

SECTION 7 - CHARGES, FEES AND DEPOSITS

7.1 Charges, fees, and deposits for areas owned and operated by the District may be established and approved by the Board of Directors based on actual costs to serve those designated areas.

7.2 Charges for Installing Service Connection

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 District's water service application form is signed and returned to the District. Any and all required or outstanding bills, charges, fees, and deposits for any service or project must be paid to the District 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 District.

7.3 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, 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 existing 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 property to a particular main if that main was installed as a main extension to serve that property. In the event parallel main(s) exist, the frontage connection charges shall be based on the main providing the direct connection to the service. Conditions for installing a parallel main are contained in Section 10.

Upon application for a connection to a parcel not presently having a connection, frontage connection charges shall apply to the side of the property 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 property not presently having a connection, frontage connection charges shall apply to that side of the property. Upon applications for connections to more than one (1) side of a parcel presently not having a connection, frontage connection charges shall apply to each side of that property where a connection is to be made. Relocation of, or additional connections on, the same side of the property actually where frontage connection charges have been assessed 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 (1) main is available with sufficient pressure and capacity for a connection, the applicant may request a connection to a specific main. The District may elect to require the connection be made to another main. If so, 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.

- c. "Connection 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 District's facilities.
- d. "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 temporary connections. The charge is based on meter size. The charge includes District costs for the initial application, engineering review and 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, a temporary service, 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 as a result of the District'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 District 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 two (2) years from the date of plan approval. Any time extensions for work remaining after the two (2) year period require payment of an additional inspection fee for those portions of the project which are incomplete. Any inspection required after the normal working hours (7:00 a.m. - 3:30 p.m., Monday - Friday) 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.

7.4 Deposits - Based on Projected Costs

When the District is requested to perform work and where there are no fixed charges, the applicant shall deposit an amount established by the District, 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 District may establish a "not to exceed" upper limit.

7.5 Reactivation of Deserted or Inactive Services

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 District standards. If the service cannot be located, it will be classified as abandoned. If a service is located but found to be non-functional, the service may be classified as abandoned or removed. Also, see Section 4.

7.6 Illegal Service Connection

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

7.7 Relocation of Service Connection

An existing service connection may be relocated on the same parcel, with the approval of the District, however it may not be moved to a new parcel. A relocated service connection shall be installed pursuant to the same Rules and applicable rate schedules as a new service connection, except that no connection 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 connections to any other main along that side of the parcel, the frontage connection charges provisions of Section 8 shall apply.

7.8 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 shall pay the full application fee for the new service, the meter charge, and other charges as

established by the rate schedule. Connection charges shall apply to increases in meter sizes. A water commitment in accordance with Section 1 of these 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 District approval. The cost to reduce the meter size shall be the cost of the new meter plus a \$165 installation and travel fee, plus all other applicable fees and charges. Applicants for replacement of meters greater than two (2) inches with a smaller size shall pay on actual cost basis.

The District 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 owner/applicant shall be responsible for all applicable fees and charges.

7.9 Increase in Size of Service Connection

An existing service connection may be enlarged with the approval of the District provided a water commitment for the additional capacity requested is obtained in accordance with Section 1 of these Rules. An enlarged service connection shall be installed pursuant to the existing Rules and applicable rate schedules. If the new service connection is not on the same side of the parcel as the abandoned or removed service, frontage connection charges will apply, if appropriate. Connection charges shall apply to increases in meter sizes. The amount of the charge will be the difference between the connection charge for the new service connection and the connection charge applicable to the existing service connection at the rates in effect at the time of application. The full application fee and inspection fee (for service connections installed by private contractor) for the new service size will apply.

7.10 Service Connection Removal

In the event that a service connection is to be permanently deactivated, the owner of the property must sign a removal order form provided by the District. The meter and other salvageable materials will be removed by the District, without credit to the property owner or by a private contractor in accordance with the requirements of Section 10. In the event a service will be relocated or the size of service changed, the service removal may be done either by the District on an actual cost basis 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 1.10.

7.11 Private Use of Public Fire Hydrants

Connections to public fire hydrants (those which have been dedicated for public use) are prohibited unless a permit is issued by the District and a District-owned hydrant valve and meter utilized. The applicant shall pay a 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 District may discontinue the service and remove its equipment at the expiration of the period so designated, if the water is used for

any purpose other than that designated by the applicant, or if any part of the fire hydrant is operated by persons other than District staff. The District may establish limitations on the rate of flow and time of use. The District will install all equipment necessary for the meter connection and no water will be used until such equipment is installed. Except for emergency service connections, which may be established by the District for a limited time as described in Section 6, water service from a fire hydrant for domestic purposes is prohibited.

The applicant shall use District installed backflow protection to prevent backflow to the District's 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 District, and may be subject to other penalties as established by law.

A mobile meter may be provided to small users who generally move to multiple locations over time. These meters are granted at the sole discretion of the District. Mobile meter permit holders must:

1. Pay an annual permit fee.
2. Report the location of all water taken each day upon request by the District.
3. Acknowledge the initial meter reading.
4. Agree to have readings estimated for an average monthly bill throughout the year and balance the actual read at the time of the annual meter inspection against the billable consumption for the year for payment or credit adjustment to the account, or refund.
5. Have meter inspected annually.

7.12 Public Agencies' Deposit Requirements

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

7.13 Security Deposits to Assure Payment of Bills

The District may require security deposits from new customers who have not established credit with the District, or from customers whose accounts are consistently delinquent, or in any situation where the District 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 District 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 District 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 District, or refunded to the customer at the District's 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.

7.14 Interest on Deposits

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

7.15 Delinquent Processing Fee

If service is processed for shut-off for non-payment of bills, payment arrangements, deposits, or other violation of these Rules, the customer shall pay a delinquent processing charge of \$20.00. 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 District may, at its sole and exclusive discretion, make arrangements for other than full payment. Should the customer reactivate or tamper with the service, without consent of the District, an additional charge of \$20.00 will be made for each such occurrence. Service shall be considered to have been processed for shut off as of the date immediately following the due date of the bill or payment arrangement.

7.16 Fee to Reestablish Service

Customer or property owners will be charged a \$120 fee per incident for services that have been locked for tampering, illegal use and/or prevention of further damage to District facilities. Further service to the property must be established only in the name of the property owner. When service is shut off at the main, or restricted from use by the District by means other than locking the service, the property owner or the property owner's representative possessing an appropriate power of attorney must pay a deposit of \$1,800 to the District in the form of cash, cashiers check, money order, or credit card to cover the actual cost of damage incurred by the District be in addition to any other applicable fees, charges or deposits before a turn-on will be scheduled. Once actual costs are determined, the property owner will be billed or refunded the difference between the deposit and the actual cost.

If it can be demonstrated to the District that neither the property 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 District a one year irrevocable letter of credit or a bond in a form

approved by the District, in an amount equal to the average of the three (3) highest water bills for the property in question over the last calendar year prior to turn-on 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 District. Should the cash deposit exceed the damages incurred by the District, a refund of the excess will be made. Should the cash deposit not exceed the damages incurred by the District, the balance will be due from the owner, or representative, prior to restoring service.

7.17 Unauthorized Use of Private Fire Service

When it is found that a private fire service is being used for purposes other than standby fire protection, the District 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 shutoff and/or prosecution as prescribed by law.

7.18 Late Fees - Delinquent Accounts

If payment of a bill is not received by the District 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 amount(s) in arrears. Governmental agencies shall be exempt.

7.19 Same-Day Turn-On/Shut Off Fees

- a. An existing water service will be turned on for a fee of \$50, 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 District.

Same-day service turn-on or restoration service 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 District can respond to the customer's request.

- b. An existing water service will be shut off for a fee of \$50 provided that the requested effective date for service shut off is at least one 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 received after normal business hours, or on weekends, or during a holiday for same day service shut-off will be assessed a fee of \$180 provided that the District can respond to the customer's request.

7.20 Damage to, or Tampering with District Property

Persons causing damage to, or tampering with, District property by any willful or negligent act shall be responsible for payment of costs incurred, and any and all penalties as prescribed by the Service Rules, or by law.

7.21 Prosecution for Illegal Use of Water

Any person who shall wrongfully and maliciously appropriate or use any System water or wrongfully and maliciously interfere with any officer, agent or employee of the System or District in the proper discharge of his duties, shall be guilty of a misdemeanor. Further, damages sustained by the System through any such act may also bring a civil action for damages.

7.22 Charges for Supplemental Service

Each customer being provided with supplemental service will pay the existing, appropriate commercial service charge per 1,000 gallons, as shown in Section 8.1 based on their peak usage compared to all District 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 usage during the peak months (June, July, August or September) and 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.

7.23 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 the District as part of the payment for the first water bill issued for such permit.

7.24 Well Abandonment Incentive

As an incentive for existing property owners to convert their water source from a well to the District's system, a cash incentive will be made to each owner who abandons their well in conjunction with making application for a new water service from the District. The owner must submit a certified copy of the well plugging report prepared by the licensed driller in accordance with Nevada Administrative Code (NAC) 534.420. The cash incentive for well abandonment will not be provided in the event the well is abandoned and plugged by an agency at no cost to the property owner.

7.25 Service Guarantee Program

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

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

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

7.26 Meter Testing Fee

A customer serviced by a meter 2" or smaller and who 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 American Water Works Association.