customer until the Customer complies with the requirements of the Authority's Rules and Rate Schedules.

Added: 03/23/01 Amended: 10/01/03; 03/01/08; 05/21/09; 3/18/20

Truckee Meadows Water Authority

RULE 3

APPLICATION FOR, AND DISCONTINUANCE, TERMINATION, AND RESTORATION OF THE DELIVERY OF WATER

6. Service Property Owners / Landlords

- a. The Authority may exercise any remedies afforded to the Authority by Law against the owner of a Service Property for damage to the Authority's Facilities or unpaid charges for Facilities or water delivery at such Service Property, regardless of whether the owner of the Service Property is the Customer of record.
- b. On a Service Property with a multi-unit complex where each unit is not individually metered, the Authority may at any time in its sole discretion require that the owner of the Service Property or the owner's agent be the Customer of record for that Service Property.
- c. If the owner, or agent of an owner, of a rental property desires to maintain an uninterrupted delivery of water to a Premise, the owner of, or agent for, the Service Property must agree to have the billing for delivery of water automatically transferred to his name in the event that a tenant Customer moves out of the Premise or has service disconnected for nonpayment. This shall be called a "Cut-In Landlord Agreement". The Cut-In Landlord Agreement does not preclude Termination of Delivery of Water due to non-payment. Except as provided in A.6.(b) above billing will only be transferred out of the owner's or owner's agent's name upon acceptance of an application by a new Customer pursuant to these Rules.
 - (1) The Cut-In Landlord Agreement will be removed from the Premise:
 - (a) At the request of the owner or agent.
 - (b) If the owner or agent fails to maintain Satisfactory Credit.
 - (c) If, when notified of any violations of the Authority's Rules, the owner, agent of the owner, or Customer fails to resolve the violation.
- d. The Customer for Private Fire Protection Service must be the owner of the Service Property.

Added: 03/23/01 Amended: 10/01/03; 03/01/08; 05/21/09

Truckee Meadows Water Authority

RULE 3

APPLICATION FOR, AND DISCONTINUANCE, TERMINATION, AND RESTORATION OF THE DELIVERY OF WATER

B. Establishment of Credit

The Authority shall require a Customer to establish credit before it delivers water. Credit may be established by a Customer by any one of the following:

1. Having been a Customer of the Authority within the two (2) years preceding the date of application for the delivery of water for a similar Service Classification and having established Satisfactory Credit.
2. Having been a Customer of another utility within the two (2) years preceding the date of application for the delivery of water, and having made Timely Payment of each bill issued to him during any consecutive twelve (12) months within the two (2) years preceding the date of application for the delivery of water.
3. Receiving benefits from a retirement plan or the Social Security Administration provided the Customer is a residential Customer and maintains Satisfactory Credit.
4. Submitting payment of a cash Deposit to ensure the payment of a bill issued to him for delivery of water.
 - a. The cash Deposit for each service required by the Authority shall be the greater of \$100.00 or the amount calculated based on one of the following three conditions:
 - (1) Customer Establishing Credit at a Residential Premise:
 - (a) 150% of the previous twelve (12) months average use for the delivery of water multiplied by the applicable rate; or
 - (b) If the Premise does not have twelve (12) months usage history, ~~the deposit amount will be \$100150% of the twelve (12) months average use for a comparable Service Classification multiplied by the applicable rate will be used to calculate the Deposit.~~ the deposit amount will be \$100150% of the twelve (12) months average use for a comparable Service Classification multiplied by the applicable rate will be used to calculate the Deposit.
 - (2) Customer Establishing Credit at a Non-Residential Premise:
 - (a) 200% of the previous twelve (12) months average use for the delivery of water multiplied by the applicable rate; or
 - (b) If the Premise does not have twelve (12) months usage history, ~~the deposit amount will be \$100200% of the twelve (12) months average use for a comparable Service Classification multiplied by the applicable rate will be used to calculate the Deposit.~~ the deposit amount will be \$100200% of the twelve (12) months average use for a comparable Service Classification multiplied by the applicable rate will be used to calculate the Deposit.

Added: 10/01/03 Amended: 03/01/08; 05/21/09; 01/19/12; 03/18/20

Truckee Meadows Water Authority

RULE 3

APPLICATION FOR, AND DISCONTINUANCE, TERMINATION, AND RESTORATION OF THE DELIVERY OF WATER

(3) Customer Terminated or Eligible for Termination for Non-Payment:

- (a) 300% of the highest month's use during the previous twelve (12) months multiplied by the applicable rate will be required for the Premise at which termination was made; or
 - (b) If the Premise does not have twelve (12) months usage history, 300% of the highest month's use ~~available during the previous twelve (12) months for a comparable Service Classification multiplied by the applicable rate~~ will be used to calculate the Deposit.
- b. A Customer who is required to pay a Deposit may, at the Authority's sole discretion, be permitted to enter into an agreement with the Authority for payment of the Deposit in three (3) equal installments collected over the first three monthly billing cycles rendered upon the first, second, and third consecutive months.
- c. Service may be terminated without prior notice for any failure by Customer to pay the Deposit as agreed and, in such a case, the Customer may be required to pay the full amount of the Deposit plus any other money owed the Authority before delivery of water is restored.
- d. A Deposit paid by Elderly Customers shall not exceed 50 percent of the Deposit established pursuant to this Section unless the Elderly Customer has had delivery of water terminated for non-payment of bills or has demonstrated Unsatisfactory Credit, under which circumstances the full Deposit must be made.
- e. By posting a Deposit, the Customer agrees that the Deposit is a pledge to make future payments to the Authority and not payment for future services that are furnished by the Authority.
 - (1) The Authority shall apply the Deposit together with interest accrued on the Deposit in compliance with NRS 704.655 to the Customer's final bill.
 - (2) In the case where a portion of the Deposit remains after amounts owed the Authority are paid, the Customer will receive a credit on the next bill or, upon request of the Customer, receive a refund of any Deposit with interest pursuant to NRS 704.655 on the balance remaining.
 - (3) In the case where the Deposit with interest is insufficient to pay the amount owed the Authority, the Customer shall pay the Authority amounts owed the Authority prior to reestablishment of delivery of water or reestablishment of credit.

Added: 10/01/03 Amended: 03/01/08; 3/18/20

Truckee Meadows Water Authority

RULE 3

APPLICATION FOR, AND DISCONTINUANCE, TERMINATION, AND RESTORATION OF THE DELIVERY OF WATER

- f. Return of Deposit. The Authority shall return any Deposit by applying the Deposit to the Customer's next bill with interest accrued on the Deposit when the Customer has Satisfactory Credit ~~for 12 consecutive months~~~~after a period of one (1) year.~~
 - g. Interest on Deposits held for over a year. The Authority will pay interest annually in compliance with NRS 704.655 on all Deposits computed from the date of Deposit until the ~~date of settlement or withdrawal of Deposit~~fiscal year ended June 30. Where such Deposit remains for a period of one year or more and the Person making the Deposit continues to be a Customer, the interest on the Deposit at ~~the end of the year~~June 30 shall be applied to the depositor's account or paid to the depositor as directed by the depositor.
5. Using a Deposit Guarantor with Satisfactory Credit. To qualify as a Deposit Guarantor, the Customer Guarantor acknowledges and agrees to the following terms and conditions.
- a. A Deposit Guarantor must be a Customer of the Authority.
 - b. The liability of a Deposit Guarantor ceases after the date the Customer for whom the Deposit Guarantor is acting has established Satisfactory Credit.
 - c. A Deposit Guarantor who is required to make any payment for a Customer may pay the amount owed within a period of not more than three (3) months. If payment is not made within that period, the Authority may terminate delivery of water to the Deposit Guarantor without notice.
6. Otherwise establishing credit for the delivery of water requested that is acceptable to the Authority.

C. Customer Request to Discontinue Delivery of Water

Customers desiring to discontinue the delivery of water shall notify the Authority and provide a mailing address to which the final bill will be mailed. The Customer remains responsible for payment of all billings and charges for delivery of water and services rendered until the Authority terminates delivery of water, not to exceed five (5) Days after the Authority receives Customer's notice for discontinuance.

Truckee Meadows Water Authority

RULE 3

APPLICATION FOR, AND DISCONTINUANCE, TERMINATION, AND RESTORATION OF THE DELIVERY OF WATER

D. Termination of Delivery of Water by the Authority

1. Grounds for Termination of Delivery of Water:

a. Without Prior Notice by the Authority

(1) The Authority may terminate delivery of water to any Service Property without prior notice only:

- (a) If any unsafe or hazardous condition related to the delivery of water is found to exist on the Customer's Premise(s);
- (b) If the use of water is found to be detrimental or damaging to the Facilities or Services of the Authority or its customers;
- (c) Customer's failure to pay a security Deposit, make an installation payment on a delinquent bill or a security Deposit, or a guarantee, when required.
- (d) Upon the order of any court of competent jurisdiction, or the Board;
- (e) If the acts of the Customer or the conditions upon his Service Property are such as to indicate to the Authority his intention to defraud the Authority;
- (f) If the Authority has tried diligently to meet the notice requirements of this Section, but has not been able to furnish notice to the customers affected;
- (g) If an event that cannot be reasonably anticipated or controlled occurs requiring termination of the delivery of water (force majeure);
- (h) If the Premise has been abandoned;
- (i) If the Customer obtained delivery of water without the specific credit authorization of the Authority;
- (j) If the non-wholesale Customer resells delivery of water; or
- (k) If the Authority is prohibited access to a Service Property for purposes of installing, operating, or maintaining Authority Facilities.

Added: 10/01/03 Amended: 03/01/08

Truckee Meadows Water Authority

RULE 3

APPLICATION FOR, AND DISCONTINUANCE, TERMINATION, AND RESTORATION OF THE DELIVERY OF WATER

b. With Prior Notice by the Authority

(1) Except as provided in Sections D.4.c and D.4.d, the Authority may terminate delivery of water to a Customer without his permission after adequate notice has been given pursuant to this Rule for any of the following reasons:

(a) Nonpayment of a past due bill.

(i) The Authority shall require that bills for delivery of water be paid by the Due Date as defined in Rule 4.

(ii) The Authority may terminate delivery of water at the new location of a Customer for his failure to pay a delinquent bill for delivery of water which he received at a previous location, except as otherwise provided in this Rule.

(iii) If a Customer receives Residential Service at more than one location, the Authority may terminate delivery of water to him at any of the locations for his failure to pay a delinquent bill at any location.

(b) Customer's failure to repair his facilities' water leaks.

(c) Violation by Customer of any other Rules of the Authority or material breach by Customer of any contract with Authority.

2. Notice of Intent to Terminate Delivery of Water

a. The Authority shall send written notice of intent to terminate delivery of water at least 10 Days before it terminates delivery of water. This initial notice of intent to terminate must be personally served or mailed first class to the last known mailing address of the Customer, and sent to the customer's last known electronic communication preference. Service of notice shall be deemed complete as of the date of mailing, ~~or~~ personal, or electronic delivery.

b. If the Authority receives no response to its initial notice of intent to terminate, it shall send a second notice to the Customer at least 48 hours before it terminates delivery of water. The second notice may be mailed by first class mail to the customer at his last known address, communicated to the Customer in person, sent to the customer's last known electronic communication preference, or communicated by telephone to an Adult resident at the address where water is delivered, or may be posted on the door of that residence if no one is home.

Added: 10/01/03 Amended: 03/01/08; 3/18/20

Truckee Meadows Water Authority

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Added: 10/01/03 Amended: 03/01/08; 3/18/20

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c. The notice of intent to terminate must contain the following information in clear and understandable language:

- (1) An identification of the account affected by the notice to terminate;
- (2) The date on or after which the proposed termination will occur;
- (3) The address of the location where delivery of water will be terminated;
- (4) An explanation of the reasons for termination including, if the proposed termination is for nonpayment, the total amount owed, the period over which that amount was incurred, and the minimum payment required to avoid termination;
- (5) The notice must include the mailing address and telephone number of the Authority;
- (6) A statement of the Authority's charges and procedures for restoration of delivery of water.

d. If the Authority intends to terminate delivery of water at a Service Property serving multiple-unit residential complexes, including apartment complexes, mobile home parks and two or more detached single family dwellings it must also use best efforts to post notice of its intent to terminate in a conspicuous place or places at the location.

e. Third-Person Notification

As used in this Section, "third-person" includes any guarantor of the Customer making the designation and any other person or public agency, other than the Customer or the Authority.

- (1) The Authority shall, upon the request of a residential Customer, notify a third-person designated by the Customer of its intent to terminate by sending a duplicate of the notice to the third-person. The third-person need not pay the bill.
- (2) The Authority shall make a diligent effort to notify the designated third-person, but will incur no liability for failure to notify the third-person.

3. Termination Charges. The Authority will charge the Customer the applicable service charge(s) pursuant to Rate Schedule SC.

Added: 10/01/03 Amended: 03/01/08

Truckee Meadows Water Authority

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4. Restrictions on Termination of Delivery of Water to Residential Services

a. During an Emergency Affecting Customer's Health

(1) The Authority shall postpone Termination of Delivery of Water to a Residential Service for a period of 30 Days beginning on the date it receives both of the following:

(a) A written statement from a licensed physician or public health official certifying that any Termination of Delivery of Water would be especially dangerous to the health of the Customer or any other person who is a permanent resident where water is delivered and would constitute an emergency affecting the health of the person.

The physician or health official may consider the feebleness, advanced age, physical disability, mental incapacity, serious illness, or other infirmity of the person affected. Except as otherwise provided in this paragraph, the statement certifying the emergency must be in writing and include:

- (i) The street address of the Service Connection where the delivery of water is affected;
- (ii) The name of the person whose health would be especially endangered; and
- (iii) A clear description of the nature of the emergency, and the name, title, and signature of the person certifying the emergency.

The statement may be made by telephone if a written statement is forwarded to the Authority within five (5) Days after the oral statement is made.

(b) A statement signed by the Customer:

- (i) That he is unable to pay for delivery of water in accordance with the requirements of the Authority's billing; or;
- (ii) That he is able to pay for delivery of water only in installments. The Authority shall allow an installment period of up to ninety (90) Days for a Customer to pay his bills.

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APPLICATION FOR, AND DISCONTINUANCE, TERMINATION, AND RESTORATION OF THE DELIVERY OF WATER

- (2) The postponement may be extended for an additional thirty (30) Days upon receipt by the Authority of a renewed medical certificate before the expiration of the original postponement.
- (3) If the Authority again intends to terminate delivery of water after a Customer has obtained a postponement pursuant to Section D.4.a.(1), the Authority shall give written notice of its intended action to the Customer and any other Person required to receive notice pursuant to Section D.2.
- (4) Before expiration of the postponement, the Customer must arrange with the Authority to pay his bills in accordance with its applicable Rules.
- b. Weekends and Holidays. Except as provided in this Rule, the Authority shall not terminate delivery of water on a weekend, a holiday, or on the Day before a weekend or a holiday.
- c. The Authority shall not terminate delivery of water to a Residential Service because of Customer's failure to pay a delinquent bill for another Service Classification at a different Service Property, or to any Customer because of delinquent bills which were incurred by the previous occupant of the Premise at which water is delivered, except as provided in Section A.6.
- d. Elderly and Disabled Persons. The Authority shall not terminate delivery of water to Elderly or Disabled, or whose household includes an Elderly or Disabled person, unless it has made all reasonable attempts to notify the affected Customer or some other Adult resident in person or by telephone at the Premise where water is delivered at least forty eight (48) hours before the date upon which termination would occur.

E. Restoration of Terminated Delivery of Water

- 1. The Authority will restore delivery of water to a Customer:
 - a. If the Customer has complied with the requirements of the Authority's Rules.
 - b. Upon the order of any court of competent jurisdiction or the Board.
 - c. Upon the receipt of a written statement from a licensed physician or public health official certifying that any termination of the delivery of water would be especially dangerous to the health of the resident, as provided by this Rule.

Added: 10/01/03 Amended: 03/01/08

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2. The Authority will endeavor to restore delivery of water during regular working hours on the Day of the request. Otherwise, restoration will be made on the regular working Day following the Day the request is made.
3. When a Customer has requested that the restoration of delivery of water be made during a period other than regular working hours, the Authority will reasonably endeavor to make the reconnection if practicable under the circumstances but will be under no obligation to do so, unless, in the opinion of the Authority, an emergency exists.
4. Where delivery of water has been terminated, the Authority will charge the Customer applicable service charge(s) pursuant to Rate Schedule SC for restoration of the delivery of water.

Added: 03/01/08 Amended:

Truckee Meadows Water Authority

RULE 4

PAYMENT FOR THE DELIVERY OF WATER

A. Rendering of Bills

1. Bills for Delivery of Water

Each bill for delivery of water issued by the Authority is based on the applicable Rate Schedule(s). Each Meter will be considered separately and the readings of two or more Meters will not be combined except as required by the Authority for operational necessity. Each bill for delivery of water includes, but is not limited to:

- a. Any previous balance.
- b. The amount due for delivery of water provided during the current Billing Period, with the date upon which this amount is due.
- c. Any late charge.
- d. The monthly Customer Charge.
- e. Any other authorized fee, charge, or tax.
- f. Any unregulated charge.
- g. The total of the preceding amounts.
- h. Prior Meter reading and Meter read date.
- i. Current Meter reading and Meter read date.
- j. The quantity of water consumed.
- k. The next date the Meter will be read.
- l. For Unmetered Service, the period of time for which the Flat Rate Charge is rendered.
- m. The telephone number and address of the business office of the Authority where a Customer may obtain information concerning his bill or the delivery of water to him.

Added:03/23/01 Amended: 05/15/03; 10/01/03

Truckee Meadows Water Authority

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2. Estimated Bills

- a. If the Authority is unable, because of circumstances beyond its control, to read the Meter of a Customer on the date scheduled, the Authority may bill the Customer based upon his estimated usage for the Billing Period.

Circumstances beyond the Authority's control include but are not limited to: severe weather, the presence of an animal on the Service Property of the Customer which prevents an employee of the Authority from reading the Meter without risk of injury, remote service locations, difficult or no access to the Meter, or any other circumstance which makes it unreasonably difficult to read the Meter.

- b. The following factors may be considered in calculating a bill based upon estimated usage:

- (1) The usage for this Customer at the same Premise for the same month last year.

- (2) The usage for this Customer at the same Premise for the prior month.

- (3) The highest usage on this Meter for the past 12 months.

- (4) Average estimated usage for the Service Classification.

- c. If, for reasons beyond its control, the Authority is unable to read the Customer's Meter on the scheduled reading date, the Authority may bill Customer for estimated consumption during the Billing Period, subject to adjustment at the time the Meter is next read.
- d. After the issuance of the third consecutive bill where such bills were based upon estimated usage, the Authority can notify the Customer to correct the specific circumstance which is impeding the Authority's right of access and making it unreasonably difficult to read the Meter. If the Authority determines that the circumstance impeding the Authority's right of access can be reasonably remedied by the time the Meter is next read, and the Customer fails to correct such circumstance by this time, the Authority may terminate the Customer's delivery of water.
- e. In circumstances where usage has been underestimated, the Authority will allow the Customer to pay off the difference between actual usage and estimated usage over a time period equivalent to the time period when the under-estimate occurred, if requested by the Customer.

Added: 03/23/01 Amended: 05/15/03; 10/01/03

Truckee Meadows Water Authority

RULE 4

PAYMENT FOR THE DELIVERY OF WATER

3. Proration of Bills. The monthly charges applicable to opening periods, closing bills, and bills rendered for periods corresponding to less than twenty ~~seven-six~~ (2726) Days or more than thirty ~~three-four~~ (3334) Days for monthly Billing Periods will be computed as follows: The amount of the charge will be prorated on the basis of the ratio of the number of Days in the period to thirty (30) Days -- the average Billing Period. Charges based on the measured quantity of usage shall then be added to such prorated amounts.

B. Payment of Bills

Payment of bills for delivery of water may be made to the Authority by any one of the following methods:

- a. Depositing payment with the U.S. Postal Service for delivery to the Authority by first class mail.
- b. Making payment at the business office of the Authority.
- c. Making payment to any agent authorized by the Authority to accept payment.
- d. Making payment directly from a bank account via the Authority's electronic funds transfer program online or IVR (Interactive Voice Response) system.
- e. Making payment with a credit card via the Authority's online or IVR (Interactive Voice Response) system.

C. Credit for Over Payment of Bills

Any credit balance resulting from a Customer's over payment of a bill may be applied by the Authority to the Customer's bill(s) for subsequent month(s). Any credit balance which remains on the Customer's account following the discontinuance or termination of the delivery of water will be refunded to the Customer.

D. Due Date

A bill for delivery of water is due and payable beginning on its date of issuance. Each bill is deemed issued by the Authority once the total charges due for a Billing Period are posted to the Customer's account(s). Bills will be delivered to Customers by first class mail or by electronic notification of the bill based on customer's last known communication preference, via the Internet. All bills must be paid within ~~fifteen-twenty one~~ (1521) Days of their issuance, and any bill not paid by such date will be deemed past due. Payment of a bill is timely if the payment is received not more than ~~four-three~~ (43) Days after the past due date.

Added: 03/23/01 Amended: 05/15/03; 10/01/03; 03/01/05; 01/19/12; 3/18/20

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1. If payment in full has not been received on any outstanding balances and all notices have been issued pursuant to Rule 3, the Customer's Service(s) is eligible for Termination of Delivery of Water pursuant to Rule 3.

Added: 03/23/01 Amended: 05/15/03; 10/01/03; 03/01/05; 01/19/12; 3/18/20

Truckee Meadows Water Authority

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E. Equal Payment Plan

An equal payment plan is available upon request by ~~RMWS-Residential~~ Customers in the classes RMWS, RMWD, RMWG who have received delivery of water at the same address for a minimum of twelve (12) consecutive months and have Satisfactory Credit. This plan enables equal monthly payment amounts of the Customer's estimated annual water bill.

~~1.~~ 1.—The equal payment plan provides for twelve (12) equal payments of the Customer's estimated annual water bill based upon their prior twelve (12) month's usage. Monthly equal payment amounts will begin the first full month of billing following the Customer request to be placed on the program. After twelve (12) consecutive months on the equal payment plan, there will be an adjustment from the Customer's total payments under the equal payment plan to actual billing. At that time, a new monthly equal payment amount will be computed and any debit or credit balance will be spread over the new equal payment plan year.

~~1.2.~~ Customer must sign up for automatic payment to qualify for the equal payment plan option.

~~3-2.~~ The plan is a voluntary program and will be in effect only for eligible Customers who elect to participate.

4. The equal payment plan allows for prepayment of the monthly equal payment amount at Customer's request.

~~54.~~ Participation in the equal payment plan may be discontinued by the Customer at any time during the plan year. Upon termination, any debit balance in the Customer's account will be due and payable. Any credit balance will be applied by the Authority to the Customer's billing for the subsequent month.

~~65.~~ The equal payment plan will be automatically cancelled when ~~two (2) equal payment bills~~ any amount greater than \$10 becomes s past due.

~~76.~~ The monthly equal payment amount is the average of the Customer's previous twelve (12) month's Customer Charge, commodity charge and other charges, as defined in the ~~RMWS~~-Rate Schedule.

~~87.~~ The monthly equal payment amount may be adjusted during the year for changes in rates due to Authority approved rate increases or decreases.

Added: 10/01/03 Amended: 3/18/20

Truckee Meadows Water Authority

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- 98.** The monthly equal payment amount may be adjusted during the last six months of the plan year whenever the consumption pattern changes will result in an overpayment or under collection of \$100.00 or more by the end of the plan year.

Added: 10/01/03 Amended: 3/18/20

Truckee Meadows Water Authority

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F. Adjustments of Bills for Errors

1. Determinate Billing Period. When it is found that an error or omission exists in billing and such error or omission is due to causes, the date of which can be reliably established, and except as otherwise provided in Section E.3 of this Rule, the Customer shall receive a refund or credit for the overcharge, or shall pay Authority for the undercharge for a period not to exceed the preceding twelve (12) months computed from the established date on which the error or omission commenced.
2. Indeterminate Billing Period. When it is found that an error or omission exists in billing and such error or omission is due to causes, the date of which cannot be reliably established, and except as otherwise provided in Section E.3 of this Rule, the Customer shall receive a refund or credit for the overcharge or shall pay Authority for the undercharge for a period not to exceed the preceding twelve (12) months.
3. Unauthorized Use. When it is found that an error or omission exists in billing and such error or omission is due to fraud, actions with intent to evade or defeat payment or accurate meter readings, unmetered or unauthorized use of Authority water or Facilities resulting from actions by other than an authorized Authority employee, billings for undercharge shall be computed back to the date on which the unauthorized use commenced and shall be subject to the charges in Authority's Rate Schedule SC for each occurrence.
4. Calculation of Billing Adjustments. Corrected bills based upon circumstances in Sections E.1 through E.3 shall be calculated based on: a) Customer's prior use; b) Customer's subsequent use correctly Metered; c) Authority's experience with other Customers of the same Service Classification, and d) the general characteristics of Customer's operations.
5. Limitations to Authority's Responsibilities for Refunds. In no case is the Authority required to make any refund or credit to a Customer for billing errors that predate June 11, 2001.

G. Disputed Bills

1. If a Customer disputes any Authority bill for the delivery of water, the Authority shall promptly investigate the matter and report its determination which may include a proposed resolution to the Customer including the Customer's right to file a dispute pursuant to Rule 8. If the Customer so requests, the report must be made in writing.
2. If the Customer is not satisfied with the determination made by the Authority, they may file a complaint pursuant to Rule 8.

Added: 10/01/03 Amended: 03/01/08; 05/21/09;3/18/20

Truckee Meadows Water Authority

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3. If a complaint is filed, the Customer may be required by the Authority to pay any disputed amount to the Authority pending resolution of the complaint.

H. Testing of Meters

The Authority may test or have a contractor perform an independent test to determine the accuracy of its Meters. The Authority may replace the Meter to be tested with another Meter in order to conduct the test. The replacement Meter will remain at the Service Property.

1. Request for Tests by Customer

- a. A Customer may, on notice of not less than one week, request the Authority to test the Meter used to measure the Customer's water consumption.
- b. No charge will be made for performing the test once during any thirty six (36) month period. The Authority may charge the Customer a service charge as set forth in Schedule SC for any additional test conducted during the period.
- c. The Customer may be present at the time a test is conducted.
- d. If a Meter is tested at the request of a Customer, the Authority shall, within a reasonable time after the test, provide the Customer with a written report of the Meter test results.
- e. The Authority will prepare and maintain a record of the results of each test conducted pursuant to this Section. The record will include:
 - (1) The name and address of the Customer.
 - (2) The Meter number.
 - (3) The type of Meter.
 - (4) The type of test.
 - (5) The date on which the test was conducted.
 - (6) The results of the test.
 - (7) A description of any action taken as a result of the test.

Added: 10/01/03 Amended: 05/21/09

Truckee Meadows Water Authority

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2. Adjustment of Bills for Meter Error

- a. If a Meter is tested and found to be inaccurate by more than two percent (2%), the bill for service of any Customer affected must be adjusted pursuant to this Rule.
- b. If the tested Meter is:

(1) Under-recording

The adjustment for under-recorded usage of water consumption will be made only for the period of the most recent three (3) months of usage.

(2) Over-recording

The adjustment for over-recorded usage of water consumption will be made only for the period of the most recent six (6) months of usage.

(3) Not Functioning

The Authority shall bill the Customer for the estimate of consumption not registered for either the period the Meter was in use at such Customer's Premise(s), or the preceding three (3) months, whichever is shorter.

Added: 10/01/03 Amended: 05/21/09



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Scott Estes, Director of Engineering
Tiffany Anderson, Principal Engineer – New Business
DATE: February 10, 2020
SUBJECT: **Introduction and First Reading of Amendments to TMWA Rule 5 -
Water System Facilities and TMWA Rule 6 – Service and Meter Facilities**

Summary:

Staff submits for the Board's consideration for First Reading the attached redline of Authority's Rule 5 and Rule 6. Staff requests direction and/or acceptance of the proposed changes and if the changes are found acceptable, remand the changes to a Second Reading for adoption at the March TMWA Board Meeting.

Background:

Over the last couple of years, new business staff has recognized the need to clarify responsibilities associated with fire services and retirement of existing services. Direction on these subjects can be found in various places, such as in Water Service Agreements, TMWA Construction Standards, Discoveries, Details and General Notes on Plans, but it was determined to be more effective and binding if clear direction was provided in the TMWA Rules. Other changes are necessary to clarify extension requests when project approvals will expire in accordance with NAC regulations and utilization of capacity credits.

Attachments:

Rule 5 – Water System Facilities – Redlines
Rule 6 – Service and Meter Facilities – Redlines

Truckee Meadows Water Authority**RULE 5****WATER SYSTEM FACILITIES****A. Applicability**

1. This Rule defines the responsibilities of the Authority and of the Applicant for the cost and requirements for construction, extension and/or modification of Water System Facilities required to provide new Service or Modified Service to the Applicant's project(s) within the Authority's approved Service Area. No Service Property shall be eligible for water service, nor shall Authority have any obligation to provide water service to any Service Property, if the Service Property is located outside Authority's Service Area.
2. Annexation of Service Property. Authority shall have no obligation to annex or provide water service to any Service Property located outside Authority's Service Area. An Applicant seeking new Service to a Service Property located outside the Authority's Service Area shall submit an application for annexation to the Authority. The Authority may, in its sole discretion, deny the application or agree to annex the Service Property into the Authority's Service Area on such terms and conditions determined by Authority and set forth in an Annexation Agreement. An Applicant approved for new Service to a Service Property located outside the Authority's Service Area must satisfy both the terms and conditions of the Annexation Agreement and terms and conditions applicable to new Service set forth in Authority's Rules, including this Rule.
3. Definitions. Terms not defined in this section shall have the meaning set forth in Rule 1. As used in this Rule:
 - a. "Applicant" shall mean the legal owner of the Service Property to receive New or Modified Water Service which results in the need for addition to or modification of Water System Facilities.
 - b. "Applicant Installed Facilities" shall mean those Water System Facilities or portions of Water System Facilities required or approved by the Authority for installation by Applicants, and include Project Mains and associated Facilities, Meters or Services.
 - c. "Authority Installed Facilities" shall mean those Water System Facilities or portions of Water System Facilities installed and constructed by the Authority or its agent, and including, but not limited to, supply/treatment improvements, feeder mains, pressure regulating stations, system interties, new pump stations or rebuilds of pump stations, new standby power generators, storage facilities, and retrofit additions.
 - d. "Business Services" shall mean the cost of services provided by the Authority for the benefit of the Applicant associated with providing new Service or Modified Service and may include, but are not limited to, system planning; engineering design; permitting; property, right-of-way, or easement acquisition; design review; material acquisition; bidding and contracting; construction; construction management; inspection; and administrative overheads and financing costs.
 - e. "Charge Area" shall mean the geographically defined boundaries where Area Facility Unit Costs have been established by the Authority.

Truckee Meadows Water Authority

RULE 5

WATER SYSTEM FACILITIES

- f. "Deficit Demand" shall have the meaning ascribed to such term in Rule 7.
- g. "Effective Date of the Water Service Agreement" shall mean the earlier of (i) the date stated in a Water Service Agreement that it is to become effective or (ii) the date the Water Service Agreement is executed by both the Applicant and the Authority.
- h. "Facilities Application" shall mean the Applicant's request for Water System Facilities submitted on such form prepared by or revised by the Authority from time to time.
- i. "Feeder Mains" shall mean on-site or off-site mains and associated Facilities required to provide the requested service, which will also provide excess capacity to serve additional future Customers or redundant mains necessary to comply with local, State or Federal regulations.
- j. "Oversizing Costs" shall mean the difference between the cost of the Oversized Facilities and the cost of Water System Facilities necessary to serve Applicant's project, as estimated by the Authority. Authority's responsibility for Oversized Facilities costs shall not be allocated based on Applicant's percentage utilization of the water system facility's capacity.
- j. "Oversized Facilities" shall mean those portions of Water System Facilities required by Authority of greater capacity or size than would be necessary to provide the service requested by the Applicant.
- k. "Project Mains" shall mean on-site or off-site mains and associated Facilities required to provide the requested service that do not provide excess capacity to also serve additional future Customers. The capacity of a main and whether excess capacity is available is solely determined by the Authority.
- l. "Water Service Agreement" shall mean the agreement entered into between the Applicant and the Authority that defines the terms and conditions under which the Authority shall provide the requested water service.
- m. "Water System Facilities" shall mean all on-site and off-site improvements required to provide new Service or Modified Service to a Service Property or Applicant's project and as necessary to develop, treat, store, transport and distribute water to the Applicant's project, and any additional facilities specified or required by local, State, or Federal regulations, or stipulated in an Annexation Agreement, whether Applicant Installed Facilities or Authority Installed Facilities, and shall include, but not be limited to, supply/treatment facilities, water mains and associated facilities, storage tanks, pressure regulating stations, pump stations, standby power generators and any other ancillary equipment or controls necessary to integrate new water Facilities or to connect to, expand, relocate, ~~remove~~, ~~retire~~ or alter existing water Facilities.

Truckee Meadows Water Authority**RULE 5****WATER SYSTEM FACILITIES****B. Responsibilities and Requirements for Installation of Water System Facilities****1. Application and Processing.**

- a. Applicant shall apply for new Service or Modified Service by submitting a complete Application with the Authority. An Application shall be deemed complete if the Authority determines it includes sufficient information to allow Authority to perform system planning and develop preliminary facility plans, prepare sketches, and estimates of Applicant's costs to be advanced to Authority for Authority's business services.
- b. The Application must be accompanied by appropriate fees for business services as provided in Rate Schedule BSF. All Rate Schedule BSF fees paid at the time of Application are non-refundable, except as otherwise provided in Section B.6.c of this Rule 5.
- c. The Authority shall determine, in its sole discretion, whether any changes to a project or Application after submission of a completed Application (changes may include but are not limited to type of development, number of units or parcels, change in size of units or parcels, change in grading, change in street layout, fire flow required, or estimated demand(s)) changes the estimated demands of the project or requires submission of a New Application.
- d. An Application shall automatically be deemed canceled and rejected, and shall be null and void without further notice from the Authority:
 - i. on the date the Applicant notifies the Authority the project is canceled;
 - ii. on the date approval for the project by the applicable governing body expires or is terminated; or
 - iii. if a Water Service Agreement has not been executed by Applicant and Authority within twelve (12) months of the date the completed Application was first received by Authority.
- e. The Authority, in its sole discretion, may approve an extension of time for a pending application beyond its scheduled cancellation date under the following conditions:
 - i. the Applicant requests the extension of time in writing no later than 30 days prior to the pending cancellation date;
 - ii. there are no changes planned, proposed, or subsequently made to the project; and
 - iii. the Water Service Agreement for the project is subject to different terms, conditions, fees, and/or facility charges than those offered in a prior Water Service Agreement for the project.

Truckee Meadows Water Authority**RULE 5****WATER SYSTEM FACILITIES**

- f. An Applicant may resubmit a rejected or canceled Application to the Authority for reconsideration at any time; provided, however, the resubmission of a canceled Application will be treated as a new Application and must comply with all conditions in these Rules applicable to a new Application, including payment of appropriate fees.
2. Applicant Installed Facilities.
- a. Applicant will be responsible for all engineering design, permitting, property acquisition, right-of-way, material acquisition, bidding and contracting, and construction of Applicant Installed Facilities. Authority will, at Applicant's expense, perform planning, administer the Water Service Agreement described in Section B.6 of this Rule, review and approve designs of Applicant Installed Facilities, inspect and approve Applicant Installed Facilities during construction, and, to the extent necessary to acquire access rights for Applicant Installed Facilities, review and process right-of-way and property documents.
 - b. The Authority will, at its sole discretion, determine the feasibility of proposed or alternate routes for Facilities and for establishing capacity requirements.
 - c. Feeder Mains, Project Mains, storage facilities, and pressure regulating stations may be designated as Applicant Installed Facilities at the sole discretion of the Authority.
 - d. Applicant Installed Facilities work must be conducted in coordination with the Authority to permit the Authority to perform its related work efficiently with minimum delay.
 - e. Applicant must comply with the following conditions to install Applicant Installed Facilities.
 - (1) All design, plans, and specifications shall be prepared by the Applicant at the Applicant's expense and must be approved by the Authority before construction can commence. If the Authority, in its sole discretion, determines that engineering design is required for the water facilities, Applicant's designs shall be prepared by or under the direction of and wet-stamped by a Professional Engineer registered in the State of Nevada in accordance with Nevada Law, including NAC 625.611.

Truckee Meadows Water Authority

RULE 5

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- (2) All phases of the installation of Applicant Installed Facilities are subject to inspection and approval by the Authority, at Applicant's expense. Applicant shall require Applicant's contractor to conduct a pre-construction meeting to be attended, at a minimum, by the Applicant's design engineer, contractor's superintendent and Authority's inspector.
- (3) The Applicant's contractor must hold a valid Contractor's License of a proper classification ("A" General Engineering, or subclassification "A-19" specialty contractor's license) issued by the State of Nevada Contractor's Board in accordance with NRS 624. The contractor must furnish sufficient experienced and qualified personnel and must demonstrate availability of adequate reliable equipment to handle and install Applicant Installed Facilities in a workmanlike manner in accordance with industry standards, TMWA standards and manufacturer's recommendations.
- (4) The Applicant and/or Applicant's contractor must comply with the Authority's Standards, and any additional specified construction standards and/or governmental requirements (i.e., OSHA, City, County, State, etc.) that may apply in all phases of the Applicant Installed Facilities installation. Applicant shall complete all work in accordance with the approved drawings as supplemented by standard details and notes, Authority's Standards, this Rule 5 and the terms and conditions of the Water Service Agreement.
- (5) The Applicant must provide all material in accordance with the Authority's Standards or specifications. All material provided will be subject to acceptance by the Authority, based on inspections by the Authority at Applicant's expense.
- (6) The Applicant and/or Applicant's contractor must guarantee all material and workmanship against defects for one (1) year following final acceptance of Applicant Installed Facilities by the Authority. This guarantee shall be made a part of the Water Service Agreement.
- (7) If Applicant's contractor, for any reason, ceases work on Applicant Installed Facilities prior to acceptance by Authority, the Applicant or Applicant's contractor must immediately notify the Authority of the work cessation and the reasons therefore, and must notify the Authority at least two (2) working Days prior to recommencing work, unless otherwise agreed to by the Authority. The Authority may require a pre-construction meeting per Section B.2.e.(2) of this Rule prior to the commencement of work.
- (8) Applicant must enter into a Water Service Agreement with the Authority as described in Section B.6 of this Rule.
- (9) The Applicant shall install all Oversized Facilities specified by the Authority subject to the reimbursement provisions of this Rule.

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(10) Applicant shall, at Applicant's sole cost and, in a manner as directed by Authority, remove and retire all existing active or inactive water facilities that serve, were capable of serving or did serve the Applicant's Service Property, including those facilities discovered during construction that were not shown on the approved drawings.

~~(4011)~~ The Applicant shall commence installation of Applicant Installed Facilities within the earlier of (i) 12 months after the ~~effective~~ date of Authority's approval of Applicant's water project plan~~an executed Water Service Agreement~~; or (ii) the time schedule set forth in a Water Service Agreement.

Applicant shall apply best commercial efforts to complete construction of the water facilities no later than 12 months from the commencement date, or in accordance with specific required completion dates as established by the Authority.

If Applicant does not commence or complete construction within the time periods described above, Authority, at its sole discretion, may consider and may grant a 12 month extension if Applicant submits a written request for an extension to the Authority within 60 days of the potential expiration and termination of the Water Service Agreement and demonstrates good cause for such extension. Such request for extension must clearly describe project status and the reasons for delay.

~~(4412)~~ The delivery of water will not be provided to a Service Property or Applicant's project by the Authority until the necessary Water System Facilities are complete, tested, accepted and placed into service, and applicable Schedule WSF Charges shall be paid as determined by the Authority in Section B.4.

3. Authority Installed Facilities.

- a. Unless otherwise expressly noted in this Rule or specifically provided for in the Water Service Agreement, all Water System Facilities shall be deemed Authority Installed Facilities.
- b. Applicants shall prepay to Authority the Authority's estimated cost of preparing final design documents for Authority Installed Facilities, including detailed plans, specifications and cost estimates as a condition of Authority beginning such services. In addition, Applicant shall comply with the following requirements for Authority Installed Facilities.
 - (1) Applicant shall provide the Authority with maps and drawings, in an electronic format and to suitable scale satisfactory to the Authority, showing final street and lot layouts and final grading plans indicating existing and final elevation contours of the area to be developed.

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- (2) Applicant shall provide Authority with a proposed construction schedule and service date. The Authority will develop a tentative project schedule in consultation with Applicant, accounting for anticipated permitting, land and/or right-of-way acquisition, material acquisition, design and construction time frames.
 - (3) Applicant shall furnish any required property ownership, property description, plot plan or record of survey information concerning the area to be served under the provisions of this Rule. Such information shall be furnished in a format acceptable to the Authority.
 - (4) Applicant shall furnish any other relevant information that the Authority may require to complete Authority's design or construction of Authority Installed Facilities. If changes are made subsequent to the presentation of the information described in Section B.3.b and these changes require additional expense to the Authority in revising plans, specifications and cost estimates, this additional expense shall be advanced by the Applicant.
- c. Applicant shall submit an advance payment, equal to the Authority's estimated cost to provide the requested service, including permitting, land and right-of-way acquisition, material and equipment acquisition(s), bidding and contracting, construction, inspection and administration, thirty (30) Days prior to the start of construction of any Authority Installed Facilities. Scheduling of the construction start date is contingent upon Authority's receipt of Applicant advance payments and all project approvals, required easements and project permits.
 - d. The Authority may require an acceptable bond, letter of credit or guarantee related to the required cash advance whenever installation of Authority Installed Facilities requires firm scheduling by the Authority more than thirty (30) Days prior to construction. Bonds, letters of credit or guarantees provided for this purpose will be replaced with cash thirty (30) Days prior to construction, except that Applicant will advance the cost, in cash for special materials not normally stocked by the Authority in the quantities needed, as a condition of Authority ordering such materials.
 - e. In those instances where more than one Applicant is to be served jointly from the same extension or alteration, the total advance required from such Applicants shall be apportioned among the Applicants as provided in the Water Service Agreement. The total advance shall equal the Authority's total cost for providing service to all such Applicants.
4. Facilities and Cost Responsibilities.
- a. All Applicant Installed Facilities and Authority Installed Facilities shall be and remain the sole property of the Authority. Size, type, quality of material and location of Water System Facilities installed or constructed shall be selected by the Authority in accordance with the Authority's standards of service, engineering and construction practices and in compliance with local, State and Federal regulations. At its option, the Authority will retain ownership of existing Facilities that are removed in connection with

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new Facilities installation; otherwise, such removed facilities will become the property of the Applicant. No salvage value will be assigned or granted to the Applicant for existing facilities that are removed.

- b. The Authority is not responsible for damages, including consequential damages, delay or other inconveniences resulting from delays in design, planning, review, approval or construction of Water System Facilities caused by circumstances beyond the control of the Authority.
- c. Applicant cost responsibilities for Water System Facilities installed pursuant to this Rule shall include, but are not limited to, all regulatory, environmental and other permit fees, engineering, permitting, land acquisition(s), right-of-way, inspection, material, labor, transportation, cost for removal or retirement of existing Facilities, associated Authority overheads, financing charges and other charges which are related to the Facilities, including any modification or improvement of existing Facilities, or installation of temporary Facilities required to provide the requested service.
- d. Applicant shall be responsible for the actual cost of all Water System Facilities identified by the Authority, and/or required by local, State or Federal regulations, as required to provide the requested new Service or Modified Service, including, without limitation, costs for:
 - (1) Project Mains. The Applicant is solely responsible for the cost of Project Mains as required by the Authority to provide the necessary capacity for the requested New or Modified Service. Applicant will be responsible for the cost of a Project Main of such capacity and along such a route as would be adequate to provide the required service, provide for the logical and orderly expansion of the water system to serve future customers, or meet requirements of applicable regulations, as determined by Authority.
 - (2) New Pump Station Facilities
 - (3) Service and Meter Facilities (per Rule 6).
 - (4) Supply and Treatment Facility Charge. Applicants shall be responsible for a Supply and Treatment Facility Charge, the amount of which will be based on the following calculation:

Supply and Treatment Facility Charge = Demand multiplied by Supply and Treatment Facility Unit Cost

Where:

Supply and Treatment Facility Charge = Applicant's share of costs to add new or modify existing supply and treatment facilities.

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Demand = Excluding fire flow, Applicant's Maximum Day Demand plus any Deficit Demand at the Service Property in GPM as determined by the Authority.

Supply and Treatment Facility Unit Cost = unit cost in dollars per GPM of Maximum Day Demand, representing the cost to construct and finance supply/treatment improvements identified by the Authority as set forth in Rate Schedule WSF.

- (5) Storage Facilities. Where, as solely determined by the Authority, storage is required that benefits or serves primarily the Applicant's Project, the Applicant will be solely responsible for financing, constructing and dedicating to the Authority the storage facilities required to serve the Applicant's Project. The Authority, at its option, may require Applicant to oversize said storage facilities; in such case, Authority shall be responsible for Oversizing Costs as provided in Section B.5 of this Rule 5.

- (i) If not required to construct and dedicate storage facilities, the Applicant shall pay the Authority a Storage Facility Charge, the amount of which will be based on the following calculation:

Storage Facility Charge = *Demand* multiplied by *Storage Facility Unit Cost*

Where:

Storage Facility Charge = Applicant's share of storage costs including operating, fire and emergency storage components.

Demand = Excluding fire flow, Applicant's Maximum Day Demand plus any Deficit Demand at the Service Property in GPM as determined by Authority.

Storage Facility Unit Cost = unit cost in dollars per GPM of Maximum Day Demand, representing the cost to construct and finance storage improvements identified by Authority as set forth in Rate Schedule WSF.

- (6) Area Facility Charge. The Applicant is solely responsible for the cost of Feeder Mains and other area specific facilities required by the Authority to provide the necessary capacity for the requested New or Modified Service. The Authority, at its option, may require Applicant to oversize said Feeder Main or area specific facilities; in such case, Authority shall be responsible for Oversizing Costs as provided in Section B.5 of this Rule 5. Where a Service Property is not located within an established Charge Area or where the Area Facility Unit Cost for that Charge Area has not been established, applicable Area Facility Unit Costs shall be determined by Authority on a case by case basis and may include charges for on-site and off-site improvements, including Oversizing Costs, to integrate new Water System Facilities or to connect to, expand, relocate or alter existing water Facilities, determined by the Authority as necessary to facilitate annexation of the Service Property into the Authority's Service Area and/or development of the Charge Area or Charge Area Unit Cost to be established, as set forth in the

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Annexation Agreement or Water Service Agreement between Applicant and Authority.

- (i) If Applicant's Project is determined to be located in a Charge Area as set forth in Rate Schedule WSF, the Applicant shall pay the Authority an Area Facility Charge, the amount of which will be based on the following calculation:

Area Facility Charge = Demand multiplied by the *Area Facility Unit Cost*

Where:

Area Facility Charge = Applicant's share of Feeder Main and area specific facility costs.

Demand = Excluding fire flow, Applicant's Maximum Day Demand plus any Deficit Demand at the Service Property in GPM as determined by Authority.

Area Facility Unit Cost = unit cost in dollars per GPM of Maximum Day Demand, representing the cost to construct and finance Feeder Main and area specific facility improvements for the appropriate Charge Area as identified by Authority as set forth in Rate Schedule WSF.

- (7) Pressure Regulator Stations and System Intertie Facilities. If applicable, these facilities may include Meter Facilities. Applicant is solely responsible for the actual cost of these Facilities as required to serve the Applicant's project. Capacity requirements are solely determined by the Authority.
- (8) Standby Power Generator Additions or Retrofits. Applicant is solely responsible for the actual cost of standby power generation additions or retrofits required to provide additional reliable, normal, or fire flow capacity, or provide alternative pumping capacity in compliance with local, State and Federal regulations.
- (9) Pump Station Additions or Rebuilds. Applicant is solely responsible for the actual cost of pump station additions or rebuilds required to provide additional reliable, normal, or fire flow capacity, or provide alternative pumping capacity or power sources in compliance with local, State and Federal regulations. Pump station additions or rebuilds and/or standby power installations are not eligible for reimbursement or participation payments from subsequent development.
- e. For projects with total costs as estimated by the Authority of twenty-five thousand dollars (\$25,000.00) or greater, the Applicant shall advance the estimated project costs and, following acceptance and completion of such projects by the Authority, Applicant payments will be adjusted to reflect the actual cost of the project and the Applicant will be billed or reimbursed as applicable. On projects with total estimated costs as estimated by the Authority less than twenty-five thousand dollars (\$25,000.00) the Applicant's cost responsibilities shall be the estimated cost of the project.

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- f. Participation Payments. An Applicant whose Project(s) require or will utilize a portion of previously constructed Oversized Facilities shall pay Authority a participation payment based on a proration of the Applicant's project(s)' demand relative to the total capacity of previously installed Oversized Facilities or other appropriate proration as determined by the Authority.
- g. Payment of Schedule WSF Charges. Applicant shall be required to pay Schedule WSF charges for all Project Demand and Deficit Demand as determined by the Authority required to provide new Service or Modified Service to the Applicant's project(s) within the Authority's approved Service Area. Schedule WSF Charges shall be paid at the time the Water Service Agreement is executed, except as provided in subsection (1) below:

(1) Deferral of Payment of Schedule WSF Charges. An Applicant for a single family residential subdivision Project or a New or Modified Service for a single family residence may, at Applicant's election, defer payment of Schedule WSF Charges otherwise due pursuant to this Rule until a date no later than ten (10) days prior to the date a meter is to be installed for the corresponding service. Notwithstanding the foregoing, all Schedule WSF Charges applicable to the Project shall be due and paid as provided in the Water Service Agreement, but no later than two (2) years after the first ~~Certificate of Occupancy~~water meter is ~~issued-set~~ in the Project. If Applicant elects to defer Schedule WSF Charges under this subsection (1), Applicant will pay the Schedule WSF Charges in effect at the time of payment, together with all finance carrying and administration costs imposed by Authority in connection with such deferral. Applicant's Project shall not be eligible for water service, and Authority shall have no obligation to set water meters or provide water service to any portion of Applicant's Project until Schedule WSF Charges have been paid in accordance with this Rule. Schedule WSF Charges may not be deferred for any Project which includes commercial, condominium or multi-family/multi-unit dwelling uses.

- h. Demand and Deficit Demand Appurtenance. Upon payment of WSF charges paid by an Applicant, the corresponding Demand and Deficit Demand shall be appurtenant to the Service Property for which they were paid and are held for the benefit of the Service Property owner, except: (i) where forfeited as a result of removal or retirement of Service(s); (ii) with respect to refunds issued pursuant to Section B.6.d.(1); or (iii) with respect to credits issued pursuant to Section B.6.d.(2).

5. Oversizing Facilities and Oversizing Reimbursements

- a. The Authority may, at its option, require installation of Oversized Facilities, the cost of which Applicant shall be required to advance.

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- b. The cost of pump station additions or rebuilds (to existing pump station facilities), standby power installations, pressure regulating stations, system interties, Project Mains and Feeder Mains sized to meet the requirements of the Applicant's project are not eligible for reimbursement or participation payments.
- c. Oversizing Reimbursements. Except as otherwise provided in an Annexation Agreement, an applicant is eligible for future reimbursement of Oversizing Costs subject to the following:

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- (1) For all Oversized Facilities other than new pump stations, the Authority shall reimburse the Applicant an amount equal to the Authority's estimate of Applicant's Oversizing Costs for Oversized Facilities upon completion of installation, and final inspection and acceptance by the Authority.
- (2) Where Oversized Facilities are new pump stations, Applicant may receive participation payments from future Applicants for the future Applicant's respective utilization of the oversized pump station(s) subject to the following conditions:
 - i. The Authority shall collect from future Applicants participation payments as set forth in Section B.5.c and remit such payments to Applicant who

constructed the oversized pump station(s) within ninety (90) Days of Authority's receipt.
 - ii. The Applicant who constructed the oversized pump station(s) shall be entitled to any reimbursement only if participation payments are received by the Authority within five (5) years from the date of execution of the Water Service Agreement by the Applicant who constructed the oversized pump station(s).
 - iii. The Applicant who constructed the pump station(s) shall become ineligible for reimbursement in the event a subsequent capacity improvement project requires a modification of or addition to such oversized pump station(s).
- (3) Applicants shall not be entitled to any interest on reimbursement payments.
- (4) In those cases where two or more Applicants make a joint advance or contribution on the same Oversized Facilities, the Authority shall distribute reimbursements to such Applicants in the same proportion as their advances or contributions bear to the joint total, unless otherwise directed by all parties.
- (5) Reimbursable amounts hereunder may be accumulated by the Authority to a minimum of one thousand dollars (\$1,000.00) before payment.

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6. Water Service Agreement

- a. All Applicants requesting service for a project under the provisions of this Rule shall be required to enter into a Water Service Agreement with the Authority. A proposed Water Service Agreement must be executed by Applicant within sixty (60) days after issuance by Authority, or such other time as set forth in the proposed Water Service Agreement. A proposed Water Service Agreement shall only be binding when executed by both Authority and Applicant, and all terms and conditions in a proposed Water Service Agreement are subject to change until executed by Applicant and Authority.
- b. At the time the Water Service Agreement is executed, Applicant shall pay all applicable Schedule BSF charges not otherwise paid at the time of Application and shall pay all Schedule WSF charges, unless payment of Schedule WSF Charges is deferred pursuant to Section B.4.g(1).

c. A Water Service Agreement shall automatically terminate and be null and void without further notice from the Authority (i) on the date and terms stated within the Water Service Agreement; (ii) on the date Applicant provides written notice to the Authority that Applicant's project is canceled; (iii) if Applicant does not commence construction on water facilities required by this Rule and/or the Water Service Agreement within 12 months of the ~~effective~~ date of approval of Applicant's water project plan~~the Water Service Agreement~~ or within such other deadline contained in the Water Service Agreement; or (iv) on the date approval for the project by the applicable governing body expires or is terminated. Upon the termination of a Water Service Agreement, the Application for the project for new Service or Modified Service shall automatically be deemed rejected or canceled.

- (1) Authority, at its sole discretion, may consider and may grant a 12 month extension if Applicant submits a written request for an extension to the Authority within 60 days of the potential expiration and termination of the Water Service Agreement and demonstrates good cause for such an extension. Such request for extension must clearly describe project status and the reasons for delay.

- (2) If a rejected or canceled Application for the project is re-submitted, a new Water Service Agreement must be entered into by the Authority and Applicant for the project, which agreement may include different terms and conditions, including different fees and facility charges, than those set forth in the prior terminated Water Service Agreement.

dde. If a Water Service Agreement has been executed by Applicant and Authority, and Applicant has paid all required charges in accordance with Schedule WSF and the Water Service Agreement is subsequently terminated, the Applicant shall be entitled to a cash refund or a "capacity credit", as set forth below:

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- (1) If the total Schedule WSF charges paid by the Applicant pursuant to the terminated Water Service Agreement are \$50,000 or less and Applicant submits a written request for a refund to the Authority within 90 days after the execution of the Water Service Agreement, Authority will refund the Applicant or Applicant's designated successor or assign such Schedule WSF charges paid by the Applicant, without interest.
- (2) If the total Schedule WSF charges paid by the Applicant pursuant to the terminated Water Service Agreement are more than \$50,000 or the written request for a refund to the Authority is made more than 90 days after the execution of the Water Service Agreement, Authority shall issue a "capacity credit" expressed in GPM to the owner of the Service Property or its designated successor or assign, equal to the Demand and Deficit Demand purchased by Applicant. Capacity credits may be assigned or transferred to other parties only upon notification to and written approval from the Authority. Capacity credits issued pursuant to this subsection can only be applied to other Water Service Agreement(s) for Application(s) for new Service and Modified Service within the same Charge Area as the Service Property for which the capacity credit was issued; provided, however, that capacity credits related to Supply and Treatment Charges issued pursuant to this subsection for service properties in Charge Areas 0 through 12 can be applied to other Water Service Agreement(s) for Application(s) for new Service and Modified Service anywhere within Charge Areas 0 through 12. Written direction to the Authority by the Service Property owner, or its designated successor or assign, is required to apply capacity credits to subsequent Water Service Agreement(s). In no event can any capacity credit issued by Authority be converted to a cash refund. If an Applicant owns capacity credits within the Charge Area where their Project is located, the Applicant shall fully utilize any such capacity credits before Authority will accept cash payment for WSF Charges.
- (3) If construction has not commenced on water facilities under the terminated Water Service Agreement, Authority will refund to an Applicant or Applicant's designated successor or assign, all Schedule BSF charges paid by the Applicant pursuant to the terminated Water Service Agreement provided in no event shall Schedule BSF charges be refunded if the Authority has otherwise performed any services in connection with such fees.
- (4) Except as provided in this subsection B.6.c, all Schedule BSF and Schedule WSF charges paid by an Applicant are non-refundable.

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- e. Water Service Agreements, or any rights arising in connection therewith as provided in this Rule, may only be assigned by written notice of assignment provided to the Authority by the Applicant(s) executing the Water Service Agreement. For purposes of Applicant reimbursements for oversizing under this Rule, assignments shall not be effective until thirty (30) days after receipt by the Authority of the written notice of assignment. The Authority is not responsible for errors associated with making, or the inability to make, Applicant reimbursements under this Rule due to any dissolution of any joint venture, partnership, corporation or other entity, or where rights have not been properly assigned in accordance with this Rule.
- f. The Authority shall maintain detailed records of actual costs and provide all Applicants with an opportunity for review of such records, for a period of time in accordance with Authority's records retention schedules.

C. General Provisions

1. Construction Prior to Establishing Final Grade or Alignment. Where either final grade or the alignment of roads, streets and alleys, in the proximity of proposed facilities, have not been established, the Authority will require that the Applicant deposit cash or post an acceptable surety bond, in the amount of the Authority's estimated cost of relocation or reconstruction of the facilities thirty (30) Days prior to construction. Upon completion of any such relocation or reconstruction, the Applicant shall replace said surety bond with cash in the amount of the Authority's actual cost incurred in making the relocation or reconstruction.

Where the Applicant has deposited cash to cover such relocation or reconstruction, that deposit shall be adjusted by the Applicant or the Authority to reflect the Authority's actual cost incurred for the relocation or reconstruction. Applicant's responsibility for relocation expires at such time that final grade is established and it is demonstrated, to the satisfaction of the Authority, that the Authority's Water Facilities are installed in accordance with the Authority's Standards.

2. Easements and Right-of-Way. The Authority shall only construct or accept construction of Water System Facilities under this Rule that will be located in a public street, road or highway, which the Authority has the legal right to occupy. At its sole discretion, Authority may allow location of Water System Facilities on public lands and private property across which rights-of-way, easements and permits are satisfactory to the Authority have been provided by the Applicant. Easements on private lands less than 10 feet in width either side of the centerline of the Facilities, or easements located under structures or through parking areas will not be considered by the Authority. The Authority will not purchase rights-of-way for installation of Facilities under the provisions of this Rule.

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RULE 6

SERVICE AND METER FACILITIES

A. Applicability

1. This Rule defines the Application process, cost and installation responsibilities, and requirements for Persons requesting new Service or Modified Service for Service and Meter Facilities.
 - a. The application or the depositing of any sum of money by the Applicant shall not require the Authority to deliver water until the expiration of such time as may be reasonably required by the Authority to determine if Applicant has complied with the provisions of these Rules and Rate Schedules and as may reasonably be required by the Authority to install the required Service Facilities.
 - b. Customers applying for delivery of water for new Service or Modified Service must do so in person at Authority's business office during normal Business Hours.
2. Definitions. Terms not defined in this Section shall have the meaning set forth in Rule 1. As used in this Rule:
 - a. "Applicant" shall mean the Person applying for new Service or Modified Service for Services and Meter Facilities.
 - b. "Applicant Installed Services" shall include, but not be limited to the following [Service and Meter Facilities](#) that are required or approved by the Authority for installation by Applicant:
 - (1) Service Tap
 - (2) Service Pipe
 - (3) Meter Facilities
 - (4) Meter
 - (5) Yard Pipe including its size and location on the Service Property
 - ~~(6)~~ [Fire Facilities](#)
 - ~~(7)~~~~(6)~~ Valves, Fittings, and other related facilities
 - ~~(8)~~~~(7)~~ Trench and backfill requirements
 - ~~(9)~~~~(8)~~ Removal and replacement of pavement
 - ~~(10)~~~~(9)~~ [Private booster pumps](#)

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~~(11)~~(10) Pressure regulating valves

~~(12)~~(11) Thermal expansion devices

~~(13)~~(12) Required permits

~~(14)~~(13) Backflow prevention assembly(ies)

~~(15)~~(14) Authority inspection.

For purposes of this Rule, the term "Applicant Installed Services" shall not include Fire Facilities.

B. Easements Access and Ownership of Facilities

1. Grant of Easement. The Authority may require an owner of a Service Property upon which new Service or Modified Service is requested to grant to the Authority, its successors and assigns an irrevocable easement upon and through said Service Property for installation, replacement, maintenance, operation and use of facilities required to provide delivery of water. Any such grant from the owner of the Service Property shall be deemed to be an easement running with the land, and shall bind his heirs and assigns. The grant shall be made in such form and on such terms as the Authority shall reasonably require and may be recorded by the Authority.
2. Right of Access. In addition to the grant of easement, the Authority will, at all reasonable times, have the right of access to Services and Meter Facilities for any purpose normally connected with the delivery of water and the exercise of the Authority's rights. Upon an Application and establishment of Service, an owner of a Service Property upon which Service is provided shall be deemed to grant to the Authority, its successors and assigns a right of access to the owner's Service Property for any purpose normally connected with the furnishing of Service, including without limitation for purposes of retrofitting or maintaining Service and Meter Facilities. Any termination of, or attempt to impede, Authority's right of access by Customer or the owner of the Service Property shall subject the Customer to Termination of Delivery of Water pursuant to Rule 3.
3. Access to Service and Meter Facilities. Only Authority employees or agents will be permitted to connect Service and Meter Facilities to or disconnect same from the Authority's Facilities.

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SERVICE AND METER FACILITIES

4. Ownership of Services and Facilities. All Services and Meter Facilities installed by an Applicant for the purpose of providing the delivery of water to a Customer are the property of the Authority ~~with the exception of Fire Facilities which are the property of the Customer~~. The Authority may repair or replace Services and Meter Facilities at any time and may remove them after delivery of water to Customer has been discontinued or terminated.
 - a. No charge whatsoever shall be made by Customer against the Authority for placing or maintaining Services and Meter Facilities upon the owner's Service Property.

C. Responsibilities of Applicant

1. Application and Processing. Applicant shall apply for new Service or Modified Service by filing an Application with the Authority. At the time of Application, the Applicant must pay appropriate fees for standard service options subject to Rate Schedule BSF. The Application shall be accompanied by sufficient information to allow the Authority to perform system planning, approve facility plans, and prepare estimates of any additional fees that the Applicant must advance to the Authority for the Authority's business services. The Authority shall not estimate the costs of Applicant Installed Services.
2. Applicant Installed Services
 - a. The Applicant will provide and install all facilities, at Applicant's expense, required to provide the requested Service.
 - b. Applicant will be responsible for, but not limited to, all engineering design and related cost, permitting and other regulatory compliance and associated fees, environmental requirements and fees, property acquisition, right-of-way, material acquisition, bidding and contracting, construction and associated overhead costs of Applicant Installed Services.
 - c. Authority will, at Applicant's expense, perform planning, review and approve designs of Applicant Installed Services, inspect and approve Applicant Installed Services during construction, and to the extent necessary to acquire access rights for Applicant Installed Services, review and process right-of-way and property documents.
 - d. Applicant Installed Services work must be conducted in coordination with the Authority.
 - e. Applicant and/or Applicant's contractor must comply with the following conditions to install Applicant Installed Services:

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SERVICE AND METER FACILITIES

- (1) All design, plans, and specifications prepared by or for the Applicant will be at the Applicant's expense and will be approved by the Authority before construction can commence. If the Authority, in its sole discretion, determines that engineering design is required for a Service, Applicant's designs shall be prepared by or under the direction of and wet-stamped by a Professional Engineer registered in the State of Nevada in accordance with Nevada Law, including NAC 625.611.
- (2) All phases of the installation of Applicant Installed Services are subject to inspection and approval by the Authority at Applicant's expense.
- (3) The Applicant and/or Applicant's contractor must provide and install all material in accordance with the Authority's Standards or specifications. All material provided will be subject to acceptance by the Authority, based on inspections by the Authority at Applicant's expense.
- (4) The Applicant and/or Applicant's contractor must guarantee all material and workmanship against defects for one (1) year after the Service and/or Meter Facilities have been activated for billing purposes.
- (5) The Applicant shall commence installation of Applicant Installed Services in accordance with the Authority's Standards and shall apply best commercial efforts to complete the installation of the Applicant Installed Services in a timely manner.
- (6) Service Property owners and/or Customers are responsible for installation and maintenance of privately owned pressure regulators, pressure reducing valves, backflow prevention assembly(ies) or other devices as required. In accordance with the Uniform Plumbing Code, individual pressure reducing valves are required to be installed and maintained by the Service Property owner or Customer whenever Static Water Pressure exceeds 80 psi.

D. Responsibilities of the Authority

1. The Authority's responsibilities include the following:
 - a. Designate the location of the Service Connection and Meter.
 - b. Verify the size of Service and Meter Facilities to be installed, as specified by the Applicant's engineer, based upon procedures outlined in the most current edition of the Uniform Plumbing Code which has been adopted by the governmental entity having jurisdiction over the project.

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- c. Provide, install, and maintain required Meter(s).
- d. Maintain Service from main to discharge side of the Meter Facilities including the Meter.
- e. Inspection of all Applicant Installed Services and Meter Facilities.
- f. Specify level of backflow protection and location of backflow prevention assembly(ies) required based on information provided by the Applicant. ~~In the event that the Service and Meter Facilities are to a single-family Residential Service subject to the Authority's Standards, the Authority will maintain and inspect the required backflow protection on an annual basis and the Customer will be charged pursuant to Authority's Rate Schedule RMWS.~~

E. Fire Facilities

1. Fire Facilities are not considered part of the Authority's public water system and the Authority shall not be responsible for designing, installing, owning or maintaining Fire Facilities. Fire Facilities for Private Fire Protection Service shall be owned and maintained by the Owner of the Service Property and Fire Facilities for Public Fire Protection shall be owned and maintained by the Local Government having jurisdiction over fire service to the Service Property unless otherwise agreed by Authority, in its sole discretion.
2. Applicant will be responsible for, but not limited to, all engineering design and related cost, permitting and other regulatory compliance and associated fees, environmental requirements and fees, property acquisition, right-of-way, material acquisition, bidding and contracting, construction and associated overhead costs of Fire Facilities. Applicant shall provide designs and specifications of Fire Facilities to Authority with designs for the Applicant Installed Facilities for review and approval as to connection to Authority facilities, backflow assembly(ies) and conformance with applicable Authority Standards. Authority shall have no obligation nor responsibility to review or approve the adequacy of Fire Facilities nor shall Authority's provision of Fire Protection Service be deemed as a review or approval of the design of Fire Facilities under applicable local fire and/or building code. Authority's responsibility with respect to the installation of Fire Facilities shall be limited to verification of installation and testing of backflow prevention facilities.
3. The Applicant will provide and install all Fire Facilities, at Applicant's expense, required to provide the requested Fire Protection Service. The Local Government having jurisdiction over Fire Facilities shall be responsible for inspecting and approving Fire Facilities and securing such approvals shall be the responsibility of the Applicant.
4. Where applicable, type and quality of material shall be selected by the Authority and/or the Local Government having jurisdiction over the Fire Facilities to be installed.

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5. The Applicant shall furnish the Authority with the required flow rate and duration of flow, location and orientation of Fire Facilities as determined by the Local Government having jurisdiction over the Applicant's project.
6. Authority will be responsible for inspecting and approving the initial installation of the backflow protection for compliance with Applicant's plans and Authority's Standards, and Applicant shall be responsible for all costs necessary to bring backflow protection devices into compliance with Authority's Standards including adding backflow protection devices to current Fire Facilities where applicable. Applicant shall be solely responsible for ensuring that, following installation of the required backflow protection assembly(ies), the Fire Facilities will operate in compliance with applicable building and fire code requirements of the Local Government having jurisdiction over fire service to Applicant's project.
7. Unless authorized by the Authority, Fire Facilities shall not be utilized for any purpose other than fire protection purposes.
8. All Fire Services with private booster pumps shall be designed and operated to minimize flow during fire system testing. If, in the sole discretion of Authority, test flows are deemed excessive, or wasteful, or detrimental to Authority's operations, the Applicant or subsequent Owner of the Service Property will be required to physically modify their Fire Facilities and/or testing procedures to eliminate excessive or wasteful flow. If modifications, in the sole discretion of Authority, do not sufficiently reduce excessive or wasteful flow, Applicant or subsequent Owner of the Service Property will be required to furnish and install, at Applicant's sole cost, a Meter and all flow through the Fire Service shall be billed by Authority under Rate Schedule GMWS. In addition, the Applicant or subsequent Owner of the Service Property may be required to dedicate sufficient water resources to support such excessive or wasteful flows. Applicant or subsequent Owner of the Service Property shall not make or allow any person to make any modifications to the Fire Facilities which compromise the fire requirements set forth by the Local Government having jurisdiction.

F. General Provisions

1. The Authority may require a separate Service and Meter Facility for each Service Classification and for each building on a Service Property where necessary for operation, maintenance or billing purposes of the Authority, including a Service Property created by subdividing the original Service Property subsequent to the initial delivery of water to the original Service Property. A suitable Meter shall be installed at each building and owners of Service Property with multiple occupancy units may request that separate Meters be installed for each unit. Such request shall be granted where feasible for the operating convenience of the Authority.
 - a. All Meters shall be sealed by the Authority at the time of installation and no seal shall be altered or broken by anyone other than the Authority's authorized employees. Customer shall be held responsible for the breaking of seals, tampering or interfering

Added:03/23/01 Amended: 10/01/03; 05/21/09

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with metering equipment along with any and all costs for repair or replacement of Authority's Facilities, including any liability pursuant to NRS 704.800 and 704.805.

~~2. The following conditions also apply for Public and Private Fire Protection Service:~~

~~a. private Fire Facilities in accordance with local fire and/or building codes. adequacy of~~

~~Fire Facilities will be installed and/or altered to the requirements of the Authority and the Local Government having jurisdiction. private Fire Facilities the responsibility of the~~

~~b. Maintenance of Fire Facilities for Private Fire Protection Service shall be the responsibility of the owner of the Service Property.~~

~~c. Where applicable, size, type, and type and quality of material shall be selected by the Authority and/or the Local Government having jurisdiction where the Fire Facilities are to be installed.~~

~~d. The Applicant shall furnish the Authority with the required flow rate and duration of flow, location and orientation of Fire Facilities as determined by the Local Government having jurisdiction over the Applicant's project.~~

~~e. Unless authorized by the Authority, Fire Facilities shall not be utilized for other than fire protection purposes.~~

~~If discovered, the Authority may, at Applicant's expense, without separation of the existing Fire Facilities, install a Meter of a type and design adequate to maintain proper fire flows and measure flows through the Service and bill this Service at the applicable Rate Schedule.~~

~~All Fire Services with private booster pumps shall be designed and operated to minimize flow during fire system testing. If, in the sole discretion of Authority, test flows are excessive, or wasteful, or detrimental to Authority's operations, the Applicant or subsequent Owner of the Service Property will be required to physically modify their Fire Facilities and/or testing procedures to eliminate excessive or wasteful flow. If modifications, in the sole discretion of Authority, do not sufficiently reduce excessive or wasteful flow, Applicant or subsequent Owner of the Service Property will be required to furnish and install, at Applicant's sole cost, a Fire Series Meter and all flow through the Fire Service shall be billed by Authority under Rate Schedule GMWS. In addition, the Applicant or subsequent Owner of the Service Property may be required to dedicate sufficient water resources to support such excessive or wasteful flows. Owner make any modifications to the Fire Facilities compromise the fire requirements set forth by the Local Government having jurisdiction. The Authority review or approve the adequacy of the Fire Facilities.~~

~~2. Retirement of Service. The Applicant shall expose Authority's main and Service Tap in order to turn off the Service Tap valve, and sever and cap the Service Pipe as close to the~~

Truckee Meadows Water Authority

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Service Tap as possible. The Applicant is responsible for the cost to retire the Service, which includes but is not limited to the following:

- a. Valves, fittings, and other related facilities
- b. Trench and backfill requirements
- c. Removal and replacement of pavement
- d. Required permits
- e. Authority inspection



STAFF REPORT

TO: Chairman and Board Members
FROM: Sonia Folsom, SAC Liaison
DATE: February 10, 2020
SUBJECT: Discussion and action, and possible direction to staff regarding the appointment of Chris Melton to the Standing Advisory Committee (SAC) to fill the wholesale customer representative alternate for term beginning February 1, 2020 to December 31, 2021

Recommendation

Staff recommends the appointment of Chris Melton to the Standing Advisory Committee (SAC), to fill the wholesale customer representative alternate position, for a two-year term beginning February 1, 2020. *(Please refer to the attached membership chart.)*

Background

In August, 2005, a Subcommittee of the TMWA Board appointed the original, eight SAC members along with six alternate members. Subsequently, additional members and alternates were appointed by the Builders' Association of Northern Nevada, the Reno-Sparks Chamber of Commerce. In September 2016, the TMWA Board decided to remove the two appointments made by the Northern Nevada Water Planning Commission and the Office of Consumer Advocate and replace those with two at-large positions. Six of the twenty-one members of the SAC have terms which expire on December 31, 2019. *(Please see the attached SAC History and Governing Rules)*

TMWA Standing Advisory Committee

Term Appointments
2020 Membership List

Customer Class	Primary Representative	Member Since	Term Ends	Alternate Representative	Member Since	Term Ends
Wholesale (Sun Valley)	Fred Schmidt	2005	12/31/2021	Chris Melton	2020	12/31/2021
Irrigation	Neil McGuire	2005	12/31/2020	Karl Katt	2013	12/31/2020
Multi-family Residential	Mike Schulewitch	2013	12/31/2020	Jonnie Pullman	2012	12/31/2021
Commercial	Donald Kowitz	2017	12/31/2020	John Krmpotic	2020	12/31/2021
Senior Citizen	Robert Chambers	2005	12/31/2020	Vacant		
At-Large 1	Ken McNeil	2013	12/31/2020	Ken Becker	2017	12/31/2020
At-Large 2	Jordan Hastings	2017	12/31/2020	Susan Hoog	2019	12/31/2021
Residential:						
Representative 1	Carol Litster	2014	12/31/2020	Dale Sanderson	2017	12/31/2020
Representative 2	Harry Culbert	2006	12/31/2020	Fred Arndt	2017	12/31/2020
Representative 3	Jerry Wager	2014	12/31/2020	Scot Munns	2017	12/31/2020
Appointments:						
BANN	Colin Hayes	2010	12/31/2021	Jim Smith	2010	12/31/2021
Reno-Sparks Chamber	Taylor Russo	2020	12/31/2021	Ann Silver	2019	12/31/2021



TMWA Standing Advisory Committee History

Bullet Points for SAC history

- 2004: The Board formed a Rate Making Review Committee (RMRC) for the purpose of reviewing and providing customer input on the proposed second and third phases of the current rate case that was going before the Board in 2005. At the time this Committee was formed, the Board did not foresee a permanent role for it.
- The initial RMRC recommended that the Board form a committee that serves in an advisory capacity on a permanent basis. Staff supported the recommendation for a standing committee.
- January 2005: Staff first approached the Board to recommend formation of the Standing Advisory Committee (SAC).
- March 2005: the Board established a SAC consisting of eleven (11) members: one (1) each of the following customer types – commercial; irrigation; multi-family; senior citizen; wholesale; and three (3) residential users all appointed by the TMWA (Truckee Meadows Water Authority) Board. The Builders Association of Northern Nevada, Reno-Sparks Chamber of Commerce and the Regional Water Planning Commission to appoint one (1) member each. Duties of the SAC include budget and rate increase review and recommendations and other matters the Board may assign.
- July 2005: The Board appointed a subcommittee to select applicants.
- September 2005: The Board appointed the first SAC members.
- August 2007: The State of Nevada Consumer Advocates Office appointed a member to the SAC.
- The SAC reviewed rate proposals in 2009, 2010 and 2012.
- December 31, 2014: Successful consummation of the mergers of South Truckee Meadows General Improvement District and Washoe County Water Utility into TMWA.
- September 2016: The Board eliminated the Northern Nevada Water Planning Commission and the State of Nevada Consumer Advocates Office appointments and created two At-Large positions.
- The SAC reviewed rate proposals in 2016, 2017 and 2019.

**TRUCKEE MEADOWS WATER AUTHORITY
STANDING ADVISORY COMMITTEE
GOVERNING RULES**

1. **Members:** Membership in the Standing Advisory Committee (“Committee”) is governed by the Truckee Meadows Water Authority’s Board of Directors (“Board”). Each Member is appointed for a two-year term. Members serve and may be reappointed at the Board’s pleasure. As requested by the Board, the Committee shall take action to make recommendations to the Board regarding membership in the Committee.
2. **Alternates:** In its discretion, the Board may appoint a Member to serve in either a primary (“Primary”) or alternate (“Alternate”) position. When making a recommendation to the Board to fill a Primary position vacancy, the Committee shall give preference to the existing Alternate(s).
3. **Participation:** Each Member is expected to attend all Committee meetings and review the agenda and all supporting materials prior to arrival. Failure by a Member to attend more than two meetings in a year may result in the Committee making a recommendation to the Board that the Member be replaced.
4. **Compliance with NRS Chapter 241:** Meetings shall be conducted in compliance with NRS Chapter 241, the Nevada “Open Meeting Law.”
5. **Quorum:** A quorum shall consist of a simple majority of the Primary Members. Members may participate telephonically in meetings, but telephonic participation shall not be considered in establishing a quorum. In the absence of a Primary Member, the Alternate Member for that customer class who is physically present at the meeting may be considered in establishing a quorum.
6. **Action:** For items other than those that constitute recommendations to the Board, an action may be taken by affirmative vote of the majority of Members physically present. For items that constitute recommendations to the Board, an action shall be taken only by an affirmative vote of the majority of the Membership. Each member shall have one vote. Members participating telephonically may not vote on action items. An Alternate sitting in for an absent Member has all of the voting rights of the absent Member. Otherwise, an Alternate has no voting rights.
7. **Agenda Items:** The Committee may, by action at a prior meeting, make suggestions to staff as to items to be placed on a future agenda. Except as otherwise directed by the Board, Staff shall have discretion as to the items that will be placed on the Committee’s agendas.
8. **Officers:** There shall be a Chair and a Vice Chair, elected by the Members. The Chair will conduct the meetings. The Vice Chair or such other Member as the Chair or Vice Chair may designate will conduct the meeting in the absence of the Chair. Or, in the absence of the Chair and Vice Chair, a majority of the Members present may designate an Alternate to conduct the meeting. The Chair and Vice Chair each shall serve for a one-year term, with their terms expiring at the first meeting scheduled following the beginning of the calendar year following their election. The Vice Chair shall automatically succeed to the position of Chair for the subsequent term, unless an alternate action is made by the Members. Officers

- may be reelected. The Chair or the Chair's designee is the only Member who may speak on behalf of the Committee to the Board, to any member of the Board, or to the public.
- 9. Conflicts of Interest:** Members shall disclose conflicts of interest regarding any decisions of the Committee and shall disclose any financial interest in Committee decisions and in organizations affected by Committee action, other than the financial interest that derives from being a TMWA customer. Members who will receive a direct financial benefit from any action taken by the Committee, other than a financial interest that derives from being a TMWA customer, shall abstain from voting on such action. In the event that a Member presents an idea to the Committee for consideration on behalf of another individual or entity, said Member shall disclose to the Committee the identity of said individual or entity.
- 10. Uses of staff:** Staff will provide reasonable assistance to facilitate meetings and provide readily available information to the Committee to carry out its functions. The Committee shall reasonably limit its demands on staff time, and any demands made in excess of what staff deems reasonable shall require Board approval. No Member may request the use of staff time without approval of the Committee.
- 11. Amendment of Rules:** Any amendments to these Rules shall require an affirmative vote of the majority of the members.

As amended, February 7, 2017



STAFF REPORT

TO: Board of Directors
FROM: Mark Foree, General Manager
DATE: February 10, 2020
SUBJECT: General Manager's Report

Attached please find the written reports from the Management team including the Operations Report (*Attachment A*), the Water Resource and the Annexation Activity Report (*Attachment B*), and the Customer Services Report (*Attachment C*).



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Scott Estes, Director of Engineering
BY: Bill Hauck, Water Supply Administrator
DATE: February 10, 2020
SUBJECT: February 2020 Operations Report

Summary

- This region is still positioned extremely well from a water supply perspective
- Snowpack in both basins is noticeably below average (<70% normal)
- Total upstream reservoir storage is at 73% of maximum capacity
- Lake Tahoe is down 1.71 feet from its maximum elevation (and 72% of capacity)
- A significant amount of carry-over storage on the Truckee River system virtually assures the region of normal river flows at least the next 2 years despite current snowpack
- Hydroelectric revenue for January 2020 was approximately \$190,000

(A) Water Supply

- **River Flows** - Truckee River flows at the CA/NV state line are below average for this time of year. Discharge was 250 cubic feet per second (CFS) this morning. The median flow for February 10th based on 111 years of record is 403 CFS.
- **Reservoir Storage** - Truckee River reservoir storage is currently about $\frac{3}{4}$ capacity (73%). The elevation of Lake Tahoe is 6227.39 feet (1.71' below legal maximum storage elevation). Storage values for each reservoir as of February 10 are as follows:

Reservoir	Current Storage (Acre-Feet)	% of Capacity (Percent)
Tahoe	534,600	72%
Boca	20,002	49%
Donner	3,111	33%
Independence	10,254	59%
Prosser	6,769	23%
Stampede	201,363	89%

In addition to the 13,365 acre-feet of storage in Donner and Independence reservoirs, TMWA has approximately 18,743 acre-feet of water stored between Lake Tahoe, Boca and Stampede reservoirs under the terms of TROA. TMWA's total combined upstream reservoir storage is approximately 32,108 acre-feet as of 2/10.

- **Snowpack** - Below average conditions in both the Truckee Basin (65% of average) and the Lake Tahoe Basin (70% of average) are being reported. These percent of average totals are down significantly from December and will continue to decline every day that the Sierra Nevada doesn't experience the winter storms that typically occur this time of the year. February is traditionally the final of our three prime snowpack producing months, and has been so far a complete bust, following on the heels of an exceptionally dry January. There is still time however, for the snowpack building season to turn-around, but the farther we get through February and into the month of March the likelihood of ending up with anything even close to an average snowpack year will fade.
- **Outlook** - Despite the current status of the region's snowpack and below average streamflow runoff forecasts projected for this spring, the water supply outlook for the region is still good. If this season doesn't turn-around, this would only be one dry year. Multiple dry years, back to back, would be required for TMWA to have to do anything different operationally as far as managing our surface water supplies are concerned. In addition, upstream reservoir storage on the Truckee is currently in very good shape at 73% of capacity. So, despite what occurs with the snowpack from here on out, normal river flows are projected for the remainder of 2020 and beyond. And anything can still happen as far as winter weather in the Sierra Nevada is concerned, as one or two good winter storms could put our snowfall totals and runoff right back on track.

(B) Water Production

- **Demand** - TMWA's customer consumption is at wintertime demand levels. Last week demand averaged 34 million gallons per day (MGD). Overall, surface water is providing about 94% of our supply and groundwater the other 4%.

(C) Hydro Production

Generation - Truckee River flow at Farad (CA/NV state line) for the month of January 2020 averaged 273 CFS which is less than optimal for hydro generation. The Fleish Plant was on-line 28 out of 31 days (90% available), and the Verdi and Washoe powerplants were on-line and 100% available for the entire month. Monthly statistics are as follows:

Hydro Plant	Days On-Line	Generation (Megawatt hours)	Revenue (Dollars)	Revenue (Dollars/Day)
Fleish	28	1,107	\$ 81,841	\$ 2,640
Verdi	31	936	\$ 68,571	\$ 2,212
Washoe	31	541	\$ 40,007	\$ 1,291
Totals	90	2,584	\$ 190,419	\$ 6,143



STAFF REPORT

TO: Chairman and Board Members
THRU: Mark Foree, General Manager
FROM: John Zimmerman, Manager, Water Resources
DATE: 10 February 2020
SUBJECT: Report Water Resources and Annexation Activity

RULE 7

Rule 7 water resource purchases and will-serve commitment sales against purchased water resources through this reporting period:

Beginning Balance		4,275.67 AF
Purchases of water rights	0.00 AF	
Refunds	0.00 AF	
Sales	– 76.54 AF	
Adjustments	0.00 AF	
Ending Balance		4,199.13 AF

Price per acre foot at report date: \$7,700

FISH SPRINGS RANCH, LLC GROUNDWATER RESOURCES

Through the merger of Washoe County's water utility, TMWA assumed a Water Banking and Trust Agreement with Fish Springs Ranch, LLC, a subsidiary of Vidler. Under the Agreement, TMWA holds record title to the groundwater rights for the benefit of Fish Springs. Fish Springs may sell and assign its interest in these groundwater rights to third parties for dedication to TMWA for a will-serve commitment in Areas where TMWA can deliver groundwater from the Fish Springs groundwater basin. Currently, TMWA can deliver Fish Springs groundwater to Area 10 only (Stead-Silver Lake-Lemmon Valley). The following is a summary of Fish Springs' resources.

Beginning Balance		7,772.98 AF
Committed water rights	– 0.04 AF	
Ending Balance		7,772.94 AF

Price per acre foot at report date: \$36,000¹

¹ Price reflects avoided cost of Truckee River water right related fees and TMWA Supply & Treatment WSF charge.

WATER SERVICE AREA ANNEXATIONS

There have been no annexations since the date of the last Board meeting.



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Marci Westlake, Manager Customer Service
DATE: February 19, 2020
SUBJECT: **December Customer Service Report**

The following is a summary of Customer Service activity for January 2020.

Ombudsman

- Customer called and wanted to know why the meter box was painted with a blue dot, we called customer back and explained it was our way of marking out the service. Customer was happy with the explanation.

Communications

Customer outreach in January included:

- Mark Foree recorded an interview for Nevada Newsmakers, topic was TMWA's Resources and Future Stability with Growth and Drought, WRP.
- Laine Christman and Sonia Folsom did a Watershed, Treatment, Distribution and Conservation Education presentation at Reed High, 30 people attended.

Conservation (2020 Calendar year to date)

- 0 Water Watcher Contacts
- 101 Water Usage Reviews

Customer Calls – January

- 7,254 phone calls handled
- Average handling time – 4 minutes, 29 seconds per call
- Average speed of answer – 20 seconds per call

Billing – January

- 131,459 bills issued
- 7(0.00%) corrected bills
- 21,700 customers (17%) have signed up for paperless billing to date.

Service Orders –January (% is rounded)

- 6,792 service orders taken
- 3,520 (52%) move-ins / move-outs
- 908 (13%) cut-out-for-non-payment and cut-in after receiving payments, including deposits and checks for tamper
- 786 (12%) zero consumption meter checks
- 430 (6%) re-read meters
- 427 (6%) new meter sets and meter/register/ERT exchanges and equipment checks
- 255 (4%) problems / emergencies, including cut-out for customer repairs, dirty water, no water, leaks, pressure complaints, safety issues, installing water meter blankets, etc.
- 101 (2%) high-bill complaints / audit and water usage review requests
- 365 (5%) various other service orders

Remittance – January

- 28,134 mailed-in payments
- 26,169 electronic payments
- 38,354 payments via RapidPay (EFT)
- 19,273 one-time bank account payments
- 7,502 credit card payments
- 1,316 store payments
- 2,025 payments via drop box or at front desk

• **Collections –January**

- 14,879 accounts received a late charge
- Mailed 8,519 10-day delinquent notices, 6.5% of accounts
- Mailed 1,332 48-hour delinquent notices, 1.0% of accounts
- 225 accounts eligible for disconnect
- 221 accounts were disconnected (including accounts that had been disconnected-for-non-payment that presented NSF checks for their reconnection)
- 0.10% write-off to revenue

Meter Statistics – Fiscal Year to Date

- 0 Meter retrofits completed
- 934 Meter exchanges completed
- 1,452 New business meter sets completed
- 128,353 Meters currently installed