

DATE: April 21, 2009

SUBJ: Proposed changes to TMWA Rules 1 through 6

On April 15, 2009, the TMWA Board of Directors held the first public reading of proposed revisions to TMWA Rules 1 through 6. The attached pages indicate the proposed revisions to TMWA's rules in red text (proposed additions) and red strikethrough text (proposed deletions). There are no proposed revisions to TMWA Rules 7, 8, 9 or 10 at this time.

The TMWA Board of Directors will hold a public hearing for its second reading on proposed rule changes on **May 21, 2009 at 8:00 a.m.** at the Sparks Legislative Counsel Chambers located at 745 Fourth Street in Sparks, Nevada.

If adopted, the revised rules will become effective as of the date of the reading, May 21, 2009.

More information concerning proposed revisions to TMWA's rules can be found at www.tmh2o.com.

Truckee Meadows Water Authority

RULE 1

DEFINITIONS

Unless otherwise specified, the following terms shall have the meanings defined below when used in the Rules and Rate Schedules:

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| Adult | A person 18 years of age or older. |
| Applicant | The Person applying for the delivery of water. |
| Application | A written request to the Authority for Service, as distinguished from an inquiry as to the availability or charge for such Services. |
| Authority | The Truckee Meadows Water Authority acting through its duly authorized officers or employees within the scope of their respective duties. The Authority is established by the "Cooperative Agreement Among City of Reno, City of Sparks, and County of Washoe" executed December 4, 2000 pursuant to the provisions of Chapter 277 of NRS. |
| Billing Period | <ol style="list-style-type: none">1. <u>Metered Service</u> - the time interval of not less than 27 days nor more than 33 days between two consecutive Meter readings that are taken for billing purposes.2. <u>Unmetered Service</u> - an average month except for special Service Classifications. |
| Board | The Board of Directors of the Authority. |
| Business Hours | Monday to Friday 8am to 5pm with the exception of Authority observed holidays: New Year's Day Martin Luther King Day President's Day Memorial Day Independence Day Labor Day Nevada Day Veteran's Day Thanksgiving Day Family Day Christmas Day |
| Commercial Service | See Service Classification. |

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| Customer | The Person who receives or applies to receive delivery of water from the Authority as evidenced by the signature on the application or contract for the Service, or, in the absence of a signed instrument, by the receipt and payment of bills regularly issued in his name regardless of the identity of the actual user of the Service. |
| Customer Charge | That portion of the charge for delivery of water representing all or part of the costs that remain constant regardless of the quantity of water consumed and can be expressed separately for billing purposes. |
| Day | Calendar day. |
| Deposit | Security provided by a Customer to ensure payment for delivery of water provided by the Authority. |
| Deposit Guarantor | A Customer of the Authority who assumes liability for the payment of the bill of a Customer in an amount not to exceed the appropriate amount of the Deposit for the account of the Customer. |
| Demand | The rate of flow of water produced by the Authority to supply water to the distribution system and/or Service Connection(s). |
| Disabled | A person who: 1) is affected by any physical or mental disability as described in NRS 615.110 or a substantial limitation to employment as defined in NRS 615.130; or 2) receives disability benefits from the Social Security Administration. |
| Elderly | A person who is 62 years of age or older. |
| Facilities | <u>Any and all equipment and appurtenances owned by the Authority that are necessary or used</u> to extract, contain, convey, treat, <u>store</u> , and deliver water by the Authority. |
| Fire Facilities | Appurtenances of Private and Public Fire Protection Service Facilities including but not limited to fire Service Tap, valves, pipes, fire hydrants, fire department connections, and backflow devices. |
| Flat Rate Charge | Charge for Unmetered Service. |

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| Gallon | The volume of water which occupies 231 cubic inches. |
| gpm | Gallons per minute. |
| House Piping | All piping and fittings installed within the structure up to and including the last fitting inside or outside the walls of the structure. |
| Industrial Service | See Service Classification. |
| Irrigation Service | See Service Classification. |
| Law | A rule, or rules established and enforced by Federal, State, or Local Government. |
| Local Government | Means a city or county. |
| Maximum Day Demand | Average rate of flow of water needed for the highest one-day use of water for the year as determined by the Authority. |
| Maximum Day Demand Plus Fire Demand | Demand resulting from fire flow simultaneously occurring with Maximum Day Demand as determined by the Authority. |
| Meter | Any device <u>owned by the Authority that is</u> used for the purpose of measuring the quantity of water delivered. |
| Meter Facilities | <u>Authority--owned</u> The materials including the pipe, setter, fittings, concrete box or vault, lids, and valves necessary to house a Meter. |
| Metered Service | Service for which charges are computed on the basis of measured quantities of water. |
| Minimum Charge | The minimum amount, as specified by applicable Rate Schedule, that Customer shall pay for delivery of water. |
| Modified Service | A change in or alteration to (1) the quantity of water delivered to a Service Property, (2) the capacity to deliver water to a Service Property, or (3) Service and Meter Facilities or Fire Facilities used to deliver water to a Service Property. |

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| NAC | Nevada Administrative Code. |
| NRS | Nevada Revised Statutes. |
| Non- Potable Non-Potable Service | Water that is unfit to drink. See Service Classification. |
| Peak Hour Demand | Average amount of water needed during the highest one-hour period occurring during the Maximum Day Demand as determined by the Authority. |
| Permanent Service | Service which is of a permanent and established character. The use of water may be continuous, intermittent, or seasonal in nature. |
| Person | Any individual, business entity, governmental agency, or other organization. |
| Potable | Water that is fit to drink, as recognized by Federal, State, and local applicable regulatory bodies. |
| Premise(s) | The physical location of the Service Connection and its associated street address used for billing purposes. |
| PSI ("psi") | The gage pressure in pounds per square inch of the water in the Authority's main or Service Pipe as measured by a calibrated pressure gage acceptable to the Authority. Gage pressure is the pressure of the water in excess of the prevailing atmospheric pressure and is sometimes referred to as "psig". |
| Private Fire Protection Service | See Service Classification. |
| Public Fire Protection Service | See Service Classification. |
| Rate Schedule(s) | Description of all effective rates, charges, and fees collectively of the Authority. |
| Reclaimed Water | Water which has undergone treatment at a sewer treatment plant to the satisfaction of Federal, State and local applicable regulatory bodies and can be used for Non-Potable applications. |

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| Residual Water Pressure | The pressure coincident with the delivery of Demand, or pressure occurring simultaneously during water use as determined by the Authority. |
| Rule | Any one of the rules adopted by the Board as part of the Rule and Rate Schedules. |
| Satisfactory Credit | The payment of bills by a Customer to the Authority for the delivery of water for the most recent twelve (12) consecutive months without the Customer either being eligible for Termination of Delivery of Water for non-payment pursuant to Rule 4, or incurring more than three (3) late charges. |
| Section | Portion of a Rule. |
| Service | Includes the Facilities defined under Service Tap, Service Pipe, and/or Service Connection excluding those Facilities defined under Fire Facilities. |
| Service and Meter Facilities | Service, Meter, Meter Facilities, and Service Connection as defined in this Rule excluding those Facilities defined under Fire Facilities that collectively provides and measures the delivery of water. |
| Service Classification | <ol style="list-style-type: none">1. <u>Commercial Service</u>: Delivery of water to Customers engaged in a business activity, or in a profession, or in some form of economic or social activity (offices, stores, clubs, hotels), or that creates or changes raw or unfinished materials into another form or product, and for purposes that do not come directly under another Service Classification.2. <u>Fire Protection Service</u>: Delivery of water supplied for fire protection. Local Governments are responsible for designating fire protection services as private or public.<ol style="list-style-type: none">a. <u>Public Fire Protection Service</u>: A fire protection service designated as public by the Local Government with jurisdiction over the project. Generally, a Public Fire Protection Service is for the delivery of water to a fire hydrant owned by a local government, located within a public right-of-way/easement, and a Service Tap that is directly connected to an Authority main or pipe. |

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- b. Private Fire Protection Service: A fire protection service not designated as a Public Fire Protection Service is considered a Private Fire Protection Service and is subject to the rates set forth in Schedule FPS.
3. Irrigation Service: Delivery of water to Customers for agricultural, floracultural or horticultural use.
4. Non-Potable Service: Delivery of water where untreated or treated water supplies are delivered to a Customer which water is used for Non-Potable applications, including, but not limited to: dust control, earth compaction, irrigation, or any other Non-Potable use designated by the Authority.
5. Residential Service: Delivery of water to a Customer supplied for residential purposes in a (1) single family dwelling or building (commonly referred to as a "single family residence") or (2) multi-unit (or multi-family or multi-tenant) dwelling(s) or buildings(s). Multi-tenant services include —individual flats, "mother-in-law" quarters, apartment complexes, mobile home parks, two or more detached single family dwellings, or where more than one "unit" or "dwelling unit" is occupied for residential purposes whether in separate buildings or as separate dwelling units within a single building .

Residential Service shall include commercial and residential use on the same Service Property, where the commercial use by gallonage as measured or estimated by the Authority is less than fifty percent (50%) of the measured or estimated total usage. Residential Service shall not include any assisted living facility or facility for the dependent licensed or regulated by the State Board of Health.

6. Wholesale Service: Delivery of water to Customers for resale within wholesale service areas as established in Rule 10.

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| Service Connection | The point of connection of the Customer's piping with Authority's Facilities, <u>as determined by the Authority, usually located within a public utility easement or other public easement or right-of-way.</u> |
| Service Pipe (or Line) (or Service Lateral) | The connection between the Authority's pipe or main and the Service Connection, including all of the pipe, fittings, and valves <u>owned by the Authority</u> necessary to make the connection. |
| Service Property | All of the real property utilized in a single integrated activity which may include one or more buildings and/or parcels of land where: (a) such buildings are situated on a single parcel of property; or (b) such buildings are situated on two or more parcels which are immediately adjoining or adjacent; except for intervening public highways, streets, alleys, railways or waterways. |
| Service Size | For billing purposes, the smallest of the Service Pipe, Meter or, if installed, the orifice plate equivalent diameter. |
| Service Tap | Any point of connection to an Authority pipe or main including the tapping saddle and valve <u>owned by the Authority</u> necessary to make the connection. |
| Standards | The Authority's <u>Construction and Design Standards Manual</u> . |
| Static Water Pressure | The pressure coincident with no water use or during periods of zero Demand as determined by the Authority. |
| Temporary Service | Delivery of water to Service Property, enterprises, or activities which are temporary in character, or where it is known in advance that the delivery of water will be of limited duration. |
| Termination of Delivery of Water | The Authority's intentional cessation of delivery of water to a Customer which has not been requested by the Customer and which occurs pursuant to the Rules of the Authority. |
| Timely Payment | Unless otherwise specified, "timely payment" means the payment of a bill for delivery of water by a Customer before the date the bill is past due. |

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| Unmetered Service | Service installed at Service Property without a Meter. |
| Unsatisfactory Credit | Any history of payment that does not meet the Satisfactory Credit requirements as set forth by the Authority. |
| Will-Serve Commitment | A letter from the Authority addressed to the appropriate governing agency which states that Authority has sufficient water resources to provide the requested delivery of water pursuant to the Authority's Rules and Rate Schedules and that the project to be served is located within Authority's approved retail or Wholesale Service boundaries. |
| Yard Pipe (or Line) | All piping between the House Piping and the Service Connection. |

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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.

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- 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.

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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.

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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 where created by a subdivision subdividing of the original a Service Property ~~is subdivided~~ 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.

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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 conditions classified in this Rule shall be presumed to be wasteful and a violation of this Rule.

The existence of any of the following conditions involving the use, consumption, or expenditure of water 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 at any time, except as follows:
 - (1) Residences with even addresses -- Wednesday and Saturday.
 - (2) Residences with odd addresses -- Thursday and Sunday.
 - (3) Commercial customers -- Tuesday and Friday.
 - (4) Between the hours of 1:00 p.m. and 5:00 p.m.
 - (5) Nothing contained in this Rule shall prohibit:

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- (a) The Hand Watering of vegetable or flower gardens, lawns, trees and shrubs in a non-wasteful manner.
 - (b) The watering of lawns in public parks, playgrounds, athletic fields, common area and parkways on any day and at any time of day if done in a non-wasteful manner, subject to a variance granted by the Authority.
 - (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.
2. Water Use Restrictions During Emergency Conditions. If a water emergency is declared by Local Government(s) by resolution, 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.

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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.
 - 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.
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~~ will 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 estimated net 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 interruption or curtailment at the Authority's discretion. In the event the Authority determines temporary water delivery has become a

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permanent water use or the 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 this Section 5.a.

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b-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.

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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 ~~sign, on a form provided by~~ the Authority, an application information which includes, but is not limited to, the following ~~information~~:

- 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 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. — 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 ~~if Social Security Number or Federal Tax Identification Number are not provided.~~
- ~~i. — Rate Schedule to be applied as determined by the Authority.~~
- ij. Any information as the Authority may reasonably require.

~~jk. 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.~~

Authority shall determine the applicable Rate Schedule.

2. Place. ~~Customers must make an application for delivery of water for new Service or Modified Service in person at Authority's business office during normal Business Hours. — Customers must make an applyingication~~ for the delivery of

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- water for an existing Service ~~may deapply~~ via telephone during normal Business Hours or at the Authority's website, at www.TMH2O.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.
 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.
 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 ~~the Customer must be the owner or agent~~ for that Service Property.
 - c. If the owner, or agent of an owner, offer 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.

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- (c) If, when notified of any violations of the Authority's Rules, ~~the owner, or agent of the owner, or for a rental property or the tenant~~ Customer fails to resolve the violation.
- d. The Customer for Private Fire Protection Service must be the owner of the Service Property.

B. Establishment of Credit

The Authority may 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 ~~preceding~~ two (2) years preceding of 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 ~~preceding~~ two (2) years of preceding the date of application for the delivery of water, and having made Timely Payment of each bill issued to him during any consecutive the twelve (12) months within the preceding two (2) years of preceding the date of application for the delivery of water ~~immediately preceding his request for 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 calculated based on one of the following three conditions, but in no event shall the cash Deposit be less than \$100.00.
 - (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, 150% of the twelve (12) months average use for a comparable Service

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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, 200% of the twelve (12) months average use for a comparable Service Classification multiplied by the applicable rate will be used to calculate the Deposit.

(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 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.

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- 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.
- 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 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 Deposits computed from the date of Deposit until the date of settlement or withdrawal of Deposit. 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 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.

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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.

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;

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- (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.

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

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- 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. Service of notice shall be deemed complete as of the date of mailing or personal 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, 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.
- 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

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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.

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.

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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.

(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.

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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.
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.

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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.

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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.

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3. Proration of Bills. The monthly charges applicable to opening periods, closing bills, and bills rendered for periods corresponding to less than twenty seven (27) Days or more than thirty three (33) 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.

C. 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 upon deposit of the bill by the Authority with the U. S. Postal Service for delivery to the Customer by first class mail or by electronic notification of the bill via the Internet; or in the case of delivery by other means, upon delivery of the bill to the billing address of the Customer. ~~All bills must be paid within fifteen (15) Days of their issuance, and any bill not paid by such date will be deemed past due. Payment of a bill by first-class mail is timely if the payment is received not more than four (4) Days after the past due date unless the last Day for payment falls during non-Business Hours when the business office of the Authority is closed, in which case the last Day for payment is the next business Day.~~

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.

D. Equal Payment Plan

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PAYMENT FOR THE DELIVERY OF WATER

An equal payment plan is available upon request by RMWS Customers 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. 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.
2. The plan is a voluntary program and will be in effect only for eligible Customers who elect to participate.
3. The equal payment plan allows for prepayment of the monthly equal payment amount at Customer's request.
4. 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.
5. The equal payment plan will be automatically cancelled when two (2) equal payment bills become past due.
6. 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.
7. The monthly equal payment amount may be adjusted during the year for changes in rates due to Authority approved rate increases or decreases.
8. 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.

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PAYMENT FOR THE DELIVERY OF WATER

E. 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, ~~billing adjustments shall be 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 three-(123) 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.

F. 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 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, he may file a complaint pursuant to Rule 8.

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PAYMENT FOR THE DELIVERY OF WATER

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.

G. 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.

2. Adjustment of Bills for Meter Error

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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.

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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 retail service boundary.
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 ~~applicant for~~ legal owner of the Sservice Pproperty 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 inerties, 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. "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.
 - f. "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.

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WATER SYSTEM FACILITIES

- g. “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.
- h. “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.
- i. “Oversized Facilities” shall mean those portions of Water System Facilities required by Authority of greater capacity, size or length than would be necessary to provide the service requested by the Applicant.
- j. “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.
- k. “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.
- l. “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 or alter existing water Facilities.

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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 ~~filing~~ 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, non-refundable fees for business services as provided in Rate Schedule BSF.
 - 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 ~~offered under an extension may include different terms, and conditions, and updated fees, and/or facility charges than those offered in a prior Water Service Agreement for the project.~~

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ef. 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~~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.

(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.

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- (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.
- (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 five-two (52) working Days prior to recommencing work, unless otherwise agreed to by the Authority. The Authority, at its sole discretion, 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) The Applicant shall commence installation of Applicant Installed Facilities within the earlier of (i) 12 months after the effective date of 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 the installation of the Applicant Installed Facilities in a timely manner, and~~ 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.
- (11) ~~The delivery of water~~ Water service will not be provided to a Service Property or Applicant's project by the Authority until ~~all required~~ the necessary Water System Facilities are complete, tested, accepted and placed into service.

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.
- (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.

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(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 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 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.

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- 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 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 cost responsibilities will be determined by the Authority in accordance with the Authority's Standards and in compliance with local, State and Federal regulations.
- e. 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.
 - (2) Service and Meter Facilities (per Rule 6).
 - (3) 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.

Demand = Applicant's Maximum Day Demand in gpm (not including fire flow) 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.

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(4) Storage Facility ~~Charge~~. Where, as solely determined by the Authority, storage is required that benefits or serves ~~only-primarily~~ the Applicant's Project, the Applicant will be ~~solely~~ responsible ~~for~~ the 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) Otherwisef not required to construct and dedicate storage facilities,~~ the Applicant ~~shall pay the Authority will be responsible for a Storage Facility Charge, the amount of which's cost~~ will be ~~allocated~~ 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 = Applicant's Maximum Day Demand in gpm (not including fire flow) 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.

~~(5) Feeder Main Facilities. The Applicant is solely will be responsible for the cost of Feeder Mains as required by the Authority to provide the necessary capacity for the requested New or Modified water sService. The Authority, at its option, may require Applicant to oversize said Feeder Main facilities; in such case, Authority shall be responsible for Oversizing Costs as provided in Section B.5 of this Rule 5.~~

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

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Feeder Main Charge = Demand multiplied by the Feeder Main Unit Cost

Where:

Feeder Main Charge = Applicant's share of Feeder Main facility costs.

Demand = Applicant's Maximum Day Demand in gpm (not including fire flow) as determined by Authority.

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

- f. 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.
- g. ~~Feeder Water~~ Main Facilities. The Applicant ~~is solely will be~~ responsible for the cost of ~~Feeder Mains pursuant to Rate Schedule WSF~~ Project Mains as required by the Authority to provide the necessary capacity for the requested new or modified water service. ~~In the event additional Feeder Mains are required,~~ Applicant will be responsible for the cost of a ~~Feeder Main~~ Project Main of such capacity and along such a route as would be adequate to provide the required service or meet requirements of applicable regulations.
- h. Pressure Regulator Stations and System Intertie Facilities. If applicable, these facilities may include Meter Facilities. Applicant ~~shall be 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.
- i. Standby Power Generator Additions or Retrofits. Applicant ~~shall be 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.
- j. Pump Station Additions or Rebuilds. Applicant ~~shall be is solely~~ responsible for the actual cost of pump station additions or rebuilds required to provide

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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.

- k. Participation Payments. An Applicant whose ~~project~~Project(s) require or will utilize a portion of previously constructed ~~eQ~~oversized ~~pump station facilities~~ ~~Facilities will be required to~~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 ~~eQ~~oversized ~~pump stations~~Facilities or other appropriate proration as determined by the Authority.
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.
 - b. The cost of pump station additions or rebuilds (to existing pump station facilities), standby power installations, pressure regulating stations, system inerties, Project Mains and ~~feeder~~Feeder mains~~Mains~~ sized to meet only the requirements of the Applicant's project are not eligible for reimbursement or participation payments.
 - c. Oversizing Reimbursements. An applicant is eligible for future reimbursement of Oversizing Costs subject to the following:
 - (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

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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.

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. 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 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.

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- (1) 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.
- c. 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 Authority will:
- (1) Refund to the Applicant all Schedule WSF charges paid by the Applicant, without interest, provided Applicant submits a written request for a refund to the Authority within 60 days after the execution of the Water Service Agreement ~~or and~~ provided the total of Schedule WSF charges amount eligible for refund is \$50,000 or less, or;
- (2) Credit the Applicant, or Applicant's designated successor or assign, the dollar amount of all Schedule WSF charges paid by Applicant, without interest, which dollar credit can be applied to other Water Service Agreement(s) for Application(s) for new Service and Modified Service within the Authority's retail service area.
- d. 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.
- e. 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 ~~three (3) years following completion of the Water System Facilities~~ time in accordance with Authority's records retention schedules/policies.

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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 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) Valves, Fittings, and other related facilities

(8) Trench and backfill requirements

(9) Removal and replacement of pavement

(10) Private booster pumps

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- (11) Pressure regulating valves
- (12) Thermal expansion devices
- (13) Required permits
- (14) Backflow prevention assembly(ies)
- (15) Authority inspection

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 Specify 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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SERVICE AND METER FACILITIES

- 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. 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 ~~where a Service Property is created by subdivided 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 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. Fire Facilities will be installed and/or altered to the requirements of the Authority and the Local Government having jurisdiction.
 - 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 quality of material shall be selected by the Authority and/or the Local Government having jurisdiction where the Fire Facilities are to be installed.

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RULE 6

SERVICE AND METER FACILITIES

- 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.
 - g. 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.
3. 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 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