

RULE NO. 22

SEWER SERVICE RULES, RATES, FEES AND CHARGES

In addition to any fees, charges or rates established in the preceding Rules, the following shall apply as to sewer service:

I. SEWER RATES FOR SERVICE CLASSIFICATIONS -GENERALLY

A. AVAILABILITY AND REQUIREMENT OF SEWER SERVICE:

Sewer service is available and is required to be obtained from the District to the property of Customers in all applicable service classifications defined in Rule No. 1 for real property within the service boundaries and legal boundaries of the Sun Valley Water & Sanitation District, per these Rules and/or Regulations validly adopted by the Sun Valley General Improvement District, to the extent the District has allocated to it sufficient capacity therefore in the Truckee Meadows Water Reclamation Facility.

B. MODIFICATIONS TO EXISTING SEWER

Any existing customer who makes modification to his existing sewer in size, character or extent of the equipment or operations for which the service is utilized shall immediately file with the District a modification form.

Upon receipt of such form, the District will determine the following:

If the modification is to any commercial or industrial property and results in an additional new or separate use of the property by an additional and separate commercial or industrial business, all appropriate charges set out in this Rule 22 shall apply to the customer, as a new customer. It shall be presumed that if a customer receives a new business license for such additional business, and/or building permit for such modifications these charges apply.

C. WATER METER REQUIREMENT:

For property under any service classification as defined in Rule No. 1 desiring or being mandated by law to utilize the District's sewer system, the sewer rates, fees and charges therefore are to be based on water utilized at such property, whether such water be supplied to such property by the District or through that property owner's own independent sources, such as a private well. For such purposes, therefore, any property owner desiring or being mandated by law to utilize the District's sewer system to serve such property within the District's boundaries shall, if not utilizing the District's water system and associated water meter at the time of connection to the District's sewer system, be required to have a water meter installed on the property to be

served with the District's sewer service, such installation being at the point where the Customer's water supply enters a building, mobile home, or separate defined portion thereof, such as an apartment, or any structure of any type wherein are located fixtures which result in discharge to the District's sewer system.

1. The District shall be requested by the Customer so to install the water meter for such purposes, by written request therefore to the District so far in advance of the date of installation as reasonably required by the District.
2. The Customer shall pay to the District the actual costs of installation of said meter, based on an amount equal to the time and material expended by the District in said installation.
3. The meter shall remain the property of the District, but Customer shall be responsible for maintenance and upkeep of associated lines and other private water system devices utilized by the District.
4. By his written request to install said meter, the Customer consents to the District's installation of same and agrees to hold the District and its officers, agents and employees acting within the scope of their duties of employment hereunder harmless from any liability in connection with the said installation unless such liability arises due to negligence of such officers, agents and employees. Further, by said written request, the Customer agrees to be bound by these Rules as they relate to sewer service as well as Rule 21 II re restoration of water service and Rule 19 re water meter tests.

D. PROPERTIES WITH WELL WATER CAPABILITY:

In the event any property within the District served by the District water system also has an existing serviceable well with which well the inhabited or occupied improvements on the property could be served with water and which well does not have a water meter installed to measure water supplied from such well to said improvements, the District reserves the right either to install such meter per the provisions of Paragraph I (C) above or to provide some method of assurance satisfactory to the District that the water capable of being pumped from such well is not in fact being utilized by the property owner or Customer to serve such improvements in such a manner that would allow discharge into the District's sewer system. The cost of such meter shall be paid by the Customer per I (C) above, as shall the cost of the latter alternative. Provided, however, that no multiple-unit residential, commercial or industrial buildings shall be allowed to be served through well water.

E. SPECIAL CHARGES FOR UNAUTHORIZED USES (SEWER USE ORDINANCE)

1. The District adopted, on September 10, 1981, "Rules of Operation - Sewer Division" which Rules, inter alia, prohibit, at the second paragraph thereof, the discharge into the District's sewer system of certain water or wastes.
2. In addition to the payments required under "Surcharge" II C 6 below, in the event any user of the District's sewer system is found to be violating such Rules of Operation, as they may be from time to time amended, the District may, at its discretion, discontinue sewer and/or water service to said property until the owner thereof shall demonstrate to the District's satisfaction his ability and intent to comply with said Rules of Operation as to prohibited discharges. Further, in the event the District is subject to payment by a governmental agency of a fine, fee, penalty or any other charge involving payment of funds of the District to a governmental agency because of such discharge, before such water and/or sewer service is re-established to the subject property, the District shall be reimbursed by the property owner for the amount of such fine, fee, penalty or other charge paid by the District.

F. GUIDELINES FOR CUSTOMER CHARGES:

The charges set out in Sections II and III of this Rule 22 are based upon the actual use of the District's system by the respective customers' properties located within District boundaries. Each customer is, under this system of charges, to pay its proportionate share of operation and maintenance (including replacement) costs of the District's sewer system, based on the customer's property's proportionate contribution of wastewater, or will be based upon in the future, factors such as, volume and loading characteristics. The costs of operation and maintenance for sewer flow not directly attributable to the property of customer (i.e., inflow and infiltration) are distributed among all customers of the system in the same manner that it distributes costs of operation and maintenance among customers for actual use.

G. ACCESSORY DWELLING

A Customer applying for service to an Attached Accessory Dwelling or a Detached Accessory Dwelling, as defined in Rule No. 1, shall comply with the

following conditions before service is supplied:

1. The sewer service line to service an Attached Accessory Dwelling shall be an extension of the service line servicing the main residence. The sewer service line to service a Detached Accessory Dwelling shall be a separate sewer line, with a separate and independent tap into the sewer main, and all inspections thereof shall be made and fees therefore shall be paid, as with new construction.
2. The Customer shall pay the current sewer hookup fee.
3. The Customer shall comply with the District's construction and inspection specifications (i.e. the Green Sheet), and the construction shall be inspected by the District prior to any use.

H. MAINTENANCE:

The District will not be responsible for the installation and maintenance of the sewer lines beyond the cleanout at property line.

It shall be the owner's and/or Customer's responsibility to determine that on-premises fixtures and piping shall conform to the requirements of all State, County or Municipal ordinances, laws and regulations and these Rules and/or Regulations and that they be properly maintained.

I. RIGHT OF ACCESS TO PREMISES OF CUSTOMER:

The District or its duly authorized agents shall have at all reasonable times the right to ingress and egress from the Customer's premises for any purpose properly connected with the service of sewer to the customer or maintenance of sewer mains or manholes that are within or run through private property. Removal of any restrictive object such as, but not limited to, fence, vehicle, trailer, structure, and etc. will be removed and Customer will be responsible all associated costs with accessing sewer facilities.

J. RESPONSIBILITY FOR LOSS OR DAMAGE:

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a Customer or his authorized representative in installing, maintaining, operating or using any or all appliances, facilities or equipment for which sewer service is supplied.

The Customer will be held responsible for damage to the District's facilities and other property resulting from the use or operation of appliances and facilities on Customer's premises.

K. INFIRM CARE UNIT:

The requirements of Rule 22 G and Rule 21 I E are applicable and must be met for initial and continued sewer service to any infirm care unit. In addition, the following conditions apply:

1. The sewer service line for the unit shall be inspected and approved by District staff as meeting all current District regulations therefore, in advance of occupancy of the unit.
2. In lieu of all other sewer fees, the customer shall pay, for sewer service to the unit:
 - (a) The monthly additional unit charge set forth in paragraph III B 2 b of this rule, as it may be changed from time to time
 - (b) A fee in the amount of \$25.00 each month, up to a maximum of \$2,500.00 in accumulated payments of \$25.00 per month. After such \$2,500.00 has been paid, no additional \$25.00 monthly payments need to be made.

II. SEWER REVENUE SYSTEM

A. THE CAPITALIZATION FUND:

The capitalization fund shall provide funding for capital expenditures and all other non-Operating Maintenance and Replacement costs as the Board may consider appropriate, including redemption of the principal and payment of the interest on sewer bonds.

1. Revenue Components for the Capitalization Fund shall include:
 - a. SERVICE CHARGES - Assessed customers to recover non-Operation, Maintenance and Replacement costs (for which the User Charge System is not appropriate) including the Sewer Connection (hookup) Fees and the Monthly Capitalization Charge. The rate of the Capitalization Charge shall be established by the Board of Trustees and customers shall be notified of the charge as a portion of their monthly Sewer Fee bill pursuant to Rule 5.

2. REVENUE OFFSETS - These include funds generated through activities other than wastewater treatment services including sales of excess equipment or facilities. However, Revenue derived from the sale of treatment- related by-products shall accrue only to the User Charge System.

B. FEES, PENALTIES & EXTRAORDINARY CHARGES:

These are collected by the District and not related to regular Operation, Maintenance and Replacement expenses, and shall accrue to the Capitalization Fund.

C. THE USER CHARGE SYSTEM:

The user charge system shall be based on actual use of the District's wastewater treatment facilities. Each user (user class) shall pay his proportionate share of Operation, Maintenance and Replacement costs based upon his actual contribution to the flow volume and loading of the plant, thereby assuring the fiscal self-sufficiency of the facility over its useful life. The User Charge System shall include:

1. A Financial Management System shall prescribe accounting budgetary procedures to accurately depict revenue requirements and procedures to generate revenue sufficient to operate and maintain the plant.
2. Separate Accounts shall be maintained for the User Charge System and the Capitalization Fund.
3. Operation, Maintenance and Replacement costs of the treatment system shall be enumerated through a line item budget including the following categories:
 - Salaries and Wages
 - Indirect Salary and Wage Costs
 - Contractual Services
 - Materials and Supplies
 - Utilities
 - Equipment Replacement
 - Administrative Expenses

Operation, Maintenance and Replacement costs shall include the costs required to achieve and maintain compliance with discharge permits.

4. The User Charge Rate shall generate revenue sufficient to meet Operation, Maintenance and Repairs costs and maintain a prudent equipment reserve thereby assuring the facilities fiscal operational viability, through charges to customers which are proportionate to their usage (volume and loading).
5. Annual User Charge Rate: The Annual User Charge Rate per 1,000 gallons shall be based on the following formula:

$$\text{Annual User Charge Rate} \\ \text{Rate} = \frac{\text{Operation, Maintenance \& Replacement Costs}}{\text{Total Volume}}$$

6. Industrial/Commercial Surcharge:

A surcharge shall be levied upon any customer whose property's discharge loadings exceed those found to be the average amongst the predominant user class (residential).

The Surcharge shall be based on treatment cost of loadings over standard levels. The standard is the local domestic wastewater strength, which follows;

Parameter	Domestic Wastewater Strength
BOD5d Inhibited	151 mg/l
SSd	149 mg/l
Pd	11.2mg/l
Nd	20.20mg/l

SURCHARGE RATE SCHEDULE

<u>CLASS</u>	<u>USER/TYPE</u>	<u>TOTAL SURCHARGE PER \$/1,000 GAL</u>
1	Large Hotel/Casino	\$0.60
2	Small Hotel/Casino	\$0.20
3	Restaurant	\$1.20
4	Pizza Shop	\$0.50
5	Hotel Laundry	\$1.70
6	Laundromat	\$0.50
7	Wand Car Wash	\$0.20
8	Commercial Bakery	\$0.10
9	Donut Bakery	\$2.40
10	Truck & Bus Wash	\$0.70
11	RV Park w/dump site	\$1.10
12	Commercial Portable Toilet Dump	\$36.40
13	Meat Packer	\$0.50
14	Market with Bakery & Delicatessen	\$0.40
15	Kitchen, commercial	\$1.90

Weighted Fixture Unit Schedule.

In order to fairly apply the surcharge rate schedule to those user types whose properties are on a multiple service, the weighted fixture unit schedule will be applied as per the Uniform Plumbing Code Standards.

The number of weighted fixture units for discharges exceeding the said average shall be determined from the follow schedule:

Fixture Type	Weighted Fixture Units	
	Private	Public
Bathtub (including shower head)	2.5	
Bedpan (washer and sterilizer)	3.0	5
(1) Car wash (stall)	12	28
Dental units (cuspidors)	1	
(2) Drinking fountain (per head) with valve control	1	2
(2) Dishwasher (conveyor)		100
(2) Dishwasher (under counter type)	2	10

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 LAST REVISED: DECEMBER 10,2015

(2) Disposal (commercial type)	25	50
Laundry (tub and trays)	2	4
(2) Lavatory	1	2
(1) Laundry, commercial (per pound capacity of machine)	1.5	
(2) Laundry, self-service (per pound capacity of machine)	1	.75
(2) Sink: kitchen or service	2	4
(2) Sink: wash or bar	1	2
Shower: each heard	2.5	5
(2) Urinal, tough (per 2 foot) valve controlled	3	6
(2) Urinal, individual valve controlled	3	6
(2) Water closet	3	6
(2) Floor drain	2	4
Recreational vehicle dump station	25	
Recreational vehicle park (per wet space)	7	

(1) Recycle: reduce by thirty-five percent

(2) Multiply 1.5 for private and public facilities with greater than twelve-hour and less than sixteen-hour operations. Multiply by 2.0 for private and public facilities with greater than sixteen-hour operation.

In order to protest the surcharge before the Board of Trustees the customer will be required to have 10 days of sampling from a State of Nevada Certified Lab.

III. SEWER RULES, RATES, FEES AND CHARGES FOR RESIDENTIAL SERVICE CLASSIFICATION

A. APPLICABILITY:

To all properties defined under domestic or residential service classifications in Rule No. 1 located within the District's Service Area and connected to the sewer system owned and operated by the Sun Valley General Improvement District.

B. SEWER SERVICE CHARGE:

1. User Charge Component:

- a. Based upon metered water consumption, each Customer in each single family dwelling or having residential service shall be billed at the rate of **\$4.29** per each 1,000 gallons of water metered. Each Customer in each single-family dwelling shall be billed the above rate based on 100% of their metered water consumption during the months of December, January and February (due to the District's billing cycles this consumption means metered water consumption during a consecutive three month period from November through March). The average monthly consumption during that period shall establish that specific Customer's monthly billable quantity for sewer service for the remainder of the year, unless the monthly discharge is less than the average monthly consumption, in which event the billing shall be based on metered water consumption for that period. The minimum sewer consumption charge for all residential customers will be billed at **500 gallons**.
- b. In the event of excessive loadings, the surcharge defined in II C 6 above shall also be paid monthly.

2. Capitalization Fund:

- a. In addition to the sewer service user charge component established above, each Customer in each single family dwelling or having residential service shall also pay the flat monthly sum of **\$17.14**.
- b. Unit Charge:

Where Applicable - For each unit in excess of one (1) unit served from a single metered service connection, the unit charge shall be **\$17.14** per unit.

C. ESTABLISHING SEWER SERVICE CHARGE:

In the event a person becomes a Customer of the District at such a time of year as not to be able to establish the discharge component of the sewer bill set forth in Paragraph III B 1 above, such component, pending calculation of same per the method set forth in Paragraph III B 1 above, shall be the average of such component for all existing residential service classification Customers.

D. NEW CUSTOMER SET-UP FEE:

Upon application for service under this Paragraph III, the Customer shall also pay the sum of **\$15.00** to the District to defray initial costs of establishing sewer records and billing procedures for such Customer. All requests for physical connection to sewer shall be complied with during regular working hours, if possible on the date of the request, as conditions permit.

IV. SEWER RULES, RATES, FEES, AND CHARGES FOR COMMERCIAL AND INDUSTRIAL SERVICE CLASSIFICATION

A. APPLICABILITY:

To all properties defined under Commercial and Industrial service classifications in Rule No. 1 located within the District's Service Area and connected to the sewer system owned and operated by the Sun Valley General Improvement District.

B. SEWER SERVICE CHARGE:

1. (a) User Charge Component: Based upon metered water consumption, each Customer in each commercial or industrial unit shall be billed at the rate of **\$4.57** per each 1,000 gallons of water metered. Provided, however, any Customer being billed under a Commercial or Industrial service classification may apply to the Board for an irrigation allowance as set out in Paragraph III B 1 above, for Domestic/Residential Service classifications, but only in the event such Customer does regularly utilize water supplied by the District for substantial residential-type plant irrigation purposes on the subject property.

- (b) In the event of excessive discharge loadings, the surcharge defined in II C 6 above shall also be paid monthly.
- 2.
 - (a) Capitalization Component: In addition to the sewer service user charge component established above, each Customer in each commercial or Industrial unit shall also pay the flat monthly sum of **\$17.14**.
 - (b) Unit Charge:

Where Applicable - For each unit in excess of one (1) unit served from a single metered service connection, the unit charge shall be **\$17.14** per unit.

C. NEW CUSTOMER SET-UP FEE:

Upon application for service under this Paragraph IV-D, the Customer shall also pay the sum of **\$15.00** to the District to defray initial costs of establishing sewer records and billing procedures for such Customer. All requests for physical connection to sewer shall be complied with during regular working hours, if possible on the date of the request, as conditions permit.

D. EMERGENCY SERVICE FEES:

In the event that customer or property owner requests District personnel to inspect and/or repair sewer service and it is, upon such inspection or repair, determined by such District personnel that the cause of the need for such inspection or repair was not the responsibility of the District (i.e., blockage on customer's private lines, etc.) then there shall be added to the monthly bill for the premises a minimum charge of **\$40.00** for such services supplied after normal District working hours. (See rule 23 as to charges over and above those noted).

V. SEWER SERVICE CONNECTION RULES, RATES, FEES AND CHARGES

1. SEPARATE SERVICES:

As to each commercial or industrial premises constructed after the effective date of this rule, a separate sewer lateral shall be required for each unit of

commercial or industrial property, whether or not the same are adjacent and/or owned by one person.

B. GENERAL SEWER FACILITIES CHARGES:

1. For the availability of sewer service, the District shall charge and the Customer shall pay a fee based upon factors including, but not limited to, the District's current investment in the sewer system, system development costs and the cost of capital. This fee shall be separate and apart from the costs of construction of private yard lines and house piping upon the Customer's property, which costs of construction are the sole responsibilities of the Customer. The General Sewer Facilities Charge shall be based upon service level and water meter sizes, as stated below.

2.	<u>Water Meter Size</u>	<u>Fee</u>
	¾ inch	\$ 6,340
	1 inch	\$ 7,982
	1-1/2 inch	\$ 10,582
	2 inch	\$ 13,482
	3 inch	\$ 20,482
	4 inch	\$ 30,482
	6 inch	\$ 55,482

C. PAYMENT:

1. All sewer fees set forth in this Section shall be paid in full to the District prior to commencement of construction of improvements on subject property.

Provided, however, that for any improvement to real property, proposing single family residential use, whether by parcel map or subdivision map, the Customer/Developer may request, in writing, the applicable below deferred payment option to pay the General Sewer Facilities Charge for each parcel under the following agreed terms. Charges may not be deferred for any project which includes commercial, condominium or multifamily/multiunit dwelling uses.

PAYMENT OPTION:

1. One-third of the connection fee paid at the time of the District's

- approval of the parcel map;
2. One-third of the connection fee paid at the time of commencement of construction of improvements upon the parcel, including grading and utility trenching;
 3. One-third of the connection fee paid at the completion of improvements upon the parcel or at time of the customer's request for sewer service to the parcel.

No Customer/Developer may have in excess of one parcel map/subdivision project with payments being made under the above schedule pending completion of the payments to the District at any one time. For these purposes, "customer" includes family members of the customer and what would be, in the District's sole discretion, the customer's closely related business entities.

The District shall have a lien on the subject property for any payments due under this rule.

Right to make partial payments allowed herein shall not be transferable to a new owner without the District's prior written approval. In the event that any one or more of the up to four (4) parcels subject to this partial payment schedule shall be sold or transferred to another owner in any manner whatsoever, the balance of the partial payments unpaid at the time of transfer of such parcel(s) shall be paid in full.

2. Refund Procedure: In the event an applicant cannot develop parcel(s), any request for a refund must be approved by the board of trustees. Consideration of District bonded indebtedness obligations and the District's financial condition shall be of primary importance in decisions on such refunds. Refunds shall be considered only on a case by case basis. All requests for refund of facility fees must be submitted in writing no later than six (6) months from the date of payment of first payment of facility fees. Refund will be subject to \$100.00 administrative fee, per occurrence. No refunds will be considered if map has been recorded or if taps have been installed.

D. CUSTOMER REFUSAL TO CONNECT:

In the event a customer or owner of property fails neglects or refuses to connect the Customer's property to the District's sewer system when required and within the time allowed by the District, the District shall take whatever steps are appropriate to cause such connection to be made at the earliest possible date. These steps include, but are not limited to:

1. Reference of the failure to legal counsel for the District and/or the attorney General of the State of Nevada and/or the District Attorney of Washoe County for criminal prosecution for such failure, as allowed by law.
2. Imposing a charge to the Customer or owner against the subject property, which charge shall be denominated a "standby sewer service charge." Such charge shall be in an amount equal to the monthly sewer service charge otherwise charged to the Customer had such property been properly connected to the District's sewer system, as calculated by reference to the District's records regarding the subject property and by reference to Rule 22 regarding sewer service fees and charges. Such charge shall be billed monthly commencing not earlier than the first regular billing due upon the subject property after failure to connect as required herein and, in the first billing, also shall be included the sewer connection fee for such property effective on the date of the first billing. In the event such billing is not paid within the time required in these Rules, the provisions of these Rules, including Rule 5 hereof, shall apply as to such non-payment.

E. SPARKS' INSPECTION FEES:

All properties defined under Commercial and Industrial Service classifications in Rule No. 1 shall also be assessed by the District for wastewater inspection fees charged to each separate Commercial-and/or-Industrial classified property, as such fees are charged to the District by the City of Sparks which performs such inspections of said properties. In the event such inspection fee is not paid within Sixty (60) days of its due date, the customer from who the fee is due shall pay a sum equal to two and one-half (2 ½) times the amount of the

original bill, as and for a late payment penalty. In the event such fee remains unpaid after Sixty (60) days from its due date, the District also reserves the right to:

1. Disconnect water service to the subject premises, upon written Notice as required herein, to the customer as well as the tenant and landowner and/or;
2. In situations where to disconnect water service would potentially result in undue hardship upon others, such as with multiple-tenant commercial buildings, file suit to collect the monies from the customer responsible and/or from the owner of the subject property, including enforcing the District's lien on real property for sums due the District for services supplied.

F. TAP FEE

The installation of sewer taps will be billed to the applicant at the actual cost of installation in terms of District staff time, equipment and material upon completion of work. Due to the differences in sewer main depths and soil conditions, a firm estimate of cost cannot be given. A deposit shall be paid to the District, based on District's estimate of actual job costs. When pavement removal and replacement are required, an additional deposit based on the size of the street cut will be required.

G. ADDITIONAL CHARGES

In addition to the tap fee set out above, the applicant shall also pay the actual cost to the District of any street cut permit and of pavement cutting, removing and replacement. In the event a tap is requested by the applicant to be performed outside of the District's regular working hours as set by the District, the applicant shall also pay the regular overtime wages paid by the District to its employees and agents performing said tap.

H. REFUND PROCEDURE

In the event an applicant cannot develop parcel(s) and taps have not been completed, any requests for a refund must be approved by the board of trustees. Consideration of District bonded indebtedness obligations and the District's financial condition shall be of primary

importance in decisions on such refunds. Refunds shall be considered only on a case by case basis.

I. SPECIAL CONDITIONS:

1. The User Charge System described in this Rule shall take precedence over the terms & conditions of any agreements or contracts to which the District is a party which are inconsistent with the requirement of the Water Quality Act (as amended 1986) and the applicable regulations of the U.S. EPA.
2. All street cut permits will be obtained by the District personnel, unless construction is being done by the contractor in which case the contractor or property owner will obtain the permit.

VI. IRRIGATION SERVICE

Where a Customer has meter only measuring water used for irrigation purposes on the premises, the sewer charges shall be as follows:

1. Where the premises are served only by water through a single meter, and there is no sewer service supplied to the premises by the District, for the availability of sewer service to the premises the Customer shall also pay the flat monthly fee defined in "Capitalization Fund" in Section III B 2 of this Rule No. 22.
2. Where sewer service is or will be supplied to the premises by the District and there exists or will exist one or more meters utilized to measure the charges by the District for such water and sewer services, the Customer shall pay (in addition to the charges arising from the other meters) only for the water measured in the irrigation meter, and shall not pay the flat monthly fee defined in the "Capitalization Fund" in Section III B 2 of this Rule No. 22.
3. When there is a modification of the use of the meter used for purposes of irrigation only, and the premises are to be served with both water and sewer services by the District, the Customer shall promptly notify the District as required in Rule No. 21, and at the time of such modification of use shall pay to the District the sewer Set Up Charge provided in Sections III or IV above.