

RULE NO. 1

DEFINITIONS

When used in these Rules and Regulations and Rules and/or Regulations, the following terms shall have the meanings defined below:

APPLICANT: The person, firm, association, corporation or governmental agency applying for water and/or sewer service. No resident of a Guest Building, Attached Accessory Dwelling or Detached Accessory Building may be an applicant for service.

APPLICATION: A written request for water and/or sewer service as distinguished from inquiry as to the availability of charges for such service.

ATTACHED ACCESSORY DWELLING: An attached accessory dwelling unit is a portion of or an addition to a single-family main dwelling that has been designed or configured to be used as a separate or independent dwelling unit for one or more persons, and includes, at a minimum, permanent kitchen and bathroom (i.e. a toilet) facilities, but which may also include living, sleeping, and eating facilities as further defined in Washoe County Development Code Article 304.

AVERAGE MONTH: Thirty (30) days.

BILLING PERIOD: The average month, except for special services.

BOARD: The Board of Trustees of the District.

COMMERCIAL SERVICE: See Service Classification.

COMMERCIAL UNIT: Any separately identifiable structure or portion thereof utilized or to be utilized by a person engaged in selling, or distributing commodities, or in some business activity, or in a profession or some form of economic or social activity or any other utilization not falling under single-family dwelling or industrial unit.

CUBIC FOOT: The volume of water, which occupies one cubic foot. The cubic foot is equal to 7.481 gallons.

CUSTOMER: The person in whose name service is rendered as evidenced by the signature on the Application or contract for that 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. Such customer and not the resident of any Guest Building, Attached Accessory Dwelling or Detached Accessory Dwelling, is also directly liable for payment of any bill for services to a Guest Building, Attached Accessory Dwelling or Detached Accessory Dwelling located on the property. In addition, where real property is occupied by one other than the record owner of the property and the occupant does not pay for the District service, the owner remains ultimately liable for services to the property pursuant to law. The record owner of the property is also ultimately liable for services to any guest building.

DATE OF PRESENTATION: The date upon which a bill or notice is mailed or postmarked or delivered to the Customer by the District.

DEDICATED WATER RESOURCES: Water Rights dedicated to the District to serve real property within the District's 1990 Original District Boundary (Rule No. 2 Exhibit A-3) to satisfy full build out and Water Rights dedications to serve real property as identified with the District's Sphere of Influence (Rule No. 2 Exhibit A-1) thereafter in accordance with the District's Contract for Delivery Agreement with TMWA.

DEMAND: The estimated annual quantity of water to be delivered to a service property, generally expressed in acre-feet per annum or acre-feet per year.

DETACHED ACCESSORY DWELLING:

A detached accessory dwelling unit refers to a dwelling unit on the same lot as the main dwelling unit, but which is physically separated from the main dwelling unit. A detached accessory dwelling unit is designed and configured to provide independent living facilities for one or more persons, and includes, at a minimum, permanent kitchen and bathroom (i.e. a toilet) facilities, but which may also include living, sleeping, and eating facilities as further defined in Washoe County Development Code Article 304.

DETACHED ACCESSORY STRUCTURE:

A detached accessory structure refers to a building or structure on the same lot as the main residential structures and devoted to a use incidental to that main residential structure. A detached accessory structure is not designed, configured, or used for human habitation as further defined in Washoe County Development Code Article 304.

DISTRICT:

Sun Valley General Improvement District, acting through its duly authorized officers and/or employees within the scope of their respective duties.

DISTRICT ORIGINAL BOUNDARY:

The area that the District identified as the Original Boundary when negotiating Water Rights for full build-out in 1990.

DISTRICT SERVICE BOUNDARY:

The area the District is currently serving water, wastewater and/or both.

DISTRICT SPHERE OF INFLUENCE:

The area the District is interested in serving for future development, but currently not within the District's Service Boundary.

FINANCIAL MANAGEMENT SYSTEM:

An accounting system mandated to be included in the USER CHARGE SYSTEM which conforms with GAAP (General Accepted Accounting Principles) and accurately accounts for revenues generated by the system and expenditures for Operation and Maintenance (plus Replacement) (O&M+R), including line item breakout of income sources and expense

items, and provisions for adjusting operations cost data to reflect operating charges, wage escalation and staffing changes.

GALLON:

The volume of water which occupies 231 cubic inches.

GUEST BUILDING:

A structure occupying an accessory position on a lot, which structure contains no kitchen facilities and is used exclusively for housing members of the family otherwise residing in the main legal structure of the lot, or the non-paying guests of such family.

HOME OCCUPATION:

A business conducted entirely within a dwelling by the resident or residents thereof as a clearly secondary and incidental use of the dwelling residence. The business must not be conducted in such a manner as to cause a change in the residential character of surrounding property. (Ref: Washoe County Ordinance 110.308.00)

HOUSE PIPING:

All sewer or water piping and fittings installed within the house or building up to and including the last fitting inside or outside the wall.

INDUSTRIAL SERVICE:

See Service Classification.

INDUSTRIAL UNIT:

Any separately identifiable structure or portion thereof utilized or to be utilized by a person engaged in a process which creates or changes raw or unfinished material into another form of product, warehousing or the distributing of commodities.

INFILTRATION:

Water other than wastewater entering a sewer system through such means as faulty pipes, pipe joints, connections etc.

INFIRM CARE UNIT:

A unit receiving residential service, used for temporary occupancy during the care of an infirm person, as such Temporary Occupancy for the Care of the Infirm is defined in Article 310 of the Washoe County Development Code.

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| <u>INFLOW:</u> | Water other than wastewater entering a sewer system from such sources as surface run off, storm drains, manhole covers, street drainage etc. |
| <u>LAW:</u> | A rule or rules established and enforced by Federal, State, County or Municipal authorities. |
| <u>MAIN EXTENSION:</u> | The extension or replacement of water and/or sewer distribution mains and necessary facilities beyond existing service facilities in accordance with the provisions of the rule applicable to main extensions, filed as a part of these Rules and/or Regulations. |
| <u>MAINTENANCE:</u> | Preservation of the functional integrity and efficiency of equipment which constitute the treatment works, including preventative and corrective maintenance, and replacement of consumable supplies. |
| <u>MASTER METER:</u> | Large volume meter serving multiple dwelling units on a single parcel. |
| <u>METERED SERVICE:</u> | Service for which charges are computed on the basis of measured quantities of water. |
| <u>OPERATION:</u> | Control of the unit processes and equipment which constitute the treatment works, including financial, and personnel management, record keeping, laboratory, and process control etc. |
| <u>OPERATION AND MAINTENANCE:</u> | The activities required to assure the effective, dependable and economical functioning of treatment works and a plan defining these activities. |
| <u>PERMANENT SERVICE:</u> | Service which, in the opinion of the District is of a permanent and established character. The permanent use of water or sewer services may be continuous, intermittent or seasonal in nature. |

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| <u>PERMITTED WATER RIGHT:</u> | Water Right for which has been issued by the Nevada Division of Water Resources to use for municipal purposes for the District's place of use. |
| <u>PERSON:</u> | Any individual; any partnership, corporation, governmental agency, or other organization operating as a single business entity. |
| <u>PREMISES:</u> | Premises shall mean all of the real property and services to a single integrated activity operating under one name to one or more buildings locations or services, provided such building, locations or services are to a single unit of property. |
| <u>PRIVATE FIRE PROTECTION SERVICE:</u> | See Service Classification. |
| <u>PUBLIC FIRE PROTECTION SERVICE:</u> | See Service Classification. |
| <u>RECREATION:</u> | Public park and recreation facilities as lands and facilities serving a range of recreation owned by public agency. Such facilities include, but are not limited to, public parks, playground and recreation facilities. |
| <u>REPLACEMENT:</u> | Capital expenditures associated with supplanting inoperative goods (equipment, accessories or appurtenances) with operative ones as required for efficient effective operation. Reference is to Moveable Assets vs. Fixed Assets, and includes such items as pumps, motors, electrical controls, vehicles etc. Capital expenditures for the following are <u>NOT INCLUDED</u> : <ul style="list-style-type: none">- MAJOR REHABILITATION - required as unit processes near end of useful life.- STRUCTURAL REHABILITATION- FACILITY EXPANSION or UPGRADES to meet future user demand. |
| <u>RULES AND/OR REGULATIONS:</u> | The entire body of effective rates, fees, and/or charges and rules collectively of the District, as set forth herein, commonly referred to as Tariff. |

RULES AND/OR REGULATIONS SHEETS:

An individual sheet of the Rules and/or Regulations.

SEWER FEE SCHEDULE:

Revenue Instrument (billing statement) presented to service subscribers (customers) of Wastewater Treatment Works which includes the: USER CHARGE RATE and possibly other assessments including: Debt Service, Capital Reserve, Operating Reserve, etc.

SEWER USE ORDINANCE:

Federally mandated LEGALLY BINDING documents which establish parameters for new connections, inflow sources, and limits on the toxicity and the levels of other pollutants in the wastewater which is introduced into the treatment works.

SERVICE CLASSIFICATION:

(1) Commercial Service: Water and/or sewer service to real property of customers engaged in selling, distributing of commodities, or in some business activity, or in a profession, or in some form of economic or social activity (offices, stores, clubs, hotels, etc.) or in any other activity that does not come directly under another classification of service.

(2) Industrial Service: Water and/or sewer service to real property of Customers engaged in a process which creates or changes raw or unfinished materials into another form or product, warehousing and distributing of commodities.

(3) Irrigation Service: Water service to Customers for agricultural, floracultural or horticultural use.

(4) Private Fire Protection Service: Water service to real property of Customers supplied for fire sprinkler systems.

(5) Public Fire Protection Service: Water service to real property of Customers supplied for fire protection of the general public.

(6) Residential Service: Water and/or sewer service to real property of Customers supplied for residential purposes in a single-family dwelling unit or building, a duplex,, individual mobile in a mobile home park or apartment in a multiple-family dwelling (including any Guest Building, or Attached Accessory Dwelling or Detached Accessory Dwelling or portion thereof occupied as the home, residence or sleeping place for one or more persons, including, but not limited to, rooming houses, hotels, and/or motels).

(7) Home Occupation Service: Commercial and residential water and/or sewer service to the same premises where the commercial use by gallonage for water, as estimated, is less than fifty percent (50%) of the total.

SERVICE CONNECTION:

The point of connection of the Customer's piping with the District's water and/or sewer facilities.

SERVICE PIPE:

The connection between the District's water and/or sewer mains and the service connection, including all of the pipe, fittings and valves necessary to make the connection.

SINGLE FAMILY DWELLING:

Any single residence, mobile home, apartment, habitation or other structure occupied or to be occupied by a single person or family requiring water or sewer service, including any Guest Building Attached Accessory Dwelling or Detached Accessory Dwelling associated therewith.

TEMPORARY SERVICE:

Water and/or sewer service to premises, enterprises, or activities which are temporary in character, and where it is known in advance that the service will be of limited duration.

UNPERMITTED SERVICE(S):

Unauthorized hook-up to water and/or sewer line(s) to any building, structure, travel trailer, or recreation vehicle.

UNIT:

Each detached single-family dwelling or each guest building on the same premises, each individual dwelling unit located in an apartment

complex, duplex, townhouse complex, each individual dwelling unit that is a part of a multiple-dwelling complex, each mobile home or trailer space on the same premises in a mobile home park, and each business premise located within an industrial/commercial multiple space building, or multiple business buildings on the same premises.

USER CHARGE RATE:

The Federally mandated rate charged treatment works users proportionate to their usage for the cost of O&M+R of such works.

USER CHARGE SYSTEM:

The federally-mandated accounting of Operation and Maintenance plus Replacement (O&M+R) expenses and corresponding rates charged to wastewater treatment users to produce revenue to meet those expenses. Includes:

- Rates proportionate to service usage;
- Notification of each user annually of Rate and expenses;
- A Financial Management System which establishes Rates and accounts for O&M+R;
- Charges for Infiltration and Inflow;
- Disposition of income produced from treatment related byproducts;
- Precedence over conflicting legal enactments.

YARD SERVICE LINE:

All water and/or sewer piping between the house piping and the service connection.