

RULE NO. 16

NEW DEVELOPMENT

I. NEW DEVELOPMENT

New development of unimproved land within District's service area requiring the upgrading or extension of mainline water or sewer facilities necessary for the provision of service by the District will be subject, as applicable, to the following requirements:

A. Plan Check Fees:

Plan check fees set forth in accordance with the District's Utility Fee Schedule, referenced in Rule No. 22 as Exhibit A.

B. Provision of Water Rights:

Water requirements are set out in Rule No. 2.

C. Payment of Truckee Meadows Water Authority's Water Sustainability Fee:

The TMWA Water Sustainability Fee is set out in the District's Utility Fee Schedule, referenced in Rule No. 22 as Exhibit A.

D. Preliminary Capacity Study Deposit:

District shall require a preliminary Capacity Study, performed by District's Engineer for any new development requiring a connection to the District's existing water and/or sewer system. Developer will be required to provide the District in advance 100% deposit for estimated costs for said preliminary capacity study prior to commencement of the study. Studies are only valid for one (1) year, developer will be required to provide the District an advance 100% deposit for any revised/updated and/or expired Capacity Study.

E. Engineering Design of Facilities:

1. Where new development requires the extension or improvements to existing facilities, new facilities, or the oversizing of District facilities for water or sewer, said facilities shall be designed by the District's Engineer. Prior to the District's engineer undertaking the design, Developer will be required to pay the District a deposit

equal to 50% of the estimated engineering services plus an additional 15% contingency which amount will be deposited into a Trust Account. The District will draw funds to pay District Engineer and/or any subcontractor from the Trust Account.

2. District will invoice the Developer for the balance of the 50% engineering services once the initial 50% Design Deposit has been expensed and the contingency of 15% remains in the Trust Account. District will send Developer courtesy copies of paid invoice(s) indicating work completed and paid from the Trust Account.
3. If there are insufficient funds in the Trust Account to make the final payments to District Engineer and/or any subcontractor, the District will invoice Developer, and Developer will reimburse the District for the amount of any insufficiency.

F. Engineering Construction Management

1. Where new development requires the extension or improvements to existing facilities, new facilities, or the oversizing of District facilities for water or sewer, said facilities shall be designed by the District's Engineer. Prior to the commencement of construction, Developer will be required to pay the District a deposit equal to 50% of the estimated engineering services plus an additional 15% contingency which amount will be deposited into a Trust Account. The District will draw funds to pay District Engineer and/or any subcontractor from the Trust Account.
2. District will invoice the Developer for the balance of the 50% engineering services once the initial 50% Design Deposit has been expensed and the contingency of 15% remains in the Trust Account. District will send Developer courtesy copies of paid invoice(s) indicating work completed and paid from the Trust Account.
3. If there are insufficient funds in the Trust Account to make the final payments to District Engineer and/or any subcontractor, the District will invoice Developer, and Developer will reimburse the District for the amount of any insufficiency.

G. Facility Extension Deposits/Trust Account:

Where new development requires the extension, improvements, new facilities, or oversizing of District facilities for water or sewer, Developer will be required to arrange for the placement of funds into a District Trust Account as follows:

1. Prior to the construction phase, all estimated costs for plan check fees set forth in accordance with the District's Utility Fee Schedule, referenced in Rule No. 22 as Exhibit A., engineering estimates as provided by District's engineering firm, NAC compliance, Northern Nevada Public Health review fees and, as applicable, the Water Facilities Charge pursuant to Rule No. 20 II, C2 and the Sewer Facilities Charge pursuant to Rule No. 21 VI, B1.
2. Prior to any facility construction and prior to the District executing a contract with a successful bidder, Developer will be required to pay the District 50% of the contract amount plus an additional 15% contingency which will be deposited into a Trust Account. The District will draw funds to pay contractor from the Trust Account. The District will invoice Developer for work performed and Developer shall be required to reimburse the Trust Account (said amount assumed to be the equivalent of the remaining estimated contract amount up to 50% completion).
3. At 50% of job completion the District will pay contractor from Trust Account and send Developer courtesy copies of paid invoice(s) indicating work completed and paid for from the Trust Account (said amount assumed to be 100% job completion).
4. If there are insufficient funds in the Trust Account to make the final payments to Contractor, Developer will reimburse the District, the District will bill Developer the amount of the insufficiency.
5. Once facility construction is complete, Developer is responsible for providing the District with as-builts and GIS coordinates. Developer will be required to provide the District an advance 100% deposit for estimated costs to have GIS added to the District's electronic GIS Mapping system performed by District's Engineer.
6. Unspent funds in the Trust Account will be reimbursed to Developer within forty-five (45) working days following final Contractor payments by District. If an extension of facilities is broken down into separate construction phases, the above provisions, as applicable,

would apply to each phase.

H. Phasing of Construction:

If an Extension of facilities is broken into separate construction phases, the above provisions under F, and as applicable, apply to each phase.

I. Failure to Develop:

In the event the Developer cannot or chooses not to develop parcel(s), any or each request for a refund of funds deposited pursuant to any of the above shall be subject to a administrative fee, per occurrence accordance with the District's Utility Fee Schedule, referenced in Rule No. 22 as Exhibit A.