

SECTION 7 – CHARGES, FEES, AND DEPOSITS

7.1 Charges for Installing Service Connections

Charges, fees, and deposits shall be payable in advance in accordance with the approved rate schedule in effect at the time of water plan approval or at the time the KCWD's water service application form is signed and returned to the LVVWD. Any and all required or outstanding bills, charges, fees, and deposits for any service or project must be paid to the LVVWD, as agent for the KCWD, prior to approval of water plans for construction, or prior to commencement of any scheduling or construction activity for services to be installed by the LVVWD.

7.2 Connection Charges

- a. A connection is defined as a service connection or main extension connected to an existing main. A connection shall not include an emergency service connection, interim/construction water service or temporary service connection. Any connection charges based on a meter size will be based on the smaller (domestic) meter for combined services.
- b. Frontage connection charges shall apply to all connections through which water will be delivered from an existing main to particular parcels of property which are adjacent to the right-of-way or easement wherein that main is located. If additional connections will not be required for subsequent phases, the frontage connection charge for projects with multiple phases is due for all remaining phases at the time the initial connection is approved. The applicable frontage connection charges shall be the amount specified in the rate schedule.

Frontage connection charges shall not apply to the connection of a parcel to a particular main if that main was installed as a main extension to serve that parcel. Frontage connection charges shall apply to parcels within Assessment Districts when the connection is made to a main that was not installed as a part of an Assessment District for that the parcel was assessed.

Upon application for a connection to a parcel not presently having a connection, frontage connection charges shall apply to the side of the parcel where the connection is to be made. Upon application for an additional connection to a parcel where the connection is to be made to a side of the parcel not presently having a connection, frontage connection charges shall apply to that side of the parcel. Upon applications for connections to more than one side of a parcel presently not having a connection, frontage connection charges shall apply to each side of that parcel where a connection is to be made. Relocation of, or additional connections on, the same side of the parcel shall be exempt from frontage connection charges. Non-standard service connections shall be assessed the minimum frontage connection charge when the main providing water is not directly adjacent to the property.

If more than one main is available with sufficient pressure and capacity to which a connection may be made, and the Applicant requests a connection to a specific main, but the LVVWD elects to require the connection be made to another main, the frontage connection charge shall be the lesser of the charge for the main preferred by the Applicant or the main to which the connection was actually made. A credit as specified in Section 8 of these Service Rules will be applied against the System Development Charge for the initial service connection to each parcel assessed in A.D. #101.

- c. "System Development Charge" shall mean the charge required of all applicants for service to property where a service connection does not exist, or where a service is to be enlarged or added. The charge is to be paid based on equivalency to a 5/8" meter. This connection charge is an equity buy-in so that all customers have an equal equity position in the KCWD facilities.
- d. Whenever a parcel of property within the boundaries of an Assessment District is excluded from participation by reason of ownership by a public tax-exempt agency, or other cause, such property, should it later require a connection, shall not be permitted to obtain service from

a main constructed as part of the Assessment District until the amount of the assessment is paid and a water commitment obtained in accordance with Section 1 of these Service Rules.

“Application Fee” shall mean the charge required of all Applicants for service to property where a service connection does not exist, where a service is to be enlarged or where a service is added, including those temporary connections and those connections located within an Assessment District. The charge is based on meter size. The charge includes LVVWD costs for the initial application, engineering review, water commitment process, water plan approval, and miscellaneous related administrative costs. Fees are established for revisions to the initial application. These fees are non-refundable and valid for applications submitted for two (2) years from the time of payment. The application fee is required for the reactivation of a service classified as deserted, temporary, or an interim service.

Application fees are due for relocations of existing fire hydrants or service connections on the same parcel of land.

The application fee does not apply to adjustments to or relocation of water facilities completed in conjunction with public road improvement projects, or work necessary for the installation of a new backflow prevention assembly required because of the LVVWD's Cross Connection Control Program.

- e. “Inspection Fee” shall apply to all new water facility installations and water service relocations constructed by private contractors. The fee is based on the quantity, type of water facility installation and/or size of the meter. The charge includes LVVWD costs for the inspection and related administrative costs of water facility installation. The fee must be paid prior to water plan approval and may be refunded if work does not begin. The fee is not refundable or prorated once construction begins. The inspection fee is valid for three (3) years from the date of plan approval. Any time extensions for work remaining after the three (3) year period require payment of an additional inspection fee for those portions of the project that are incomplete. Any inspection required after the normal working hours (7:00 a.m. - 3:30 p.m. Monday – Friday excluding holidays) will be charged in addition to these fees.

The inspection fee does not apply to adjustments to, or relocation of, water facilities completed in conjunction with public road improvement projects.

Inspection fees are due for service connection relocations and service connection size increases.

7.3 Deposits - Based on Projected Costs

When the LVVWD is requested to perform work and there is no fixed charge, the Applicant shall deposit an amount established by the LVVWD, in addition to connection charges and other applicable fees, prior to commencement of work. A refund or billing will be made when the job is completed and actual cost determined. When requested by the Applicant, the LVVWD may establish a “not to exceed” upper limit.

7.4 Reactivation of Deserted or Inactive Service Connections

Upon receipt of application, a deserted or inactive service may be activated provided the Applicant pays any costs required to locate the service and upgrade it to current LVVWD standards. If the service cannot be located, it will be classified as abandoned or removed. If a service is located but found to be non-functional, the service may be classified as abandoned or removed. Also see Section 5.

7.5 Illegal Service Connection

A service connection which is located in the field, but whose existence is not authorized in KCWD records will be considered as a new service. All fees, charges, and deposits required by the KCWD must be paid before the account is established in the LVVWD's system. If the service was installed after June 22, 1994, the LVVWD will require that a water commitment must be obtained, in accordance with Section 1 of these Service Rules. In the event an illegal service is discovered and a water commitment is required by the LVVWD and is not obtained, or the fees, charges, and deposits are not paid, the LVVWD may physically remove the service connection at the parcel owner's expense. Any service connection that is in violation of these Service Rules will be considered an illegal service connection and be subject to all of the conditions and restrictions as listed above.

7.6 Relocation of Service Connection

An existing service connection may be relocated on the same parcel, with the approval of the LVVWD; however it may not be moved to a new parcel. A relocated service connection shall be installed pursuant to the same Service Rules and applicable rate schedules as a new service connection, except that no application fee or Systems Development Charge shall be applied. Frontage Connection Charges will not apply if the connection is to the same side of the parcel and the new connection is made to the same main as the original connection. For connection to any other main along that side of the parcel, the frontage connection charge provisions of Section 8 shall apply.

7.7 Change in Meter Size

Meters in place, which are of a size less than the diameter of the lateral pipe, may be replaced with a larger size not to exceed the size of the lateral pipe. Applicants for replacement meters shall pay the application fee for the new service, the meter charge, and other charges as established by the rate schedule. System Development Charges shall apply to increases in meter sizes. A water commitment in accordance with Section 1 of these Service Rules must be obtained before a meter may be increased in size.

Meters sized two (2) inches and less may be replaced with a smaller size meter upon request of the property owner and with LVVWD approval. The cost to reduce the meter size shall be the application fee for the new meter, the cost of the new meter, plus all other applicable fees and charges. Applicants for replacement of meters greater than two (2) inches with a smaller size shall pay all costs incurred.

The LVVWD may replace a battery of meters with a single meter, replace a single meter with a battery of meters, or install an appropriately sized meter, service, and backflow prevention assembly, to meet a current demand, providing such replacement does not impair service to the customer. The Applicant shall be responsible for all applicable fees and charges.

7.8 Increase in Size of Service Connection

An existing service connection may be enlarged with the approval of the LVVWD, provided a water commitment is obtained in accordance with Section 1 of these Service Rules for the additional capacity requested. An enlarged service connection shall be installed pursuant to the existing Service Rules and applicable rate schedules. If the new service connection is not on the same side of the property as the abandoned or removed service, frontage connection charges will apply. System Development Charges shall apply to increases in meter sizes. The amount of the charge will be the difference between the System Development Charge for the new service connection and the system development charge applicable to the existing service connection. The full application fee and inspection fee (for service connections installed by private contractor) for the new service size will apply.

7.9 Service Connection Removal

In the event that a service connection is to be permanently deactivated, the owner of the parcel must sign a removal order form provided by the LVVWD. The meter and other salvageable materials may be removed by the LVVWD on an actual cost basis, without credit to the property owner, or by a private contractor in accordance with the requirements of Section 10. Any water commitment associated with a removed service shall terminate, except as provided in Section 1. In the event a service will be relocated or the size of service changed, the service removal may be done either by the LVVWD on an actual cost basis or by a private contractor in accordance with the requirements of Section 10.

7.10 Installation of Shut Off Valve

If it is necessary to shut off any existing service and there is no shut off valve at the property line, the LVVWD shall install the shut off valve at the expense of the property owner.

7.11 Public Fire Hydrants

Charges for water available through public fire hydrants shall be periodically negotiated with appropriate governmental agencies and shall be billed accordingly.

7.12 Private Use of Public Fire Hydrants

Connections to public fire hydrants (those that have been dedicated for public use) are prohibited unless a special permit is issued by the LVVWD and a LVVWD-owned hydrant valve and meter are utilized. The Applicant shall pay a use permit fee in accordance with the rate schedule prior to issuance. The Applicant for the permit shall designate the period of time and purpose for which water is to be used. The LVVWD may discontinue the supply and remove its equipment at the expiration of the period so designated if the service is used for any purpose or manner other than designated by Applicant, or if any part of the fire hydrant is operated. The LVVWD may establish limitations on the location, rate of flow, and time of use. The LVVWD will install all equipment necessary for the metered connection and no water will be used until such equipment is installed. Water may only be provided for use within the limits of the KCWD service area, as described in Section 2 of these Service Rules. Except for emergency service connections, which may be established by the LVVWD for a limited time as described in Section 6, water service from a fire hydrant for domestic purposes is prohibited.

The Applicant shall ensure that hydrant meter operations are conducted in a manner that protects the water system. In some cases, a backflow prevention assembly approved by the LVVWD may be necessary. The Applicant shall use LVVWD installed backflow protection to prevent backflow to the KCWD system.

In the event that an unauthorized connection is made to a fire hydrant, the user shall be required to pay appropriate charges as determined by the LVVWD, and may be subject to other penalties as established by law.

Except for emergency service connections that may be established by the KCWD for a limited time as described in Section 6, water service from a fire hydrant for domestic purposes is prohibited.

A temporary hydrant meter may be provided to small users during Critical or Emergency Operating Conditions. These meters are granted at the sole discretion of the LVVWD. This hydrant meter permit will be revoked when the above conditions are no longer in force.

At the Concerned Operating Condition, the number and retention of hydrant meters issued shall be based on a staff operating condition evaluation of items found in the Operating Conditions Table in Section 11.

7.13 Public Agency Deposit Requirements

In lieu of cash deposits or sureties purchase orders may be accepted from public agencies.

7.14 Security Deposits to Assure Payment of Bills

The LVVWD, as agent for the KCWD, may require security deposits from new customers who have not established credit with the LVVWD, or from customers whose accounts are consistently delinquent, or in any situation where the LVVWD has cause to believe that a deposit is required to assure payment. For accounts where credit has not been established, or for accounts that are consistently delinquent, the deposit will be in an amount proximate to, but not less than two and one half (2.5) times the highest monthly bill as assessed during a twelve-month period. The LVVWD may establish standard deposits for various service sizes and types.

Deposits must be paid in full on the date they were assessed to the account, or service may not be activated or restored on the date requested. The LVVWD may, at its sole and exclusive discretion, make arrangements to extend this payment deadline and/or allow the customer to pay the required deposit amount in installments. Failure to remit valid payment in compliance with arrangements made may result in service discontinuance without notice. In lieu of a cash deposit, a surety bond is acceptable.

Deposits will be applied as a credit on the customer account at such date as the customer has established credit to the satisfaction of the LVVWD, refunded to the customer at the LVVWD discretion, or applied to the closing bill upon discontinuance of service. Interest on security deposits will be credited to the customer's security deposit account on a quarterly basis and/or on the date the customer's deposit account is closed.

The annual interest rate for the ensuing year will be a rate equal to the regular savings deposit rate of a major local commercial bank as of the first business day of the calendar year.

7.15 Interest on Deposits

Except as provided to assure payment of bills, any cash deposit(s) or other payment(s) paid to the LVVWD will not accrue interest.

7.16 Delinquent Processing Fee

If a service is processed for shut-off for non-payment of bills, payment arrangements, deposits, or other violation of these Service Rules, the customer shall pay a delinquent processing charge of \$20.00 plus the rate specified in Section 8 of these Service Rules for any actual or potential water use each month that water service would have been available since the delinquency occurred. Before the service will be reactivated, the customer must pay the total amount due including any assessed security deposits, and related delinquent processing and restoration fees. The LVVWD may, at its sole and exclusive discretion, make arrangements for other than a single full payment. Should the customer reactivate the service or tamper without consent of the LVVWD, an additional charge of \$20.00 will be made for each such occurrence. Service shall be considered processed for shut-off as of the date immediately following the due date of the bill or payment arrangement. In addition to the \$20.00 fee, the LVVWD may determine that a shut-off valve is to be installed at the expense of the property owner in accordance with Section 7.10 of these Service Rules.

7.17 Fee to Reestablish Service

Customers or parcel owners will be charged a \$100 fee per incident for services that have been locked for tampering, illegal use, and/or prevention of further damage to KCWD facilities. Further service to the parcel must be established only in the name of the parcel owner. When service is shut-off at the main, or restricted from use by the LVVWD by means other than locking the service the parcel owner or the parcel owner's representative possessing an appropriate power of attorney must pay a deposit of \$1,800 in the form of cash, cashier's check, or money order to the LVVWD to cover the actual cost of damage incurred by the LVVWD in addition to any other applicable fees, charges, or deposits before a turn-on will be scheduled. Once actual costs are determined, the parcel owner will be billed or refunded the difference between the deposit and the actual cost.

If it can be demonstrated to the LVVWD that neither the parcel owner nor a legally designated representative is available to meet the above-mentioned requirements for turn-on, a resident of the property may have water service reinstated by securing and delivering to the LVVWD a one year irrevocable letter of credit or a bond in a form approved by the LVVWD, in an amount equal to two and one half (2.5) times the highest monthly bill as assessed during a twelve-month period, in addition to posting a cash deposit in the amount of \$1,800 to cover the actual cost of damage incurred by the LVVWD. Should the cash deposit exceed the damages incurred by the LVVWD, a refund of the excess will be made. Should the cash deposit not exceed the damages incurred by the LVVWD, the balance will be due from the owner, or representative, prior to restoring service.

7.18 Use of Private Fire Protection Service

When it is found that a private fire service is being used for purposes other than standby fire protection, the LVVWD will bill the customer for all private fire protection water consumption measured by the detector check assembly times an applicable service size multiple, as shown in Section 8. Failure to discontinue unauthorized use will be cause for shut-off, and/or prosecution as prescribed by law.

7.19 Late Fees - Delinquent Accounts

If payment of a bill is not received by the LVVWD prior to the due date as stated on the bill, said date being the first working day twenty-four (24) calendar days after the billing date, the account shall be charged on the next succeeding bill, four percent (4%) of all amounts in arrears. Government agencies shall be exempt.

7.20 Turn-On/Shut Off Fees

- a. An existing water service will be turned on without additional charge beyond the activation charge provided for in Section 8 of these Service Rules, provided that the requested effective date for service activation or restoration is at least one business day after an application is accepted or, in the case of service interrupted for delinquency, sufficient payment has been received as required by the LVVWD. Same-day service turn-on or restoration may be provided for a fee of \$120 for requests received prior to the close of the business day. Requests received after normal business hours, or on weekends, or during a holiday for same day service turn on or restoration will be assessed a fee of \$180, provided that the LVVWD can respond to the customer's request.
- b. An existing water service will be shut-off, without additional charge beyond the activation charge provided for in Section 8 of these Service Rules, provided that the requested effective date for service shut-off is at least one (1) business day after the request for discontinuance of service is received. Same day shut off service may be provided for a fee of \$120 for requests received prior to the close of the business day. Requests for same day or future shut off will be assessed a fee of \$180 if received after normal business hours, on weekends, or on holidays provided that the LVVWD can respond to the customer's request.

7.21 Damage to or Tampering with KCWD Property

Persons causing damage to, or tampering with, KCWD property, including but not limited to, service connections shut-off valves, hydrants, meters, and mains by any willful or negligent act shall be responsible for payment of costs incurred and any and all penalties prescribed by the Service Rules, or law.

7.22 Prosecution for Illegal Use of Water

Any person who shall wrongfully and maliciously appropriate or use any KCWD water or wrongfully and maliciously interfere with any officer, agent, or employee of the KCWD/or LVVWD in the proper discharge of their duties shall be guilty of a misdemeanor and shall be fined in any sum not exceeding \$1,000 or imprisonment not to exceed six months in the county jail or by both such fine and imprisonment; provided further, that the KCWD damaged by any such act may also bring a civil action for damages sustained by any such act, and in such proceeding the prevailing party shall also be entitled to attorney's fees and costs of court.

7.23 Charges for Supplemental Service

Each customer being provided with supplemental service will pay a modified commodity rate based on their peak usage compared to all KCWD customers.

After each calendar year, each customer receiving supplemental service will be notified by letter of their commodity rate for water usage for the ensuing summer months of June through September. This commodity rate will be based on their high usage during the peak months (June, July, August, or September) and the average usage of the preceding year. Multiple service connections to a property will be summed and calculated as one (1) service for computation of peak and annual usage. The method of calculation shall be as shown in Section 8.

7.24 Credit Privilege for Hydrant Permits

The privilege of credit for hydrant permits may be granted to contractors licensed in Nevada and requests for same may be made by phone, provided that:

- a. The privilege is not abused
- b. Payment for each hydrant permit is received by LVVWD as part of the payment for the first water bill issued for such permit

7.25 Service Guarantee Program

At the LVVWD's sole discretion, will apply a \$10 credit to a current customer's active account in the following situations if the LVVWD

- a. turns off the customer's water service in error
- b. does not activate the customer's service on the date requested
- c. does not respond to a billing inquiry within seven (7) business days
- d. validates receipt of payment, but does not process the payment correctly
- e. in its sole discretion, may determine if this credit is warranted due to actions of the LVVWD's staff

Additionally, if LVVWD personnel, while in the course and scope of LVVWD duties, physically damage a ratepayer's property that is not improperly located within, above, or near a LVVWD easement or on LVVWD property, the LVVWD will repair or pay to have repaired the ratepayer's property.

7.26 Meter Testing Fee

A customer who is serviced by a meter 2” and smaller and has requested that the meter be removed for accuracy testing and replaced with another, shall be assessed a fee of \$75. The fee will be waived if the overall accuracy of the meter as tested is outside the defined acceptable parameters as established by the AWWA.