

TRI GENERAL IMPROVEMENT DISTRICT

SERVICE PLAN

FOR WATER AND SEWER SERVICE

(Modified, Revised and Approved as of Sep. 15, 2020)

TRI GENERAL IMPROVEMENT DISTRICT SERVICE PLAN FOR WATER AND SEWER SERVICE

I INTRODUCTION

This modified Service Plan ("Service Plan") has been prepared pursuant to NRS Chapter 308, the Special District Control Law. Pursuant to NRS on 308.080(3) the Board of Trustees of TRI General Improvement District approved this Service Plan by Resolution on August 24, 2020 and petitioned the Storey County Board of County Commissioners to approve it. After the public hearing required by NRS 308.070, the Storey County Board of County Commissioners approved this Service Plan on September 15, 2020 pursuant to Resolution 20-590.

This Service Plan describes the current and future plan for water service and sanitary sewer service, which are the basic powers of TRI General Improvement District ("TRIGID" or the "District") approved by the county and authorized by NRS Chapter 318. The service territory of TRIGID encompasses a tract of land ("service area") known generally as the Tahoe-Reno Industrial Center, including also the Patrick Business Park, the Western 102 Ranch and the Storey County portion of the McCarran Ranch (all collectively referred to as "TRI Center"). All portions of the service area are located in Storey County, Nevada ("County"). Maps and a legal description of the entire service area and the developable portion of the service area for which water and sewer service are planned are shown in Attachments "A-1" and "A-2" of the Appendix to this Service Plan, respectively.

TRI Center is an area of partially developed land planned by the Storey County Master Plan to be a large industrial business park located in the northern portion of the County, which requires water and sewer service. The developable portion of TRI Center is zoned for industrial and commercial uses (see Attachment "A-2").

General improvement districts are authorized under state law, NRS Chapter 318, to supply water and sanitary sewerage facilities (among other allowed basic powers) to customers. Storey County must approve a service plan, and material modifications thereof, pursuant to NRS Chapter 308. As stated below, on June 5, 2001 the Storey County Board of County Commissioners ("BCC") approved an amended Service Plan for TRIGID ("2001 Service Plan"). This Service Plan is a material modification of the 2001 Service Plan authorized by NRS 308.080(3). It amends, modifies and restates the 2001 Service Plan, which is superseded in its entirety by this Service Plan.

A general improvement district offers an economical and functional method of providing water and sewer services to the service area. This Service Plan demonstrates the public convenience and necessity requiring the creation and continuation of the District. This Service Plan is economically

sound and feasible, conforms to all requirements of law, and does not contravene any of the criteria of NRS 308.060.

II HISTORICAL BACKGROUND

TRIGID was formed on February 1, 2000, pursuant to Ordinance #164 passed by the BCC, in order to furnish the two basic powers of electric power and natural gas facilities. On the same date a service plan for TRIGID was approved by passage of Resolution 00-50.

On February 1, 2000 a Development Agreement was entered into between Storey County, Tahoe-Reno Industrial Center, LLC and DP Operating Partnership, L.P. ("Development Agreement"). The Development Agreement contains provisions for infrastructure construction and utility services, including water and sewer service now provided by TRIGID.

On August 1, 2000, Resolution 00-85 was approved, modifying the TRIGID service plan to add water and sewer service. On August 8, 2001 Ordinance #171 was passed to add the basic powers of water and sewer service.

On June 5, 2001, Ordinance #176 was passed, dissolving and terminating the basic powers of furnishing electric power and natural gas (space heating) facilities pursuant to NRS 318.490-510. The ordinance also approved the expansion of service area to include the Western 102 Ranch and the Patrick Business Park. On the same date Resolution 01-97 was approved, modifying the service plan to delete electric power and natural gas facilities and to add the above-referenced additional service territory for water and sewer service. Thereafter, the remaining services and facilities of TRIGID described in the 2001 Service Plan have been for water and sanitary sewer only. Since TRIGID did not commence operation until May 2001, it never provided gas or electric services.

Prior to May 2001 water and sewer service in the service area for TRI Center was supplied by a private company, TRI Water And Sewer Company, a Delaware corporation, controlled by the master developer, Tahoe-Reno Industrial Center, LLC, ("Master Developer"). A water tank, wells and water distribution lines, as well as sewer distribution lines and temporary sewer disposal systems were constructed to serve the small number of existing industrial customers at that time. All designs and facilities were approved and permitted by the Nevada Division of Environmental Protection ("NDEP") pursuant to state law. TRIGID took over these existing water and sewer facilities and services in May 2001, although TRI Water And Sewer Company remained active in operating the water and sewer facilities for TRIGID as the "Operating Company".

Pursuant to NRS 318.080, after the formation ordinance was adopted, and prior to appointing the first Board of Trustees, the BCC was considered the ex officio Board of Trustees for the District. In that capacity, the BCC was required by NRS 318.080 to establish accounting practices and

procedures for the District, auditing practices and procedures to be used by the District, a budget for the District, and management standards for the District. The BCC also was required under the same statute to appoint the first Board of Trustees (the “Trustees”). On December 19, 2000 the BCC performed these tasks. Thereafter, the elected Trustees have governed the District.

Since June 2001, the water and sewer facilities of TRIGID have grown dramatically as areas of TRI Center have developed. Industrial and commercial facilities on approximately 3,000 acres have been built in TRI Center. While the TRIGID service area is over 85,000 acres, the developable portion in TRI Center is estimated to be approximately 8,191 acres. The remaining land is constrained by mountainous topography and not generally anticipated to require water and sewer service by TRIGID (see Attachments “A-1” and “A-2” of the Appendix).

III CURRENT FACILITIES

Over the last 19 years, the Master Developer has built and dedicated to TRIGID fully-functional community water and sewer systems. The water system uses groundwater to supply domestic and irrigation water service. As of July 1, 2020, there are seven commercial wells providing water production, including an Arsenic Treatment Plant. Two more wells are under construction. One will be operational by December 2020 and the final well is scheduled to be operational by December 2021. TRIGID currently operates four water zones, with storage tanks, distribution lines and pump stations, to provide domestic and fire flow capacity.

Water, sewer and reclaimed water lines are installed under almost all streets. The reclaimed water lines are currently dry, but some may be used when the process water system described below is completed. Pump stations boost water and sewage as necessary to operate the system.

The TRIGID wastewater treatment plant (“WWTP”) is located on Britain Drive. It currently processes an average of about 700,000 gallons per day of domestic sewage and industrial discharge, with a total capacity of 1.2 million gallons. The WWTP was designed to be sufficient for full buildout of TRI Center, although total capacity required for full buildout of TRI Center can only be estimated at this time. Effluent from the WWTP is pumped into the TRIGID reclaimed water storage reservoir (“Reservoir”). The Reservoir currently has sufficient capacity for existing needs and an expansion is currently under construction as part of the future process water system. No effluent will be discharged into the Truckee River.

NDEP establishes regulations and procedures for TRIGID’s water and sewer facilities. NDEP permits are required to build and operate the systems. Farr West Engineering is the District Engineer. TRIGID has hired certified operations personnel in order to bring operations and maintenance responsibilities in house, while continuing to meet state operating standards.

Attachment “A-3” of the Appendix includes 3 maps showing the existing water, sewer and reclaimed water facilities of TRIGID, and some future facilities.

IV CONTRACT WITH OPERATING COMPANY AND GENERAL OPERATING PLAN

Prior to commencement of water and sewer service by TRIGID, Tahoe-Reno Industrial Center, LLC, as the Master Developer of TRI Center, had the responsibility to construct and dedicate, at no charge to TRIGID, water and sewer utility facilities. The Master Developer has continued to carry out this mission. On March 7, 2001 the Trustees entered into an Operating Agreement with TRI Water And Sewer Company (“Operating Company”), a Master Developer-controlled entity. In doing so, the Trustees retained the services of an operating company to oversee and supervise all District activities, and to actually operate and maintain District facilities and services. This arrangement assured delivery of services in the areas of engineering, design, planning, construction, operation and maintenance of the systems and customer service activities for nearly 20 years. Historically, the Operating Company subsidized operating costs and expenses of the District until revenues created positive cash flow. In recent years revenues have exceeded expenses and are expected to continue to do so.

In July 2019, the District hired its first employee and now has a full-time staff of four employees. Effective June 30, 2020, the Operating Agreement between the Operating Company and TRIGID was terminated. Effective July 1, 2020, the District is performing all financial, management, and operational responsibilities independent of the Operating Company. TRIGID staff includes certified operations personnel and a licensed professional engineer. The hiring of TRIGID staff and the termination of the Operating Agreement effectively ends the phase of TRIGID operation by a Master Developer-controlled entity. Along with the phasing out of the Operating Company, the BCC may elect to assume governance of the District as ex officio trustees pursuant to NRS 318.0953. The District owns all facilities and water rights necessary to provide services to customers. The District has its own legal counsel, collects its own revenues, and has no debt, thereby avoiding any burden on the Storey County District Attorney, Storey County Treasurer’s office or other County departments.

The rules, rates and regulations for water and sewer service (the “Rules”) approved by the Trustees, which are currently in effect in the service area, are attached to the Appendix as Attachments “B-1” and “B-2”, respectively. The Rules establish rates, fees, charges and service connection provisions. Connection fees are designed to create funding and reserves for infrastructure maintenance, repair and replacement and when sufficient funds from connection fees have been accumulated, in the discretion of the Trustees, the District may construct some facilities for new development. In 2019, revised rates and fees were approved and are attached in Attachment “B-3”, superseding the rates and fees stated in the Rules.

As stated above, NDEP is required by state statute and Nevada Administrative Code, NAC 445A, to regulate, approve and permit the design, construction and operation of water and sewer facilities in community systems like those to be operated under this Service Plan by TRIGID. The specifications and requirements for design and operation of water and sewer systems are provided in detail in NAC 445A, and the industry standards incorporated in those regulations are incorporated into this Service Plan by reference.

V FACILITIES TO BE CONSTRUCTED

Beginning in 2014, a number of companies have purchased land in TRI Center based, in part, on the future ability of TRIGID to supply water for processing and manufacturing needs (e.g., cooling, washing and as a component in manufacturing processes) ("Process Water"). The Master Developer and TRIGID have assembled 10,000 acre feet of water rights for use by these customers as Process Water (see Attachment "B-5"). In order for the Process Water system to be functional, major infrastructure projects are planned or underway to be built and dedicated to TRIGID by the Master Developer and other developers in the next two years, including: a 16-mile effluent pipeline from the Truckee Meadows Water Reclamation Facility ("TMWRF") to TRI Center; an expansion of the Reservoir to have a storage capacity of 2,000 acre feet; storage tanks, pump stations and additional Process Water lines; and induction wells and additional groundwater production wells. Estimated costs of this Process Water infrastructure are in the range of \$85,000,000. A description and cost breakdown of the Process Water system (not including treatment facilities) is listed in the Appendix as Attachment "C".

As of June 30, 2020, the potable water system, existing components of the reclaimed water system and the sanitary sewer system facilities to serve TRI Center customers have been constructed and dedicated at no charge to TRIGID by the Master Developer. In the future, with limited exceptions, the Master Developer will not be constructing new potable water and sewer facilities. Water and sewer line extensions, primarily in the Comstock Meadows, Eagle Valley, Patrick and Peru Shelf areas of TRI Center, will be built by developers of those areas and dedicated at no charge to TRIGID. TRIGID will continue to have no debt for these capital improvements. Upgrades to the WWTP will be made by TRIGID from its reserve funds to expand capacity as needed due to continued growth in TRI Center. Repairs, maintenance and replacement costs will be paid to the extent possible by operating revenues and supplemented by reserve funds accumulated from connection fees or components of usage fees.

While the District currently has no debt and developers will continue to build and dedicate new capital improvements, TRIGID may incur debt in the future, as authorized by NRS Chapter 318, or otherwise finance improvements as allowed by state law.

VI WATER RIGHTS

Water rights for domestic water service and some process water uses in the community water system come from groundwater permits issued by the Nevada State Engineer. These permits currently comprise approximately 5,290 acre feet of groundwater currently owned by TRIGID, which can be pumped from well fields within the service area and used for new growth as it occurs. All water rights owned by TRIGID as of June 30, 2020 are inventoried in Attachment “B-4” and “B-5”, including water rights held for use in the process water system described herein. Permit applications are also on file with the Nevada State Engineer for storage and use of effluent from TRIGID’s sewer plant for nonpotable uses (e.g., irrigation and industrial applications).

On March 7, 2001 a certain Utility Facilities And Dedication Agreement, as amended, (“Banking Agreement”) was entered into by and between the Master Developer and TRIGID. One of the purposes of this agreement was to provide for the Master Developer to dedicate water rights to be held by TRIGID for the use of landowners in the District service area. These water rights are inventoried in Attachments “B-4”.

For domestic use, 2,290 a.f. of groundwater rights have been set aside pursuant to the following assumptions. All interest in this groundwater has been (or will be) quitclaimed by the Master Developer to TRIGID to fulfill will-serve commitments of domestic needs of its customers.

Current domestic budget	2,290	
Less high water users on domestic system	<u>-655.3269</u>	
Net domestic holdback		1634.6731
8,200 buildable acres at .104 a.f. per acre (per 2017 water audit)	853	
System loss and hydrant use	200	
50% variance	<u>527</u>	
Domestic budget needed		<u>1580 a.f.</u>
Surplus uncommitted groundwater		54.6731

The domestic water requirements in the District service area are based on the following land use assumptions.

Land Inventory Still Owned by Master Developer	386.74 ¹
Grading of Master Developer land to Create Developability	100.00 ²
Developable Land Sold to Others	6,616.85 ³
South Valley Acquisition Parcels	1,087.00 ⁴
Full Buildout Acreage	8,190.59

Notes

1. From maps and APNs of land still owned by Master Developer as of 1/2019
2. Assumes Master Developer will grade and fill currently undevelopable parcels to create pads
3. From TRI Owners Association 1/2019 membership list
4. South Valley not in Development Agreement yet, but sold with up to .5 a.f.a. for 1,087 acres. It is in TRIGID's service territory.

For process water, the allocation of groundwater resources between the domestic water budget and the process water budget is 2290/3000 acre feet, respectively. All component resources of the process water budget are:

<u>Source</u>	<u>AFA</u>
Groundwater	3,000
TRIGID WWTP	2,000
Truckee River	1,000
TWRF Pipeline	4,000
Total	10,000

Currently, all process water resources are fully committed to process water customers pursuant to the following agreements, copies of which are on record with TRIGID.

Water Rights Use Agreement (Nonpotable) between TRI, TRIGID and Supernap Reno, LLC, dated August 7, 2015.

Water Rights Use and Service Agreement For Process Water between TRI, TRIGID and Silver Slate LLC, dated April 10, 2017.

Water Rights Use and Service Agreement For Process Water between TRI, TRIGID and Tesla, Inc., dated October 8, 2018.

Water Rights Use And Service Agreement For Process Water between TRI, TRIGID and Comstock TRIC Associates, LLC, dated August 18, 2017, as amended.

Water Rights Purchase And Use Agreement between TRI, TRIGID and MNCA District LLC, dated March 26, 2018, as amended.

Water Rights Purchase And Use Agreement between TRI, TRIGID and MNCA District LLC, dated August 23, 2018, as amended.

Water Rights Purchase And Use Agreement between TRI, TRIGID and Blockchains, LLC dated January 18, 2018.

Water Rights Purchase And Use Agreement between TRI, TRIGID and Ryze Renewables Reno, LLC, dated August 10, 2018.

When a landowner in TRI Center purchases the use of process water from the Master Developer held by TRIGID, an assignment of the beneficial interest in favor of the landowner in that water is executed and retained in the records of TRIGID. Of the 10,000 a.f. of process water resources, assignments have been made for 5,166.66 a.f., leaving 4,833.34 a.f. still controlled by the Master Developer, pending completion of the purchase price payments with landowners pursuant to certain of the agreements listed above.

VII SERVICE PLAN COMPONENTS REQUIRED BY NRS 308.030

1. Financial Survey (NRS 308.030(1)(a)). Since the District has not, issued bonds or otherwise financed the construction of infrastructure, the financing components of a financial survey have not been applicable. Either the Master Developer or other developers have constructed and dedicated capital infrastructure to the District. The District has created a five-year Capital Improvement Plan, which has been approved by the Trustees. This plan includes funding near-term capital improvements with existing reserves.. Within three years, the District anticipates that major projects requiring financing may be required; however, it is the District's goal to obtain State Revolving Fund Principal Forgiveness Loans to finance most of these projects. The District has commenced work on the necessary steps to position the District to obtain this funding within the required timeframe of the approved Five-Year Capital Improvement Plan. The audited financial statements for FY 2018/2019 and FY 2017/2018 are included in Attachments "D-1" and "D-2", respectively. The revenue and expense statement for the first six months of FY2019/2020 is attached as Attachment "D-3".

2. Preliminary Engineering Survey And Architectural Survey (NRS 308.030(1)(a)). Maps showing existing facilities are attached as Attachment “A-3” to the Appendix. The description of facilities to be constructed, including engineering specifications, and information on water and sewer facilities design is described in Section V and included in Attachment “C”, or specified in NAC 445A.

3. Map Of Service Area/Population Information/Assessed Valuation (NRS 308.030(1)(b)). The maps of the service area are shown on Attachments “A-1” and “A-2” to the Appendix. The service area may expand by annexation pursuant to the provisions of NRS Chapter 318.

Since the District customers will be industrial and commercial owners and occupants of the TRI Center, there will be few or no residential service connections (watchmen/security personnel and families, and possibly future residences on large parcels on forestry-zoned or agricultural-zoned land). Thousands of employees, workers, and visitors will use services of the District, however, as part of the daily business center activities and uses. The estimate of future residential population ranges from zero to twenty-five (25).

Assessed valuation of parcels in the District can be obtained from review of Assessor’s parcels in the Storey County Assessor’s office. Assessed valuation is increasing significantly each year due to growth and development in TRI Center. The best information at any time will be the current assessed values of the County Assessor, primarily contained in its Book 5.

4. Facilities To Be Constructed (NRS 308.030(1)(c)). Except as stated otherwise in this Service Plan, developers will construct and dedicate to TRIGID, as necessary, the capital improvements for providing water and sewer services for the service area. The District shall approve design of all capital improvements. NDEP must also approve and permit facilities prior to construction. As stated above, there is not at this time anticipated to be bonding or other debt financing for which the District is liable, although the Trustees retain the discretion to consider debt financing of capital improvements. Therefore, at this time there are no planned interest rates for financing to charge back to District customers. The District may construct buildings for its use or lease buildings in lieu of construction and may expend funds to purchase easements, as necessary.

Section V describes, and Attachment “C” are a partial list of, facilities to be constructed in the future for the Process Water system.

5. Standards Of Construction (NRS 308.030(1)(c)). Standards of construction for all facilities in the District will meet or exceed industry norms, specifically the standards provided in Nevada Administrative Code Chapter 445A.

6. Services To Be Provided By District (NRS 308.030(1)(c)) - The District provides the following services to customers in the service area:

- design, operate and maintain the water, sewer and process water systems;
- meter reading for water meters (potable and nonpotable);
- billing and remittance processing for water, sewer and process water;
- funding for a limited number of capital improvements, primarily for upgrades of the water, sewer and process water systems;
- rate schedules, line extension rules and rights-of-way policies; and
- production, treatment and supply of water resources and collection, treatment and disposal of sanitary sewage.

District water, sewer and process water operations functions include the necessary design, operations, maintenance, and customer care services to support delivery of services. The District utilizes distribution design services, including material specifications. It performs all routine and emergency operations and maintenance on all of its transmission, production, storage and distribution facilities.

7. Estimate Of Costs (NRS 308.030(1)(c)). The estimated costs as of June 30, 2020 of future facility construction are described in Section V and summarized in Attachment “C”, including the cost of engineering services and legal services, but excepting Process Water treatment facilities, which are still in the planning stage. There will be no cost of acquiring land in TRI Center since the title to real property and easements required will be acquired from developers and dedicated without charge to the District. The cost of right of way for the TMWRF pipeline is itemized in Attachment “C”.

8. Indebtedness (NRS 308.030(1)(c)) The District does not currently carry any debt. However, the District will develop a plan to incorporate debt as a mechanism to fund the Capital Improvement Plan. Information on debt financing, information relating to interest, discounts, bonds and securities will be presented to the Trustees for approval prior to incurring debt for capital projects. The District Engineer is currently working on an update to the 2019 Rate Study, which includes a capital funding plan.

9. Annual Operation, Maintenance And Other Expenses (NRS 308.030(1)(c)). The financial information in Attachments “D-1”, “D-2” and “D-3” provide annual operation and maintenance expenses. Revenue and expenses are expected to grow dramatically as growth occurs in TRI Center.

10. Contracts With Cities Or Towns (NRS 308.030(1)(d)). Except as specified below, there are no cities or towns in the District, and there are no proposed arrangements or agreements for the performance of services with a city or town. There are currently no adjacent municipalities and special districts to the District which provide water or sewer service.

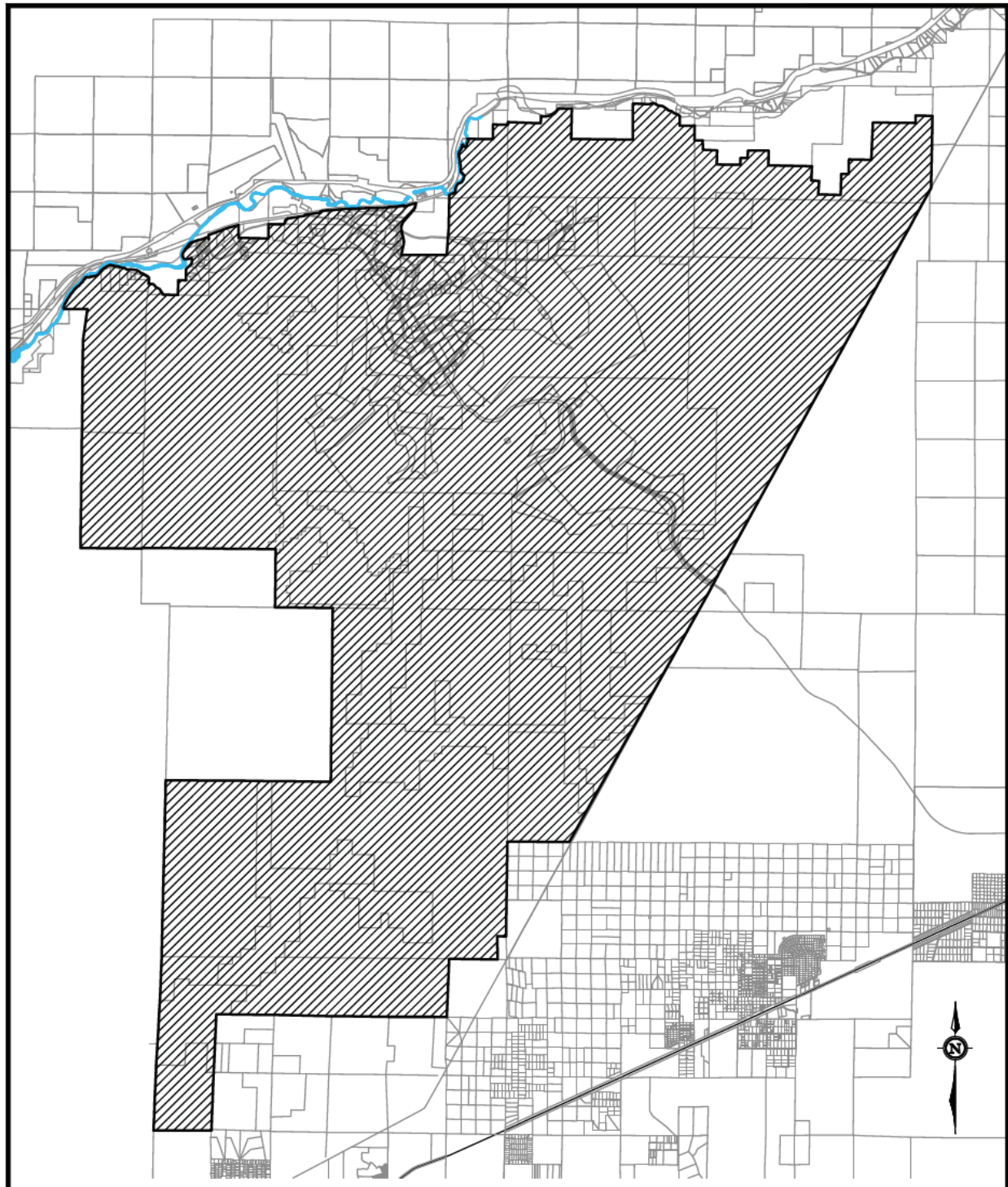
However, if the BCC should approve in the future a town, city or special district in the service area, TRIGID may provide water and sewer service to it. In addition, the District may provide wholesale water or sewer service to a future special district outside the current service area (e.g., the Painted Rock area) or within TRI Center.

In addition, TRIGID has entered into two agreements: (i) a certain Effluent Use Agreement with the City of Reno and the City of Sparks dated September 13, 2017 for the transportation by pipeline and the use in TRI Center of up to 4,000 acre feet annually of effluent from TMWRF; and (ii) a certain Return Flow Management Agreement dated June 25, 2018 with the City of Reno, the City of Sparks and the Truckee Meadows Water Authority (“TMWA”) for the management of effluent flow supplied to TRIGID by TMWRF and the provision of replacement water to the Truckee River to make up for water transported to TRI Center to supply TRIGID customers with Process Water. These contracts are not attached to this Service Plan due to their bulk, but are available on request from TRIGID.

APPENDIX

Attachment

A-1.....	Map of Service Area and Legal Description
A-2.....	Map of Developable Area
A-3.....	Maps of Existing Facilities
B-1.....	Rules, Regulations And Rates For Water Service
B-2.....	Rules, Regulations And Rates For Sewer Service
B-3.....	2019 Revised Rates and Fees
B-4.....	Water Rights Inventory
B-5.....	Water Rights Budgets
C.....	Description and Projected Costs of Off-site and On-site Projects
D-1.....	FY 2018/2019 Audited Financials
D-2.....	FY 2017/2018 Audited Financials
D-3.....	Revenue and Expense Statement 1/2020 – 6/2020



**FARR WEST
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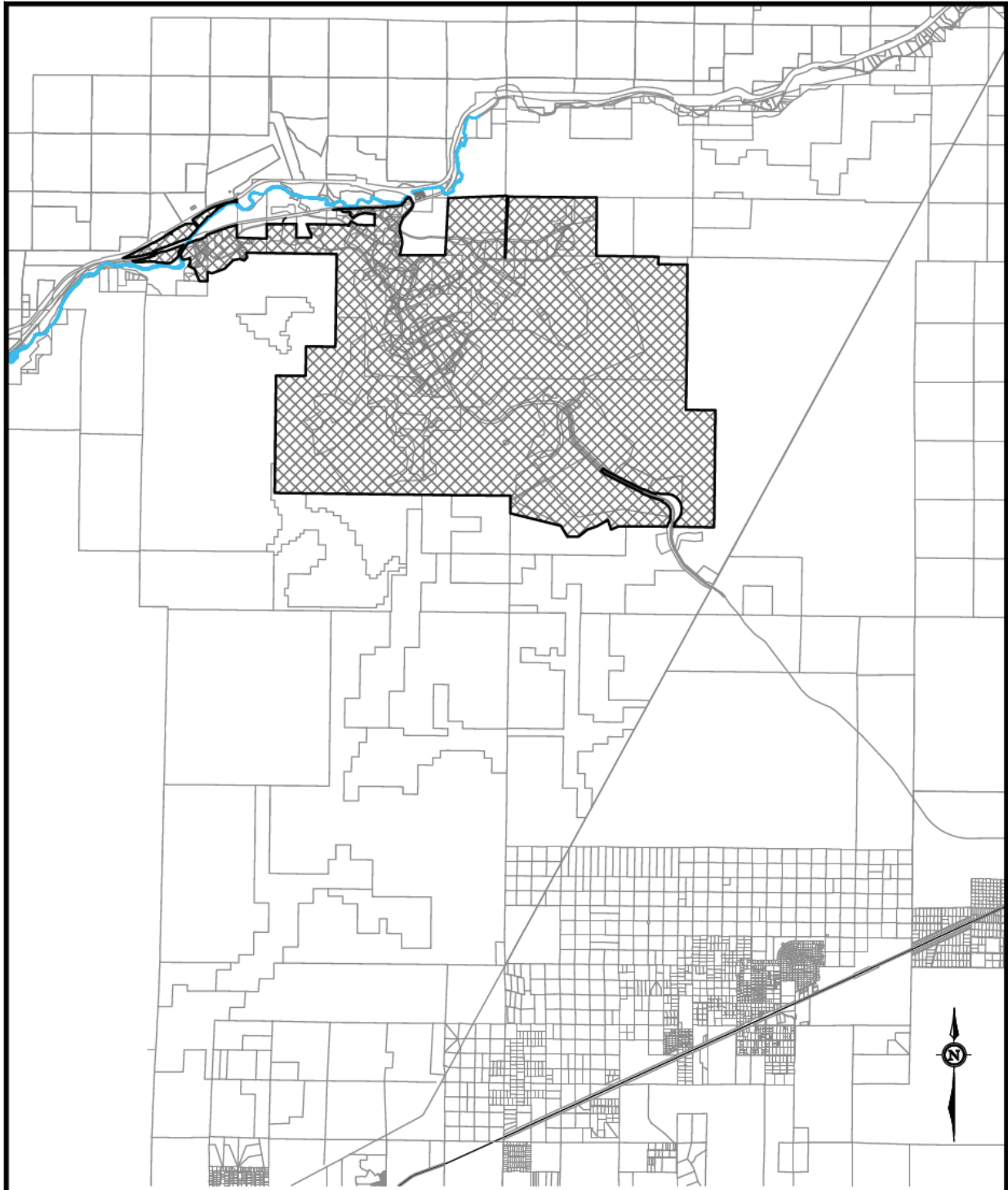
TAHOE RENO INDUSTRIAL CENTER

MAP OF TOTAL SERVICE AREA

STOREY COUNTY

NEVADA

ATTACHMENT
A-1



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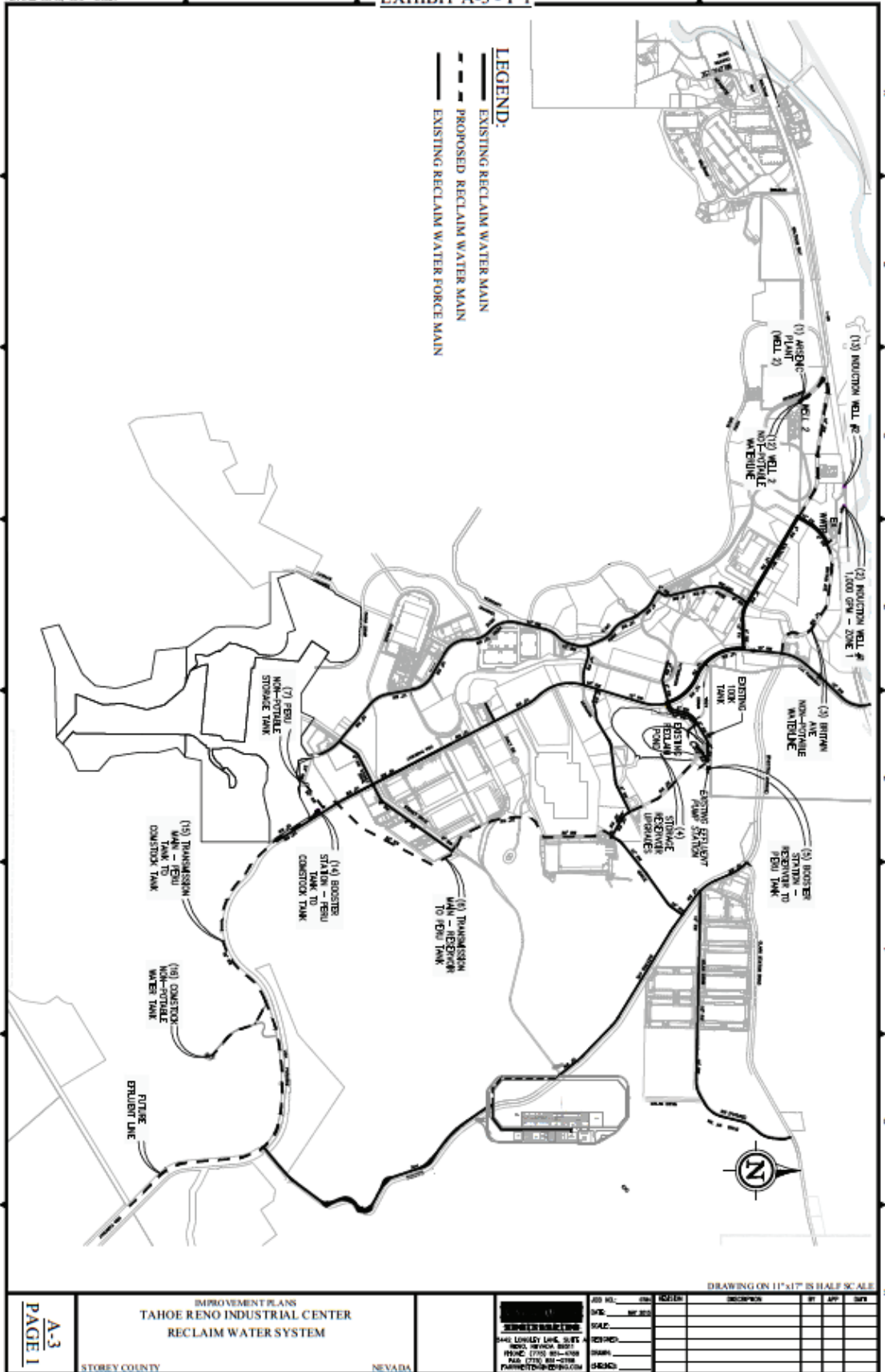
TAHOE RENO INDUSTRIAL CENTER
**DEVELOPMENT AGREEMENT
AREA**

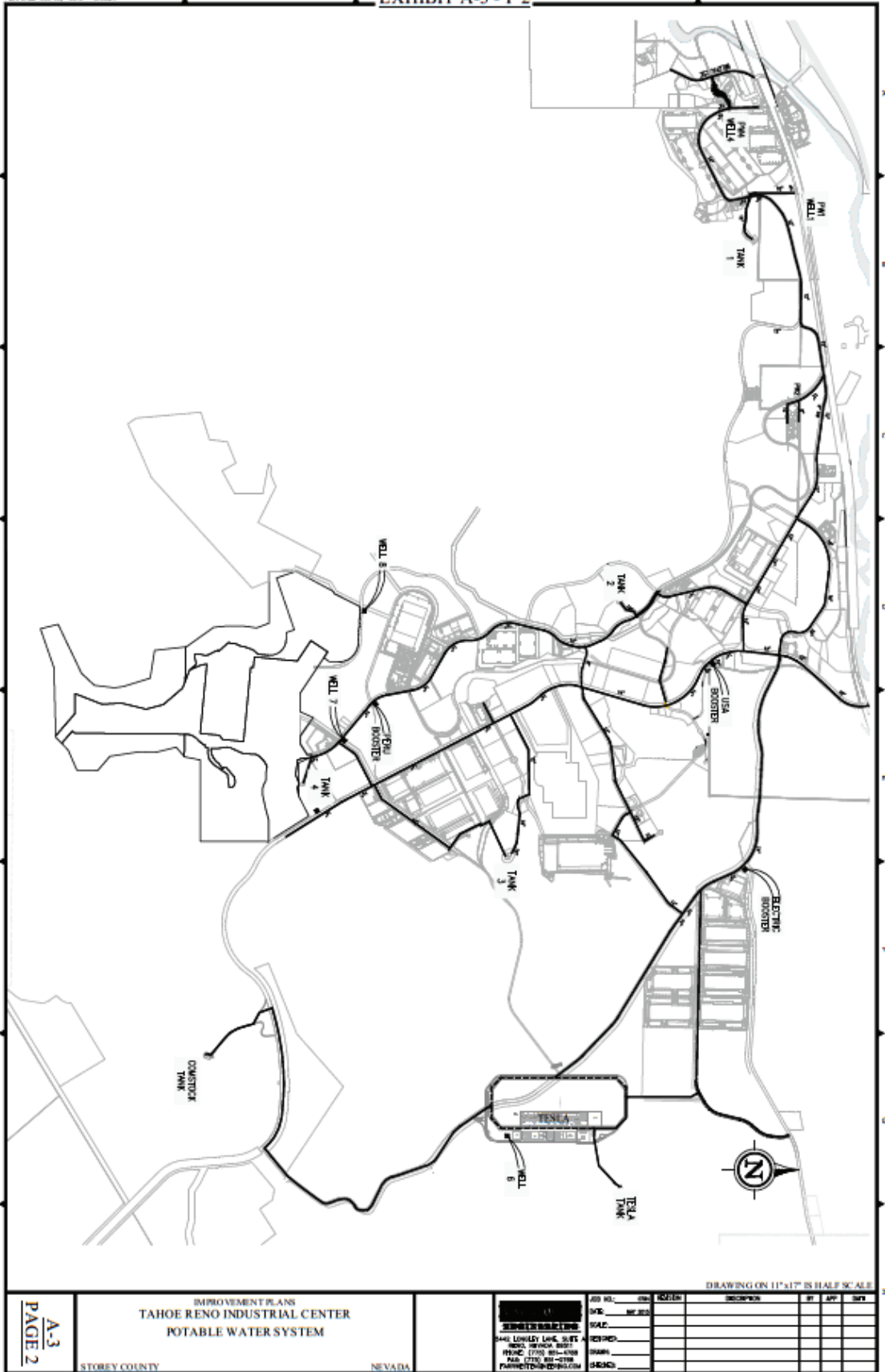
STOREY COUNTY

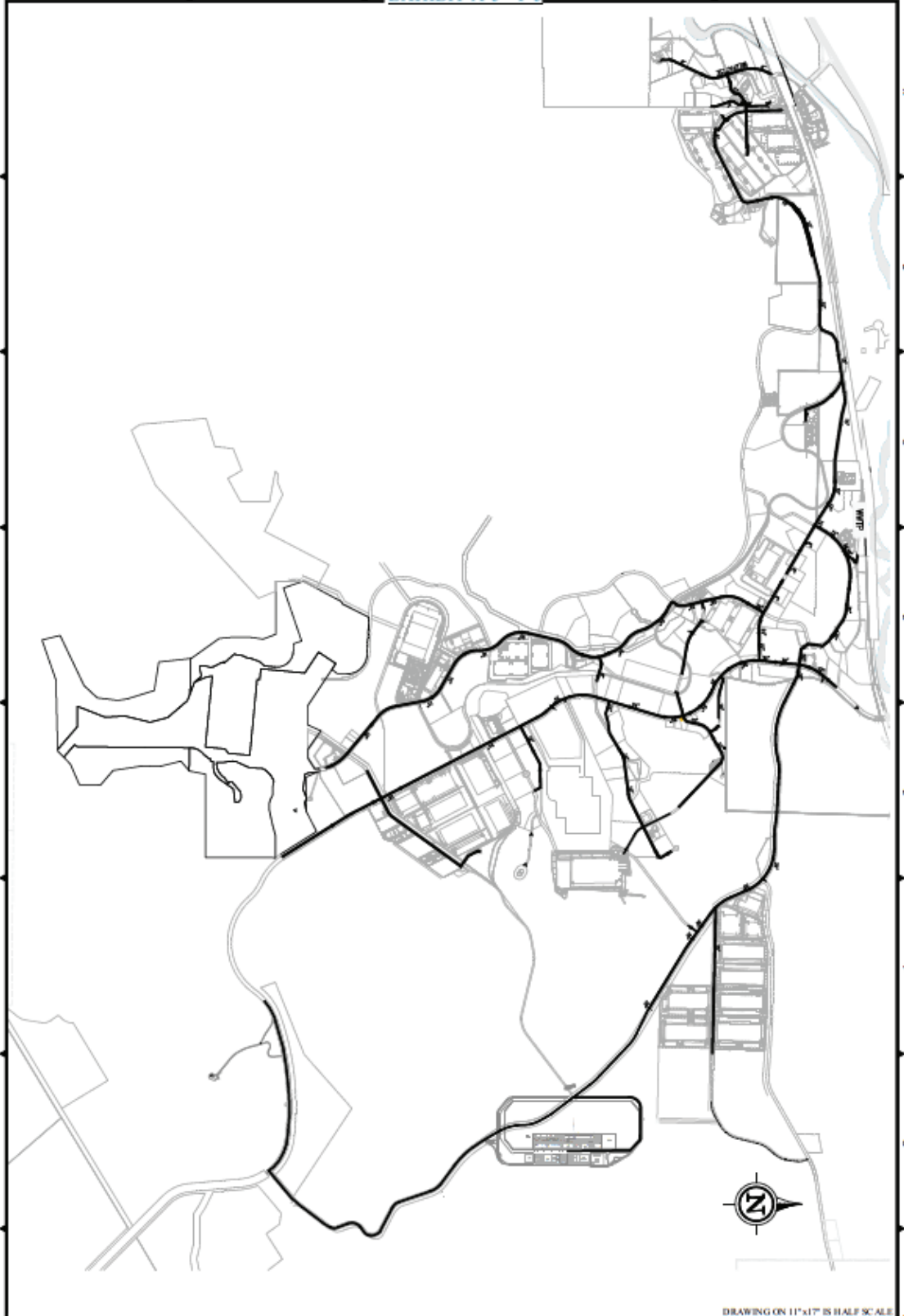
NEVADA

ATTACHMENT
A-2

EXHIBIT A-3 - P 1







DRAWING ON 11"x17" IS HALF SCALE

A-3
 PAGE 3

IMPROVEMENT PLANS
 TAHOE RENO INDUSTRIAL CENTER
 SANITARY SEWER SYSTEM

STOREY COUNTY

NEVADA

17
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REV.	DATE	DESCRIPTION	BY	APP.	DATE
01	06/01/2020	ISSUED FOR PERMIT	JH		
02	06/01/2020	REVISED	JH		
03	06/01/2020	REVISED	JH		
04	06/01/2020	REVISED	JH		
05	06/01/2020	REVISED	JH		
06	06/01/2020	REVISED	JH		
07	06/01/2020	REVISED	JH		
08	06/01/2020	REVISED	JH		
09	06/01/2020	REVISED	JH		
10	06/01/2020	REVISED	JH		
11	06/01/2020	REVISED	JH		
12	06/01/2020	REVISED	JH		

Exhibit "A-1"

Legal Description of TRIGID Service Territory

(Storey County)

Township 19 North, Range 21 East, M.D.B.&M.

Section 1: Southeast $\frac{1}{4}$; South $\frac{1}{2}$ Southwest $\frac{1}{4}$; Northeast $\frac{1}{4}$ Southwest $\frac{1}{4}$
Section 12: All
Section 13: All
Section 24: All
Section 25: All

Township 20 North, Range 22 East, M.D.B.&M.

Section 24: Southeast $\frac{1}{4}$ Southeast $\frac{1}{4}$
Section 25: All that portion lying Easterly and Southerly of the Truckee River
Section 32: South $\frac{1}{2}$ Southeast $\frac{1}{4}$; all that portion of the Southwest $\frac{1}{4}$ lying South of the Southern Pacific Railroad right-of-way

EXCEPTING THEREFROM that portion of Parcel 1 of Amended Division of Map, filed in the Office of the County Recorder of Storey County, State of Nevada on February 24, 1986, as File No. 57613 of Official Records, lying Westerly of the Westerly line of that certain document entitled:

"Quitclaim Deed of Dedication", recorded August 29, 1996, in Book 111, Page 5, as File No. 078479 of Official Records.

EXCEPTING THEREFROM that portion of Parcel 1 of Amended Division of Map, filed in the Office of the County Recorder of Storey County, State of Nevada on February 24, 1986, as File No. 57613 of Official Records, lying Southwesterly of that certain document entitled:

"Quitclaim Deed of Dedication", recorded August 29, 1996, in Book 111, Page 5 as File No. 078479 of Official Records.

AND EXCEPTING THEREFROM Lot 98-1 of the 1st Parcel Map for Asamera Minerals (U.S.), Inc., filed in the Office of the County Recorder of Storey County, Nevada on September 25, 1998, as File No. 083401 of Official Records.

AND FURTHER EXCEPTING Watham Way as described in that certain document entitled:

"Quitclaim Deed of Dedication", recorded August 29, 1996, in Book 111, Page 5, as File No. 078479 of Official Records.

Section 33: South $\frac{1}{2}$

EXCEPTING THEREFROM Lot 98-4 of the 3rd Parcel Map for Asamera Minerals (U.S.), Inc., filed in the Office of the County Recorder of Storey County, State of Nevada on September 25, 1998, as File No. 083403 of Official Records.

AND FURTHER EXCEPTING Watham Way as described in that certain document entitled:

"Quitclaim Deed of Dedication", recorded August 29, 1996, in Book 111, Page 5 as File No. 078479 of Official Records.

Section 34: South $\frac{1}{2}$ together with an easement for roadway purposes as granted to Asamera Minerals (U.S.), Inc., by Lincoln "Nick" Mansfield by instrument recorded November 16, 1993, in Book 97, Page 919 as Document No. 72801, Official Records of Storey County, Nevada.

Section 36: All

Township 19 North, Range 22 East, M.D.B.&M.

Section 1: All

Section 2: All

Section 3: All

Section 4: All

Section 5: EXCEPTING THEREFROM that portion of Section 5 Township 19 North, Range 22 East, M.D.B.&M., lying Northerly of the Northerly line of Watham Way as described in that certain document entitled:

"Quitclaim Deed of Dedication", recorded August 29, 1996, in Book 111, Page 5 as File No. 078479 of Official Records.

AND FURTHER EXCEPTING THEREFROM Lot 98-3 of the 2nd Parcel Map for Asamera Minerals (U.S.), Inc., filed in the Office of the County Recorder of Storey County, Nevada on September 25, 1998, as File No. 083402 of Official Records.

AND FURTHER EXCEPTING Watham Way as described in that certain document entitled:

"Quitclaim Deed of Dedication", recorded August 29, 1996, in Book 111, Page 5 as File No. 078479 of Official Records.

Section 6: Southeast $\frac{1}{4}$; Southeast $\frac{1}{4}$ Southwest $\frac{1}{4}$; Lot 7

Section 7: All

Section 8: All

Section 9: All

Section 10: All

Section 11: All

Section 12: All

Section 13: All

Section 14: All

Section 15: All

Section 16: All

Section 17: All

Section 18: All

Section 19:	All
Section 20:	All
Section 21:	All
Section 22:	All
Section 23:	All
Section 24:	All
Section 26:	West ½
Section 27:	All
Section 28:	All
Section 29:	All
Section 30:	All
Section 33:	All
Section 34:	All
Section 35:	All
Section 36:	South ½

Township 18 North, Range 22 East, M.D.B.&M.

Section 1:	All
Section 2:	All
Section 3:	All
Section 10:	All
Section 11:	All
Section 12:	All
Section 13:	All
Section 14:	All
Section 15:	All
Section 19:	All
Section 20:	All
Section 21:	All
Section 22:	All
Section 23:	All
Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 28:	All
Section 29:	All
Section 30:	All
Section 31:	All
Section 32:	All
Section 33:	All
Section 34:	All
Section 35:	All
Section 36:	All, except Lots 2 & 4

Township 17 North, Range 22 East, M.D.B.&M.

Section 2:	All
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Section 3: All
 Section 4: All
 Section 5: All
 Section 6: All
 Section 7: All
 Section 18: All

Township 19 North, Range 24 East, M.D.B.&M.

Section 6: That portion lying and being in Storey County

Township 20 North, Range 23 East, M.D.B.&M.

Section 19: North $\frac{1}{2}$ Southeast $\frac{1}{4}$; Lots 4, 5, 6, & 7, excepting therefrom all that portion thereof, lying below the natural ordinary high water line of the Truckee River and any portion thereof lying in Washoe County.

Section 21: Lots 1, 2, 3, & 4; the Northwest $\frac{1}{4}$ Southeast $\frac{1}{4}$ except that portion lying Northerly of the Truckee Canal; all that portion of the Southeast $\frac{1}{4}$ Northwest $\frac{1}{4}$ lying Southerly of the Truckee Canal; the Southwest $\frac{1}{4}$ Northwest $\frac{1}{4}$; Excepting therefrom all that portion thereof, lying below the natural ordinary high water line of the Truckee River and any portion thereof lying in Washoe County; North $\frac{1}{2}$ Southwest $\frac{1}{4}$.

Section 23: South $\frac{1}{2}$; South $\frac{1}{2}$ Northeast $\frac{1}{4}$, excepting therefrom any portion thereof lying North of the South line of the Truckee Canal; Northeast $\frac{1}{4}$ Northeast $\frac{1}{4}$.

Section 24: All
 Section 25: All
 Section 26: All
 Section 27: All
 Section 28: All
 Section 29: All
 Section 30: All
 Section 31: All
 Section 32: All
 Section 34: South $\frac{1}{2}$
 Section 35: All
 Section 36: All

Township 19 North, Range 23 East, M.D.B.&M.

Section 1: All that portion lying within Storey County
 Section 2: All
 Section 3: All
 Section 4: All
 Section 5: All
 Section 6: All
 Section 7: All
 Section 8: All

Section 9: All
 Section 10: All
 Section 11: All
 Section 12: All that portion lying within Storey County
 Section 13: All that portion lying within Storey County
 Section 14: All that portion lying within Storey County
 Section 15: All
 Section 16: All
 Section 17: All
 Section 18: All
 Section 19: All
 Section 20: All
 Section 21: All
 Section 22: All
 Section 23: All that portion lying within Storey County
 Section 26: All that portion lying within Storey County
 Section 27: All that portion lying within Storey County
 Section 28: All
 Section 29: All
 Section 30: All
 Section 31: All
 Section 32: All
 Section 33: All
 Section 34: All that portion lying within Storey County

Township 18 North, Range 23 East, M.D.B.&M.

Section 3: All that portion lying within Storey County
 Section 4: All that portion lying within Storey County
 Section 5: All
 Section 6: All
 Section 7: All
 Section 8: All
 Section 9: All that portion lying within Storey County
 Section 16: All that portion lying within Storey County
 Section 17: All that portion lying within Storey County
 Section 18: All
 Section 19: All
 Section 20: All that portion lying within Storey County

Township 20 North, Range 24 East, M.D.B.&M.

Section 19: All
 Section 30: All that portion lying within Storey County
 Section 31: All that portion lying within Storey County

Assessor's Parcel Nos.

04-011-03, 04-041-21, 04-091-16, 04-091-21, 04-091-37, 04-091-39, 04-111-06, 04-131-02, 04-151-09, 04-171-02, 04-181-01, 04-201-04, 04-291-01

EXCEPT THEREFROM THE FOLLOWING:

- (A) All that real property as conveyed to King Tolles and Lois Tolles by Deed dated January 14, 1992 and recorded January 21, 1992, at Book 89, Page 64, Document No. 68841, Official Records of Storey County, Nevada. (04-041-10)
- (B) All that real property as conveyed to Jim Stevens and Launa Stevens by Deed dated August 27, 1992 and recorded September 4, 1992, at Book 91, Page 972, Document No. 70187, Official Records of Storey County, Nevada. (04-041-24, 04-041-25, and 04-041-26)
- (C) All that real property as conveyed to Five Star Land and Livestock, Inc., a Nevada corporation, by Deed dated August 20, 1992 and recorded September 4, 1992, at Book 91, Page 977, Document No. 70189, Official Records of Storey County, Nevada. (04-041-27, 04-041-28, 04-041-29 and 04-041-30)
- (D) All that real property as conveyed to Lincoln "Nick" Mansfield by Deed dated November 9, 1993, and recorded November 16, 1993, in Book 97, Page 916, Document No. 72800, Official Records of Storey County, Nevada. (04-091-18)
- (E) All that real property as conveyed to Eagle-Pitcher Minerals, Inc., by Deed dated February 17, 1994 and recorded February 22, 1994, in Book 99, Page 344, as Document No. 73440, Official Records of Storey County, Nevada. (04-041-23 and 04-171-03)

1 **EXCEPTING THE FOLLOWING PARCEL**
2 **" EAGLE PITCHER PARCELS "**

3 ALL PROPERTY WITHIN .

4 PARCEL '99-13' OF THE MAP OF DIVISION FILED IN THE OFFICE
5 OF THE STOREY COUNTY RECORDERS OFFICE, ON 5-28-1999
6 BY TRISTATE SURVEYING FOR EAGLE PITCHER, FILE NUMBER 85087.
7 SAID PARCEL KNOWN AS THE POR OF SEC 32 W PARCEL
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1 **PLUS THE FOLLOWING PARCELS**
2 **" EAGLE PITCHER PARCELS "**

3 ALL PROPERTY WITHIN

4 PARCEL '99-4' OF THE PARCEL MAP FILED IN THE OFFICE
5 OF THE STOREY COUNTY RECORDERS OFFICE, ON 5-28-1999
6 BY TRISTATE SURVEYING FOR EAGLE PITCHER, FILE NUMBER 85088.
7 SAID PARCEL KNOWN AS THE FREEWAY WEST PARCEL
8

9 INCLUDING ALL PROPERTY WITHIN

10 PARCEL '04-101-05' OF THE PARCEL MAP FILED IN THE OFFICE
11 OF THE STOREY COUNTY RECORDERS OFFICE, ON 5-28-1999
12 BY TRISTATE SURVEYING FOR EAGLE PITCHER, FILE NUMBER 85088.
13 SAID PARCEL KNOWN AS THE FREEWAY EAST/WEST PARCEL
14

15 INCLUDING ALL PROPERTY WITHIN

16 PARCEL '99-21' OF THE PARCEL MAP FILED IN THE OFFICE
17 OF THE STOREY COUNTY RECORDERS OFFICE, ON 8-18-1999
18 BY CFA FOR WESTERN 102 RANCH, INC., FILE NUMBER 85847.
19 SAID PARCEL KNOWN AS THE WWTP PARCEL
20

21 INCLUDING ALL PROPERTY WITHIN

22 PARCEL '99-9' OF THE PARCEL MAP FILED IN THE OFFICE
23 OF THE STOREY COUNTY RECORDERS OFFICE, ON 5-28-1999
24 BY TRISTATE SURVEYING FOR EAGLE PITCHER, FILE NUMBER 85090.
25 SAID PARCEL KNOWN AS THE EP2 TRI PARCEL
26

27 INCLUDING ALL PROPERTY WITHIN

28 PARCEL '99-7' OF THE PARCEL MAP FILED IN THE OFFICE
29 OF THE STOREY COUNTY RECORDERS OFFICE, ON 5-28-1999
30 BY TRISTATE SURVEYING FOR EAGLE PITCHER, FILE NUMBER 85089.
31 SAID PARCEL KNOWN AS THE EP 2 TRI PARCEL
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McCARRAN RANCH PARCELS

PARCEL ONE:

Situated in the County of Storey, the State of Nevada and being a portion of Sections 1 and 2, Township 19 North, Range 21 East, M.D.B. & M.; Section 6, Township 19 North, Range 22 East, M.D.B. & M.; Section 31, Township 20 North, Range 22 East, M.D.B. & M., being more particularly described as follows:

Commencing at the Section corner, Sections, 2, 3, 10 and 11, Township 19 North, Range 21 East, M.D.B. & M., thence North $0^{\circ}34'57''$ East, 1320.00 feet to the point of beginning; thence North $0^{\circ}34'57''$ East, 1350.50 feet to the West one-quarter corner of Section 2, Township 19 North, Range 21 East; thence North $06^{\circ}06'48''$ East 2647.77 feet to the northwest corner of Section 2, Township 19 North, Range 21 East, thence North $89^{\circ}57'49''$ East 502.58 feet to the southeast corner of Section 34, Township 20 North, Range 21 East; thence North $88^{\circ}57'02''$ East 2276.91 feet to the North one-quarter corner of Section 2, Township 19 North, Range 21 East; thence North $87^{\circ}33'33''$ East 370.66 feet to the South one-quarter corner of Section 35, Township 20 North, Range 21 East; thence South $89^{\circ}42'47''$ East 2289.71 feet to the northeast corner of Section 2, Township 19 North, Range 21 East; thence North $89^{\circ}48'16''$ East 316.27 feet to the southeast corner of Section 35, Township 20 North, Range 21 East; thence North $89^{\circ}49'37''$ East to the one-quarter corner between Section 36, Township 20 North, Range 21 East, and Section 1, Township 19 North, Range 21 East; thence North $02^{\circ}41'52''$ East 1291.40 feet to the south one-sixteenth corner on the north-south center line of Section 36, Township 20 North, Range 21 East; thence North $89^{\circ}55'18''$ East 2718.60 feet to the south one-sixteenth corner between Section 36, Township 20 North, Range 21 East, and Section 31, Township 20 North, Range 22 East; thence North $06^{\circ}08'59''$ East 1301.06 feet to the one-quarter corner between Section 36, Township 20 North, Range 21 East, and Section 31, Township 20 North, Range 22 East; thence South $02^{\circ}01'48''$ West 1676.21 feet to the northerly right-of-way line of Interstate 80 freeway; thence along the northerly right-of-way line of Interstate 80 freeway North $59^{\circ}03'44''$ East 459.89 feet; thence South $30^{\circ}56'16''$ East 30.00 feet; thence North $59^{\circ}03'44''$ East 730.00 feet; thence North $30^{\circ}56'16''$ West 155.00 feet; thence North $59^{\circ}03'44''$ East 220.00 feet; thence South $84^{\circ}04'05''$ East 250.00 feet; thence North $59^{\circ}03'44''$ East 4103.35 feet; thence a curve to the right; a delta of $15^{\circ}44'00''$, and radius of 7127.00 feet; thence North

74°47'44" East 606.38 feet; thence along a curve to the left, a delta of 11°23'21", and a radius of 2873.00 feet; thence leaving the northerly right-of-way line of Interstate 80 freeway South 00°41'02" East approximately 2240 feet to the northerly right-of-way line of the Southern Pacific Railroad; thence southwesterly along the Southern Pacific Railroad northerly right-of-way line to the section line between Sections 31 and 32, Township 20 North, Range 22 East; thence South 02°35'04" East approximately 1800 feet to the section corner common to 31 and 32, Township 20 North, Range 22 East, Sections 5 and 6, Township 19 North, Range 22 East, thence South 00°17'04" East 2635.23 feet to the east one-quarter corner Section 6, Township 19 North, Range 22 East; thence North 89°26'11" West 2672.98 feet to the center of Section 6, Township 19 North, Range 22 East; thence South 01°06'13" East 1329.12 feet to the south one-sixteenth corner of the north-south centerline of Section 6, Township 19 North, Range 22 East; thence North 89°58'23" West 2760.44 feet to the south one-sixteenth corner between Section 1, Township 19 North, Range 21 East, and Section 6, Township 19 North, Range 22 East; thence North 00°42'11" East 1354.42 feet to the one-quarter corner between Section 6, Township 19 North, Range 22 East, and Section 1, Township 19 North, Range 21 East; thence South 89°12'35" West 4105.09 feet to the west one-sixteenth corner on the east-west centerline of Section 1, Township 19 North, Range 21 East; thence South 00°12'01" West 1331.86 feet; thence to the center corner of the southwest one-quarter of Section 1, Township 19 North, Range 21 East; thence South 89°31'20" West 1360.93 feet to the south one-sixteenth corner between Sections 1 and 2, Township 19 North, Range 21 East; thence South 00°10'29" West 1324.43 feet common to section corners 1, 2, 11 and 12, Township 19 North, Range 21 East; thence along the section line between Sections 2 and 11, Township 19 North, Range 21 East, South 89°28'59" West approximately 2000 feet to the center line of the Truckee River; thence southwesterly along the centerline of the Truckee River to the east-west centerline of the southeast one-quarter of Section 10, Township 19 North, Range 21 East; thence westerly along the east-west centerline of the southeast one-quarter of Section 10, Township 19 North, Range 21 East to the southerly right-of-way line of the Southern Pacific Railroad; thence northeasterly along Southern Pacific Railroad right-of-way line to the section line between Sections 10 and 11, Township 19 North, Range 21 East; thence North 0°45'03" West along the section line between Sections 10 and 11, Township 19 North, Range 21 East to the one-quarter corner between 10 and 11, Township 19 North, Range 21 East; thence North 0°02'46" East 2670.06 feet to the section

corner common to Sections 2, 3, 10 and 11, Township 19 North, Range 21 East; thence North 0°34'57" East 660.00 feet along the section line between Sections 2 and 3, Township 19 North, Range 21 East; thence South 89°25'03" East 660.00 feet; thence North 0°34'57" East 660.00 feet; thence North 89°25'03" West 660.00 feet to the point of beginning.

EXCEPTING THEREFROM all mines of gold, silver, copper, lead, cinnabar and other valuable minerals that may exist as reserved by the State of Nevada in various Patents of record.

ALSO EXCEPTING THEREFROM the parcel described as follows: Commencing at the one-quarter corner Section 1, Township 19 North, Range 21 East, and Section 6, Township 19 North, Range 22 East, thence South 47°39'00" East 560.00 feet to the point of beginning; North 80°40'00" East 417.42 feet; thence South 49°24'00" East 626.13 feet; thence South 80°40'00" West 208.71 feet, thence North 49°24'00" West 208.71 feet; thence South 80°40'00" West 208.71 feet; thence North 49°24'00" West 417.42 feet to the point of beginning. Contained entirely within the Northwest 1/4 of the Southwest 1/4 of Section 6, Township 19 North, Range 22 East,

ALSO EXCEPTING THEREFROM that parcel described in the Deed to Monty Baldwin, recorded July 10, 1980, in Book 23, Page 291 Official Records of Storey County, State of Nevada, under File No. 47064.

ALSO EXCEPTING THEREFROM that parcel described in the Deed to David E. Cox and Juanita Cox, husband and wife, recorded July 25, 1988, in Book 65, Page 174, Official Records of Storey County, State of Nevada, under File No. 61911.

ALSO EXCEPTING THEREFROM, Parcels 1, 2 and 3 as shown on the PARCEL MAP of MCCARRAN RANCH filed October 22, 1985 in the Official Records of Storey County, State of Nevada, under File No. 57052.

ALSO EXCEPTING THEREFROM that parcel described in the deed to KAL KAN FOODS, INC., recorded March 3, 1995, in Book 103, Page 962, Official Records of Storey County, State of Nevada, under File No. 75528 and re-recorded June 20, 1995, in Book 105, Page 48, under File No. 75991 R.

ALSO EXCEPTING THEREFROM that portion described in the deed to Storey County, a political subdivision of the State of Nevada, recorded April 2, 1997, in Book 114, Page 280, Official Records of Storey County, State of Nevada, under File No. 79808.

ALSO EXCEPTING THEREFROM any portion thereof lying within Section 32, Township 20 North, Range 22 East, M.D.B. & M.

ALSO EXCEPTING THEREFROM any portion thereof lying within the Southern Pacific Railroad right-of-way.

ALSO EXCEPTING THEREFROM any portion thereof lying in Washoe County.

ASSESSOR'S PARCEL NO. 04-161-10

PARCEL TWO:

Parcel 3 as shown on the **PARCEL MAP OF MCCARRAN RANCH** filed October 22, 1985 in the Official Records of Storey County, State of Nevada, under File No. 57052.

ASSESSOR'S PARCEL NO. 04-161-09

PATRICK BUSINESS CENTER

ALL PROPERTY WITHIN

Parcel '99-24' of the Parcel Map Filed in the office of the Storey County Recorder's Office, on 6-29-1999 by Western Nevada Survey for DPOP LP, File Number 85481, said parcel known as the DPO MAIN Parcel

ALL PROPERTY WITHIN

Parcel '98-1 A' of the Parcel Map Filed in the office of the Storey County Recorder's Office, on 6-29-1999 by Western Nevada Survey for TRI CENTER LLC, File Number 85483, said parcel known as the ADJUSTED DERM Parcel

ALL PROPERTY WITHIN

Parcel '98-4' of the Parcel Map Filed in the office of the Storey County Recorder's Office, on 9-25-1998 by Tristate Surveying for ASAMERA MINERALS, File Number 83403, said parcel known as the DERM-BAT Parcel

PARCEL "D"
(Sewer Plant Parcel)

Situate in a portion of the south one-half of the north one-half of Section 34, T. 20 N., R. 22 E., M.D.M., Storey County, Nevada, more particularly described as follows:

Commencing at the west quarter corner of said Section 34;
thence N 01°22'37" E, 1327.71 feet;
thence S 89°00'48" E, 1238.12 feet to the point of beginning;
thence S 89°00'48" E, 2126.85 feet;
thence S 01°21'36" W, 101.03 feet;
thence S 77°26'00" W, 159.58 feet;
thence S 07°55'04" E, 141.23 feet;
thence from a tangent bearing of S 82°04'56" W on a curve to the left having a central angle of 36°33'36", a radius of 1560.00 feet, for an arc distance of 995.42 feet;
thence N 44°28'40" W, 420.00 feet;
thence N 45°31'20" E, 80.00 feet;
thence N 08°19'37" W, 175.76 feet;
thence N 89°00'48" W, 650.00 feet;
thence N 44°06'36" W, 283.32 feet to the point of beginning, containing 16.24 acres, more or less.

WESTERN 102 RANCH PROPERTY

All that certain lot, piece or parcel of land situate in the County of Storey, State of Nevada, described as follows:

PARCEL 1:

The South $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 34, Township 20 North, Range 22 East, M.D.B.&M.

PARCEL 2:

The Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 34, Township 20 North, Range 22 East, M.D.B.&M.

Attachment B-1

RULES, REGULATIONS AND RATES OF THE TRI GENERAL IMPROVEMENT DISTRICT FOR WATER SERVICE

TRI GENERAL IMPROVEMENT DISTRICT WATER SERVICE RULES, REGULATIONS AND RATES

Revised August 27, 2020

TRI GENERAL IMPROVEMENT DISTRICT WATER SERVICE RULES, REGULATIONS AND RATES

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ARTICLE 1. GENERAL PROVISIONS

- 1.1 Purpose. TRIGID has been created by Storey County under Nevada Revised Statutes Chapters 318 and 308 to own, maintain and operate community water and sewer systems to provide service to Customers in the service area, known as Tahoe-Reno Industrial Center, pursuant to Ordinance #171 and Resolution 00-85, both passed on August 8, 2000. TRIGID is not regulated as a public utility by the Nevada Public Utility Commission. TRIGID is a quasi-municipal entity functioning as a political subdivision of the State of Nevada.
- 1.2 Enterprise. TRIGID will furnish a system used for the provision of fire protection water as well as industrial, domestic and commercial water; and for the collection of domestic, commercial and industrial wastewater and septic tank effluent; including all parts of the enterprise, all appurtenances thereto, and land, easements, rights in land, contract rights and franchises.
- 1.3 Separability. If any section, subsection, sentence, clause or phrase of these Rules, Regulations and Charges or the application thereof to any person or circumstance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of these Rules, Regulations and Charges or the application of such provision to other persons or circumstances. The Board hereby declares that it would have promulgated these Rules or any section, subsection, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases may be declared to be unconstitutional.
- 1.4 Words and Phrases. For the purposes of these Rules, Regulations and Charges, all words used herein in the present tense shall include the future; all words in the plural number shall include the singular number; and all words in the singular number shall include the plural number.

ARTICLE 2. DEFINITIONS

- 2.1 Account Transfer shall mean any change made to a billing account, including but not limited to new ownership or new tenancy.
- 2.2 Additional Definitions/UPC. For the purpose of this Rules, additional terms shall have the meanings indicated in Chapter 1 of the latest edition of the Uniform Plumbing Code as prepared by the International Association of Plumbing and Mechanical Officials. Except as expressly stated otherwise in these Rules, all provisions of the latest edition of the Uniform Plumbing Code are incorporated herein by reference.
- 2.3 Applicant shall mean the person, business or governmental agency making application for water service to a parcel within service area, including the TRI Owners Association.
- 2.4 Application shall be a written request for water service (as distinguished from an inquiry as to the availability of, or charges for, such service) and agreement by Customer to comply with these Rules.
- 2.5 Billing Period shall be the period for which a billing is made. It may be for an average month and need not coincide with the calendar month (i.e., may be billed on a cycle of 29 to 31 days).
- 2.6 Board shall mean the Board of Trustees of TRIGID.
- 2.7 Building shall mean any structure used for human habitation or a place of business, recreation or other purpose requiring water services.
- 2.8 Capital Costs shall mean costs of major rehabilitation, expansion or upgrading required as facilities reach the end of their useful life.

- 2.9 Capital Outlays shall mean expenditures which result in the acquisition of, or addition to, fixed or capital assets.
- 2.10 Construction Water shall mean water delivered through other than a standard service connection for construction purposes.
- 2.11 Contractor shall mean an individual, firm, corporation, partnership or association duly licensed by the State of Nevada to perform the type of work to be done under these Rules.
- 2.12 Cross Connection shall mean any actual or potential connection between TRIGID's distribution facilities and any source or system which may potentially cause contamination, pollution, or change in water quality by any and all causes.
- 2.13 Connection Charge shall mean a fee charged in order to compensate TRIGID for the capital costs of investment, maintenance and repair in water plant equipment and related facilities made by TRIGID. The charge is applied to all new users of water facilities in approximate proportion to their anticipated usage and is for the right of service in the system.
- 2.14 County shall mean the County of Storey, State of Nevada.
- 2.15 Cubic Foot is the volume of water which occupies one cubic foot. The cubic foot is equal to 7.481 gallons.
- 2.16 Customer shall mean the person in whose name service is rendered as evidenced by Customer's 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 Customer's name regardless of the identity of the actual user of the service.
- 2.17 Date of Presentation shall be the date upon which a bill or notice is either postmarked or hand delivered to the Customer.
- 2.18 Delinquent shall mean an account that has not been paid by the 1st day of the calendar month following the due date of payment specified on the bill.
- 2.19 Developer shall mean any person engaged in or proposing development of property in the service area.
- 2.20 Development shall mean a parcel of property in the service area being improved and requiring water service, including but not limited to installation of service mains to and possibly on the property being improved.
- 2.21 Easement shall mean an acquired legal right for the specific use of land owned by others.
- 2.22 Employee shall mean any individual employed by TRIGID excluding independent contractors, consultants, and their employees.
- 2.23 Gallon is the volume of water which occupies 231 cubic inches.
- 2.24 Idler shall mean a length of pipe or spacer installed in lieu of a meter.
- 2.25 Inspector shall mean an individual designated to inspect facilities which are the subject of this Rules.
- 2.26 Inter-Connection shall mean any actual or potential connection to Customer piping which will provide water to property or permit use of water for purposes other than that for which a service connection was authorized.

- 2.27 Law is any statute, rule or regulation established by federal, state, County or municipal authorities.
- 2.28 Living Unit shall mean any residence, apartment, or other structure to be occupied for habitation purposes by a single person or family and requiring water service.
- 2.29 Main Classifications:
- A. Off-Site Main shall mean a main, regardless of size, which extends from the existing water system to a development but excluding onsite mains.
 - B. On-Site Mains shall mean those public mains which are installed specifically to provide service to developments, and generally located within the development's boundaries.
 - C. Public Mains or TRIGID Mains shall mean those mains which are owned, operated and maintained by TRIGID after completion and acceptance.
 - D. Private Mains shall mean all water mains not owned by TRIGID after completion.
- 2.30 Metered Service is a service for which charges are computed on the basis of measured quantities of water.
- 2.31 Operation and Maintenance shall mean those functions that result in expenditures during the useful life of the water system facilities for materials, labor, utilities and other items which are necessary for managing and maintaining the water system facilities to achieve the capacity and performance for which such facilities were designed and constructed. The term "operation and maintenance" includes replacement as defined in these Rules.
- 2.32 Owner shall mean a person who holds legal title to the property or who is under contract to purchase the property.
- 2.33 Permanent Service is a service which, in the opinion of TRIGID, is of a permanent and established character. The use of water may be continuous, intermittent, or seasonal in nature.
- 2.34 Permit shall mean any written authorization required pursuant to this or any other regulation of the service area for the installation or operation of any part of the water system within the service area.
- 2.35 Person shall mean any individual, firm, association, organization, partnership, trust, company, corporation or other entity, and any municipal, political, or governmental corporation, body, or agency, other than TRIGID.
- 2.36 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: (a) such building, locations or services are to a single unit of property; or (b) such buildings, locations or services are on two or more units of property immediately adjoining, except for intervening highways, streets, alleys or waterways.
- 2.37 Private Fire Protection shall mean service through a line used to extinguish accidental fires which benefits only one Customer or one class of Customers and is provided as an extra service in addition to normal and customary fire protection provided by TRIGID to all Customers.
- 2.38 Replacement shall mean expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of the water system facilities to maintain the capacity and performance for which such facilities were designed and constructed.
- 2.39 Rules shall mean these Rules, Regulations and Rates of The TRI General Improvement District For Water Service.

- 2.40 Service Area shall mean the place of use of water rights available to serve the certain areas as designated in Article 13 of these Rules.
- 2.41 Service and Connection Classifications:
- A. Combined Services shall mean service connections through which water is obtained for the dual purpose of fire protection and domestic use.
 - B. Commercial Services shall mean service connections to include, but not limited to, nonindustrial businesses, office buildings, private clubs, motels, hotels, department stores, retail stores, restaurants, clubs, schools, and similar Customers.
 - C. Domestic Services shall mean service connections through which water is obtained for all purposes exclusive of fire protection, but including residential, commercial, and industrial uses.
 - D. Emergency Service Connection shall mean a temporary service connection required to provide water to safeguard health and protect private or public property, subject to the conditions governing temporary service connections.
 - E. Industrial Service shall mean service to Customers engaged in warehousing or distribution, or in a process which creates or changes raw or unfinished materials into another form or product (e.g., factories, mills, manufacturing facilities, assembly plants, machine shops, mines, pumping plants, creameries, canning and packing plants, or processing activities).
 - F. Interim Services shall mean non-permanent connections for delivery of water for use during the construction of developments, other construction projects, and in certain instances, for emergency service.
 - G. Non-Standard Connection shall mean a service connection installed at a location not adjacent to the property served and where there will not be a main installed contiguous to the property.
 - H. Private Fire Service shall mean a service connection through which water is delivered to private property for fire protection exclusively.
 - I. Residential Service shall mean service to a Customer in a single family dwelling, mobile home or building, or in an individual flat, condominium, or apartment in a multiple family dwelling, or building or portion thereof occupied as the home, residence or sleeping place of one or more persons.
 - J. Service Connection shall mean the lateral pipe from the point of connection to a TRIGID water main, to and including the curb stop valve and/or meter box.
 - K. Standard Service Connection or "Permanent Service Connection" shall mean a service connection installed at a location adjacent to the property being served.
 - L. Temporary Service Connection shall mean a service connection installed at a location not adjacent to the property served and which is subject to removal or relocation at such time as a main is constructed.
- 2.42 Tenant shall mean a person renting or leasing a premise from the Customer or the Customer's selected representative.
- 2.43 TRIGID shall mean TRI General Improvement District, a political subdivision of the State of Nevada, formed and existing as specified in Subsection 1.1 of these Rules.

2.44 Water Meter shall mean a water volume measuring and recording device, furnished and/or installed by a user and approved by TRIGID.

2.45 Will Serve The written approval constituting a will serve commitment for water service from TRIGID.

ARTICLE 3. CONDITIONS OF SERVICE

3.1 Pressures. All applicants for service connections or water service and Customers shall accept such conditions of pressure and service as are provided by the distribution system at the location of the proposed service connection, and shall hold TRIGID harmless for any damages arising out of low pressure or high pressure conditions.

3.2 Interruption of Service. TRIGID will endeavor to notify Customers in advance of any interruption in service due to repairs, or other causes. However, in emergency conditions, when notification is not practical, service may be interrupted for indefinite periods of time. All Customers shall hold TRIGID harmless for any damages arising from interruptions in service caused by repairs, emergencies or conditions beyond the control of TRIGID.

3.3 Area Served. Properties within the boundaries of the service area shall be eligible to receive water from TRIGID in accordance with these Rules and subject to acceptance by TRIGID of a completed application by Customer.

3.4 Main Required. New applications for water service will be accepted only if the water main extends to the property being served, said water being within an off-site right-of-way or easement granted to TRIGID, or TRIGID agrees to extend the water main, unless the Customer agrees to extend all distribution, storage and supply capacity necessary to serve the Customer, subject to the provisions of these Rules.

3.5 Property Not Adjacent to a Water Main. In order to obtain service to property not immediately adjacent to a water main as required by Article 3.4 above, the applicant will be required to provide a main extension in accordance with the requirements of Article 10, or the applicant may make application for a non-standard service if the property meets the requirements of Article 9.9, and the applicant may be required to comply with the provisions of Article 4.3.

3.6 Damage to Property. TRIGID will not be liable for damage to property resulting from water running from open or faulty piping or fixtures on the Customer's property or from interruption or termination of service in accordance with these Rules, Regulations and Charges. Customers who request activation of a service shall be responsible for damage resulting from such activation due to open or faulty piping and fixtures on the Customer's property.

3.7 Tampering with TRIGID Property. No one except an employee or representative of TRIGID shall at any time in any manner operate the curb cocks or valves, main cocks, gates or valves of TRIGID's system; or interfere with the meters or their connections, street mains or other parts of the system.

3.8 Penalty for Violation. For the failure of the Customer to comply with all or any part of these Rules, the Customer's service may be discontinued, in TRIGID's sole discretion, until the Customer is in compliance. Termination of water service shall be in accordance with Article 11.

3.9 Waste of Water. No Customer shall knowingly permit leaks or waste of water. Where water is wastefully or negligently used on a Customer's premises, or is flowing onto adjacent properties, roads, or drainage ditches seriously affecting the general service or operation of the system, TRIGID may discontinue the service if such conditions are not corrected within twenty-four (24) hours after giving the Customer written notice. Water can be turned off immediately if conditions are severe and warrant immediate action.

- 3.10 Regulation of Water Usage. TRIGID may from time to time require that a watering schedule be followed or use of water be curtailed, or provide incentives for off-peak time watering, by notice to each Customer. Unless a different water schedule is promulgated by TRIGID, the following schedule of restrictions shall apply for outdoor irrigation to all commercial, industrial and other nonresidential Customers:
- A. Customers with odd addresses - Monday and Thursday only;
 - B. Customers with even addresses - Tuesday and Friday only;
 - C. Watering by spray irrigation shall take place only between the hours of 6:00 p.m. to 6:00 a.m. during allowed days;
 - D. Watering by drip irrigation or by hand may take place at any time during allowed days; and
 - E. The watering of new lawns for a period of six weeks from the date of planting seed or laying sod or watering vegetation planted for erosion control in an approved project to the extent necessary to reasonably assure establishment thereof.
- 3.11 Notices to Customers. Notices from TRIGID to a Customer will normally be given in writing, and either delivered or mailed to Customer at Customer's last known address based on billing records. Where conditions warrant and in emergencies, TRIGID may resort to notification either by telephone, facsimile or messenger. When a Customer is refused service under the provisions of these Rules, TRIGID will notify the Customer promptly of the reason for the refusal to serve and of the right of the Customer to appeal TRIGID's decision to the Board. Failure by the Customer to accept a certified letter notice will not relieve the Customer of responsibility for contents of notice.
- 3.12 Notices from Customers. Notice from the Customer to TRIGID may be given by the Customer or Customer's authorized representative in writing at TRIGID's operating office. TRIGID's current operating office (which is subject to change) is:
- TRI General Improvement District
1705 Peru Drive #104
McCarran, NV 89437
Telephone (775) 636-6126
- 3.13 Customer's Premises. TRIGID employees and agents shall have the right of access to Customer's property at all reasonable hours for any purpose related to the furnishing of service and protection of water quality and quantity, but will generally not enter upon Customer's premises to engage in repair or alteration of Customer piping and fixtures, since it is a responsibility of Customer to service or repair its piping and fixtures.
- 3.14 Special Conditions and Circumstances. In the event that conditions or circumstances arise which are not specifically covered by these Rules or warrant deviation from these Rules, TRIGID may take whatever action, including establishing rates and charges which, in its discretion, is warranted, including execution of contracts and agreements with Customers covering special conditions and circumstances.
- 3.15 Effective Date. These Rules shall become effective on the date of signature by the Board.
- 3.16 Continuity. Adoption of these Rules shall not be construed as a waiver of any right or obligation under any prior agreement, contract, or commitment of a Customer and TRIGID.
- 3.17 Meters. All services shall have water meters and will be billed according to the metered rate schedule.

ARTICLE 4. SCHEDULE OF RATES AND CHARGES

- 4.1 General Metered Water Service. TRIGID shall not increase said rates and connection charges unless the Board determines that said rates and connection charges are insufficient to pay all costs of Capital Outlays (including interest carry) along with all operating costs of TRIGID, including but not limited to, overhead, salaries and other employee compensation, operating and maintenance expenses, taxes, reserve and replacement, water rights lease or purchase fees, any other fees, expenses and charges normal and customary for water service utility companies. In the event said rates are insufficient to pay all said operating costs, then monthly rates may be raised to a level that will cover all costs.

TRI-GID Water Rates

Meter Size	Water
3/4 inch	\$ 26.51
1 inch	\$ 47.08
1 1/2 inch	\$ 81.11
2 inch	\$ 122.54
4 inch	\$ 361.96
6 inch	\$ 705.13
8 inch	\$ 1,116.53
10 inch	\$ 1,945.34
Usage Per 1,000 gallons	\$ 3.52

- 4.2 Charges for Construction Water. These charges apply to metered use of water during development and construction of projects.
- A. Application for service must be completed and the location of the point of draw must be clearly identified
 - B. The contractor will be responsible for installation of a standard metered service and construction of temporary truck fills and appropriate backflow prevention assembly consistent with TRIGID conditions of service. The setup will require inspection, meter reading, and assembly testing prior to activation.
 - C. The monthly customer service charge shall be \$75.10.
 - D. The water usage charge shall be \$3.52 per 1,000 gallons of water used each month as set forth in Article 4.1.
- 4.3 Connection Fees. An applicant for a Will Serve shall pay the water connection fee in effect on the date of the application upon completion of all requirements under Article 15. For calculations of connection fees on all Commercial and Industrial accounts, the applicant must provide the TRIGID with expected usage and discharge volume information based on fixture unit counts. This information is to be provided on the TRIGID prescribed form, certified by a Civil Engineer registered in the State of Nevada, and submitted along with an approved stamped set of drawings. Connection fees shall be charged on a one-time basis in the amount of \$4.91 per gallon per day, based on the approved fixture calculations.

- 4.4 Build and Dedicate TRIGID System Facilities. If TRIGID determines, in TRIGID's sole discretion, that connection of new service for a Customer will exceed the standard specifications (see Article 15.2) for existing storage, supply or distribution capacity of TRIGID's water system, or requires additional storage, supply or distribution facilities, TRIGID may in its sole discretion require as a condition of service that the Customer design, permit and construct all additional new water facilities (e.g., wells, pump station, pipelines, valves, storage tanks) necessary to increase said capacity or provide facilities for Customer's use prior to providing water service. Customers shall complete and dedicate to TRIGID without charge all water system facilities as constructed. To the extent that any of said water system facilities are oversized beyond the Customer's needs, TRIGID shall reimburse the Customer from connection charges collected from subsequent Customers using said facilities or provide Customer a credit therefor from connection charges. The basis for reimbursement or credit shall be the difference in actual costs of the water system facilities between the capacity required for the constructing Customer's use and the oversized capacity. No overhead, administrative charge, profit or interest on said actual costs will be reimbursable. All design and construction of said facilities must be approved by TRIGID. The constructing Customer shall not be entitled to a credit from the connection charge for all or any portion of the water system facilities so constructed, except as specified in this Article. The procedures specified in Article 10 shall be used for all construction under this Article. Construction by a third-party developer of off-site water system facilities shall not entitle the Customer to claim a credit or reimbursement for the water system facilities so constructed.

ARTICLE 5. OTHER CHARGES, FEES AND DEPOSITS

- 5.1 Security Deposit for Service. TRIGID may require a security deposit in the amount of Five Hundred Dollars (\$500.00) or one-year's total estimated rates (whichever is less) from all new Customers or applicants, from Customers whose accounts are delinquent on more than one occasion (i.e., two monthly payments overdue) in any one (1) year period, or in situations where TRIGID has cause to believe that a deposit is required to ensure payment of bills. Upon discontinuance of service, any deposit held by TRIGID will be applied to the final billing with any deposit amount refunded to the Customer. By posting a deposit, the Customer agrees that the deposit is a pledge to make future payments to TRIGID and not payments for future services that are furnished by TRIGID.

Any application for service will not be granted unless full payment has been made for water or sewer services previously rendered to the applicant or Customer by TRIGID, if any. Failure on the part of the Customer to make a deposit within fifteen (15) days after written notice by TRIGID that such deposit be made or service may be discontinued, shall warrant TRIGID in discontinuing the service to the Customer. TRIGID may waive the security deposit requirement, in its sole discretion, or accept alternate security.

- 5.2 Charges for Disconnection, Reconnection, Account Transfer and Special Reading. If service is discontinued whether at the request of the Customer or initiated by TRIGID for reasons other than those specified in Article 5.10, the Customer shall pay a processing charge of fifteen (\$15.00) for disconnection and another fifteen dollars (\$15.00) for reconnection. If the Customer requests an account transfer or special meter reading, a processing charge of fifteen dollars (\$15.00) shall be charged. Customers must give 24 hours or previous working day's notice for disconnection, re-connection or special reading.
- 5.3 Installation Fee: The installation fee shall be charged to cover the cost of materials and labor for installing the water service. This fee shall be based on the service size and shall be in the amount shown. The installation fee includes tapping of the main, installation of the service line from the main to the meter, the meter, and the meter box, in accordance with the following table:

<u>Service Size</u>	<u>Installation Fee</u>
3/4" or smaller	\$ 750
1"	\$ 795

1 1/2"	\$ 975
2"	\$1,290
Over 2"	Actual Cost, or \$1,300, whichever is greater

In the alternative, if all materials and labor are supplied, the installation fee includes setting of meter in a TRIGID approved installation, in accordance with the following table:

<u>Service Size</u>	<u>Installation Fee</u>
3/4" or smaller	\$ 80.00
1"	\$ 90.00
1 1/2"	\$130.00
Over 2"	Actual Cost

TRIGID personnel or agents will do all service connection installations, unless TRIGID approves another means of installation.

- 5.4 Water Plan Checking and Inspection Fee. Any applicant, Customer or a Developer requiring approval of plans by TRIGID, a Will Serve letter, or desiring plan checking shall pay to TRIGID a \$500 plan review fee and a \$1000 inspection fee at the time of the Will Serve application.
- 5.5 Relocation of Service Connection. An existing service connection may be relocated, if the new service is of like size and will provide a water supply to the same parcel of property, upon application and payment of an installation fee by the Customer.
- 5.6 Increase in Size of Service Connections. Enlargement of a service connection to the same property, requiring abandonment of the existing connection and installation of a complete replacement connection of increased size shall be treated as a new service connection and shall be charged accordingly. The fees to be paid by the Customer upon application for increase in size of service connection shall be the installation fee for the size of the larger service being installed and a connection charge which shall be determined by subtracting the connection charge for the size of service being abandoned from the connection charge for the size of service being installed, if any.
- 5.7 TRIGID Fire Hydrants Fire Fighting Use. There shall be no charges to governmental agencies for water available through TRIGID fire hydrants for use in fire suppression.
- 5.8 Private Use of TRIGID Fire Hydrants. Connections to TRIGID fire hydrants are prohibited unless a water service application is submitted to and approved by TRIGID. The applicant shall pay fees as specified in Article 4.6. Applicants for connections to fire hydrants shall designate the period of time and purposes for which water is to be used. TRIGID shall designate the fire hydrant that the applicant may use. Use of any other fire hydrant by the applicant other than the designated hydrant may result in an additional charge of one hundred dollars (\$100.00) for each occurrence, and removal of Customer's or TRIGID's equipment, if any. TRIGID may discontinue the supply and remove its equipment at the expiration of the period so designated or if the supply is used for any purpose other than designated by the applicant. The supply is subject to limitations as to rate of flow and time of use. TRIGID will install all equipment necessary for the connection, unless TRIGID approves other arrangements, and no water will be used until such equipment is installed. In the event that a connection is made to a fire hydrant without authority to do so, the user shall be required to pay an additional charge of One Hundred (\$100.00) for each day of use prior to issuance of the permit.
- 5.9 Public Agencies Exempted from Deposit Requirements. In lieu of cash deposits or sureties, purchase orders will be accepted from public agencies.

- 5.10 Discontinuance Charge. If service is discontinued for non-payment of water bills or other violations of these Rules, the Customer shall pay a turn-off charge according to the schedule below. Before service is restored, all accrued water charges must be paid, in addition to a turn-on charge in an amount equal to the charge for turn-off according to the schedule below. If a Customer has had twelve (12) consecutive months without being disconnected for non-payment of bills or other violations, the discontinuance charge shall revert to the first occurrence charge according to the schedule below.

<u>Occurrence of Discontinuance of Service</u>	<u>Turn Off And Turn On Charges</u>
First	\$ 50.00
Second	\$100.00
Third	\$200.00
Fourth and beyond	\$300.00

Should the Customer reactivate the service without the consent of TRIGID, an additional charge of five hundred dollars (\$500.00) will be made for each such occurrence. Service will be considered to have been disconnected when an employee of TRIGID has been dispatched for that purpose. Termination of water service shall be in accordance with Article 11.

- 5.11 Fee for Turn-off at Main. Should it become necessary in order to enforce discontinuance of service. To shut off the service at the main, a charge equal to the cost of labor, equipment and materials will be made, but not less than \$250.00.
- 5.12 Delinquent Accounts. In addition to other provisions of these Rules, there will be a charge for late payment. If payment is not received before it becomes delinquent, a late penalty processing fee and a penalty on the outstanding balance will be charged in accordance with Article 7.3 and the service may be discontinued according to the procedure outlined in Article 11.
- 5.13 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, TRIGID shall notify the Customer of the unauthorized use. Failure to discontinue unauthorized use will be cause for discontinuance of service. The Customer shall be charged for the water consumed through the unauthorized use, as TRIGID may deem appropriate, consistent with established rates, and in addition Customer shall pay a charge of one hundred dollars (\$100.00) per occurrence.
- 5.14 Damage to TRIGID Property. Persons causing damage to TRIGID property by any willful or negligent act shall be responsible for payment of all costs incurred. Customers or their contractors, agents and representatives causing damage to TRIGID property shall be strictly liable for payment of all costs caused by such damage.
- 5.15 Charges for Meter Testing. TRIGID will shop-test, preferably in the presence of the Customer, a meter of a size two-inches (2") or smaller, at the request of a Customer and payment of a twenty-dollar (\$20) fee. If the meter, upon testing, registers no greater than two percent (2%) over the true quantity, the fee shall be forfeited, and all water bills shall be paid as presented. However, if the meter registers more than two percent (2%) of the true quantity, the fee shall be returned, and the amount overcharged during the prior six months, or such portion of the six month period as the Customer has been responsible for water bills, will be credited to the Customer and another meter substituted for the inaccurate meter. The same procedure shall apply to meters larger than two inches (2"), except that the meter shall be field-tested.
- 5.16 Photocopy Charges. The charge for making photocopies on TRIGID copying equipment shall be \$.25 per copy.
- 5.17 Reimbursement for District Costs Benefitting Individuals or Entities. The District shall seek reimbursement from those individuals or private companies for outside contract services, including

but not limited to legal and engineering services, that are incurred by the District in relation to proposed new development or special projects that are deemed to benefit individual persons or entities, rather than the District customers at large. The reimbursements collected from individual persons or entities shall be limited to the actual time and materials and unit rate costs incurred by the District related to proposed new development or special projects that are deemed, in the District's discretion, to benefit individual persons or entities, rather than the District's customers at large.

ARTICLE 6. BASIS FOR BILLING

- 6.1 Monthly Billing. All services shall be billed on the basis of monthly rates specified in Article 4.1.
- 6.2 Meter Readings. Customers are responsible for payment of all water recorded as having passed through a meter regardless of whether the water was put to beneficial use.
- 6.3 Owner Responsibility. The Owner shall be ultimately responsible for payment of water bills and fees for its property in the case of nonpayment by a tenant or other occupant.

ARTICLE 7. TIME AND MANNER OF PAYMENT

- 7.1 Issuance of Bills. TRIGID shall read the water meters in the service area monthly, and as soon thereafter as practicable, issue a bill for each service in accordance with these Rules. TRIGID shall send out bills for water used and for which no payment has been received and shall use the rates and charges established by these Rules to determine the amount.
- 7.2 Bills Due When Presented. Upon presentation, all bills shall be due and payable at the operating office of TRIGID or as specified in the bills.
- 7.3 Delinquent Accounts. Accounts not paid in accordance with Article 5.12 are delinquent and shall be charged a late fee of 1.5 percent per month of the outstanding balance plus a basic penalty fee of ten percent (10%) of the delinquent monthly billing.
- 7.4 Discontinuance of Service. TRIGID may discontinue service to a Customer having a delinquent bill as specified in Article 11.2.
- 7.5 Represents Lien on Property. Until paid, all rates and charges provided in these Rules which are delinquent constitute a perpetual lien on and against the property served and may be foreclosed upon as provided by law.
- 7.6 Proration of Service Charges; Minimum Bill. If any opening or closing bill is for a period shorter than the regular billing period, the base rate charge for service shall be reduced in the same proportion as the actual period of use is reduced from the regular billing period.
- 7.7 Failure to Receive a Bill. Failure to receive a bill does not relieve the Customer of the obligation to pay for services received.
- 7.8 Checks Not Honored by Bank. Checks presented in payment to TRIGID which are returned by a bank shall be treated as though no payment had been made and a fifty-dollar (\$50.00) handling charge will be levied by TRIGID plus any additional charges of the bank. Payment in lieu of returned checks may be required to be by cash or equivalent. The Customer must reimburse TRIGID for any returned check fees charged by a bank to TRIGID.

- 7.9 Multiple Water Bills. For the purpose of computing charges, each meter will be considered separately, and readings of multiple meters will not be combined, except where a battery of smaller meters has been installed in lieu of a larger one for TRIGID's convenience. In such cases, charges will be computed as if the water used has been measured through a single meter.
- 7.10 Estimated Bills and Non-operable Meters. If a meter cannot be read because of obstructions or other causes, an estimate shall be made of the quantity of water used, and a bill shall be issued for the estimated service. The next succeeding bill which is based upon actual meter readings will reflect the difference between prior estimates and actual consumption. If a meter is found to be non-operable, consumption shall be estimated and billed, considering all pertinent factors.
- 7.11 Billing Adjustments. Where billing adjustments are processed for inaccurate meter recordings or other usage adjustments, if the meter has:
- A. under-recorded the usage of water, the adjustment shall be only for the period of the most recent six (6) months of usage.
 - B. over-recorded the usage, the adjustment in the form of a credit shall be made only for the period of the most recent six (6) months of usage.
 - C. A Customer who, because of an adjustment to his bill, owes TRIGID money for service may pay that amount over a three (3) month period. TRIGID shall credit the Customer who was overcharged because of an inaccurate meter not later than thirty (30) days after the overcharge is determined.
- 7.12 Disputed Bills. In the case of a dispute between a Customer and TRIGID as to the correct amount of any bill rendered by TRIGID for water service furnished to the Customer, the Customer will deposit with TRIGID the amount claimed by TRIGID to be due. Failure on the part of the Customer to make such deposit within fifteen (15) days after written notice by TRIGID that such deposit be made or service may be discontinued, shall warrant TRIGID in discontinuing the service to the Customer without further notice. A billing dispute not resolved to the Customer's satisfaction is subject to the dispute resolution procedures as provided in Article 14.

ARTICLE 8. APPLICATION FOR SERVICE

- 8.1 Application. Each person applying for a new water service or changes in an existing service, will be required to sign appropriate application forms provided by TRIGID and to pay all required fees and charges. The application form shall include an agreement to abide by all TRIGID rules and regulations and shall require furnishing such information as TRIGID may reasonably require. Each applicant shall describe the type of development proposed for the property.
- 8.2 Existing Service Connection. Applicants for service through existing service connections shall nevertheless provide required information on application forms provided by TRIGID.
- 8.3 New Service. The applicant shall provide any and all information which will assist TRIGID in properly sizing and locating a service lateral and meter, including a description of the development, the use of water and plumbing plans of the private facilities, if required. Applications shall be accompanied by payment of the service connection installation fee, plus the connection charge, unless deferred.
- 8.4 Correct Information. In the event that an applicant provides incorrect information as to the size and location of a service connection or requests a change in the size or location after work has commenced, the applicant shall pay any costs incurred by reason of such corrections and changes.

- 8.5 Rejection of Application. Applications for service through existing or new service connections accompanied by all required fees and charges may nevertheless be rejected if:
- A. The account of the applicant or any other person (e.g., prior Customer, tenant, owner) at the same service location, or the applicant at another location, is delinquent.
 - B. The purpose of the applicant, in the opinion of TRIGID, is to circumvent discontinuance of service in another name because of nonpayment of water bills.
- 8.6 Service Outside Service Area Boundary. Only property within the service area boundary is eligible for water service from TRIGID. Property outside the service area must be annexed into the service area before application can be made for water service to the property. Applicant shall pay all costs associated with annexation of property into the service area. The Board may deny any annexation request, in its sole discretion, and the Board shall not approve any annexation that conflicts with existing County Master Plans and/or existing Development Agreements for the TRIGID Service Area. The Board may annex, in its sole discretion, any property for wholesale service, and any nonresidential property for retail service.

ARTICLE 9. SERVICE CONNECTIONS

- 9.1 Size and Water Supply. TRIGID reserves the right to determine the size of the service connection to be installed, giving consideration to the needs of the applicant and the capacity of the main to which the service is to be connected. No service connection shall be approved of a size larger than can be supplied by the main without adversely affecting service to other Customers. In the event an existing main is determined to be inadequate to meet the requirements of an applicant and a main extension will provide for those requirements, provisions of these Rules applying to main extensions will be followed. Whenever two mains are available from which service can be provided, TRIGID shall, at its option, determine the main to which the service connection will be made.
- 9.2 Location. Service connections shall be installed at right angles to a main and the point of connection shall not be within a street intersection. The curb stop or meter box location shall normally be within the off-site right-of-way or easement adjacent to existing or proposed curb line. In alleys or easements, curb-stops or meter boxes shall be located at a point as close as practicable to the property line near which the main is located. All curb-stops and meter boxes shall be located outside of driveways and other areas where access by TRIGID employees or representatives for operation and maintenance may be restricted.
- 9.3 Composition. A standard service connection shall be comprised of a service lateral from the point of connection to the main, to and including meter box or battery thereof. The meter box shall contain a meter riser with integral curb stop and check valve, and a meter.
- 9.4 Ownership. Service connections, including laterals, to and including curb stops, meter boxes, and other appurtenances, shall upon completion be and remain the property of TRIGID and TRIGID shall be responsible for the maintenance and repair of such facilities, subject to any agreements covering the installation of such facilities. All pipe and fittings on the Customer's side of the curb stop and/or meter box shall be installed by and maintained by the Customer or Customer.
- 9.5 Private Fire Service. Private fire service shall be restricted to standby for emergency fire protection. TRIGID may require installation of an approved detector check valve.
- 9.6 Combined Service. Combined service shall be allowed only when so approved by TRIGID.
- 9.7 Temporary Service. TRIGID may authorize a temporary service connection when the applicant's property is not adjacent to a water main. As a condition to installation of temporary service, the applicant is required to provide assurance satisfactory to TRIGID of the prompt installation of the necessary main extension.

- 9.8 Emergency Service. Emergency service may be authorized for limited periods of time when the usual source of supply fails or is declared to be potentially harmful, or in other circumstances that endanger health or property. Connections may be provided, at the discretion of TRIGID, to any available outlet from TRIGID facilities.
- 9.9 Non-Standard Service. Non-standard service may be authorized when, in the opinion of TRIGID, a main extension will not be necessary for orderly development of the system, fire protection, service to other property or other reasons. Non-standard service laterals from curb stop of meter box to the Customer shall normally not be located within an off-site right-of-way. A copy of the recorded easement grant over private property for a service lateral shall be provided to TRIGID's satisfaction.
- 9.10 Separate Service to Each Separate Ownership. Each living unit or nonresidential service under separate ownership must be provided with a separate service connection, unless TRIGID approves a different connection. Two or more Customers under one ownership and on the same lot or parcel of land may be supplied through the same service connection; provided that for each Customer an additional monthly base rate will be applied to the single service serving said Customer, or a separate service connection may be provided for each building and each charged as a separate service. TRIGID reserves the right to limit the number of parcels or the area of land under one ownership to be supplied by one service connection. Not more than one service connection for domestic or commercial supply shall be installed for one building (other than multi-tenant buildings), except under special conditions. A service connection shall not be used to supply other property of a different owner or to supply property of the same owner across a street or alley. When property provided with a service connection is divided, each service connection shall be considered as belonging to the lot or parcel of land which it directly enters.
- 9.11 Installation of TRIGID Facilities by a Developer. Subject to the provisions of applicable sections of these Rules, the following shall apply to the installation of all facilities by a developer which are to be owned and operated by TRIGID.
- A. The developer shall pay to TRIGID prior to the approval of any installation all applicable fees and charges.
 - B. Plans and specifications for the water system improvements to be constructed by the developer shall be prepared by a Nevada Professional Engineer retained by the developer and shall be approved by TRIGID and the Storey County Fire Department (or its designee) before construction is started.
 - C. All TRIGID water facilities shall be located within easements or rights-of-way. Water meter boxes shall be located outside of travel lanes and driveways and shall be protected from vehicular traffic, as determined by TRIGID.
 - D. TRIGID shall have inspected and approved the installation of the water service facilities before service is provided (other than water for construction purposes).
 - E. Prior to installation, fire hydrants to be connected to a TRIGID main shall be approved by the fire department having jurisdiction.
- 9.12 Installation By TRIGID. Unless otherwise approved by TRIGID, service connections shall be installed by TRIGID. When warranted by circumstances, TRIGID may permit installation of the service connections by independent contractors. In such event, TRIGID specifications must be adhered to and tapping of a main will be permitted only in the presence of a representative of TRIGID.
- 9.13 Cross-Connections. No connections shall be permitted between TRIGID water supply system and; 1) any sewer or drainage system; 2) any steam, gas, or chemical line, pipe or conduit; 3) any device, boiler, tank or container whereby any contamination or pollution or any dangerous, impure, unsanitary, or unpotable substance may be introduced into any portion of TRIGID's water supply system by backflow, back -

siphonage, or any other method; and 4) any premises where a water supply system other than TRIGID's exists, unless approved by TRIGID. Any connection where possibility of contamination or pollution exists shall be equipped and tested as outlined in Article 12.

- 9.14 Service Connection Restrictions. TRIGID reserves the right to prohibit connections to certain mains when, in its opinion, such connections may impair the integrity of such mains or when the location of such connection would not be conducive to orderly development and planning of the distribution system. In such conditions, consideration will be given to main extension or alternate means of supply.
- 9.15 Relief Valves. As a protection to the Customer's plumbing system, a suitable pressure relief valve must be installed and maintained by the Customer, at its expense, when check valves or other protective devices are used. The relief valve shall be installed between the check valves and any water heater.
- 9.16 Back Flow Device. Whenever back flow protection has been found necessary on a water supply line entering a Customer's premises, then any and all water supply lines from TRIGID's mains entering such premises, buildings or structures shall be protected by an approved back flow device, regardless of the use of the additional water supply lines. Approved back flow protection devices shall be inspected and tested annually in accordance with Article 12. The devices shall be serviced, overhauled, or replaced whenever they are found defective and all costs of repair and maintenance shall be borne by the Customer. The service of water to any premises may be immediately discontinued by TRIGID if any defect is found in the backflow prevention installation or other protective devices, or if it is found that dangerous unprotected cross-connections exist. Service will not be restored until such defects are corrected.

ARTICLE 10. MAIN EXTENSION

10.1 General Conditions.

- A. Construction Plans. A person proposing an extension to TRIGID distribution system to provide a water supply to a parcel of property shall submit detailed water plans. Such plans shall indicate the size and location (horizontal and vertical) of water mains and other facilities, including all service laterals and fire hydrants. In addition, water plans shall designate boundaries of the applicant's property which will be served by the proposed extension. Water system improvements shall be designed by a professional engineer licensed in Nevada.

TRIGID will review the water plan and return written comments to the applicant indicating any necessary revisions. The applicant shall prepare and submit to TRIGID final plans of the water improvements with all comments addressed to the satisfaction of TRIGID. Upon execution of the appropriate agreement by the applicant; payment of applicable charges, fees and deposits; approval of other appropriate governmental agencies, and a preconstruction conference with TRIGID, TRIGID will give the applicant permission to start construction. No water related construction will be started before permission is granted by TRIGID.

- B. Time Limitation. Approval by TRIGID for any main extension shall be valid for a limited time as will any related commitment of existing capacity in a particular main. In the event that construction of the mains covered by any approved plan is not started within one (1) year from the date of approval, the project shall be deemed to have been abandoned, and any subsequent proposal for reactivation shall be treated as a new project. The same shall apply when active construction work within a property is commenced and then discontinued for a period of six (6) months.
- C. Compliance with Specifications. All main extensions, service connections, and appurtenances shall be constructed to conform with TRIGID specifications. Mains shall be sterilized to the satisfaction of TRIGID and activation of the mains for domestic use shall not be permitted until

authorized by TRIGID. Connections to existing mains shall be made only in the presence of a representative of TRIGID and at times specified by TRIGID. Shutting down of mains for the purpose of making connections will not be permitted when wet taps are feasible. Mains will be shut down only with the specific approval of TRIGID.

- D. Guarantee. Materials and workmanship shall be guaranteed free of defect for a period of one (1) year from date of acceptance by TRIGID. Upon receipt of notice from TRIGID, the developer or Customer shall immediately cause any defect to be corrected or shall reimburse TRIGID for the cost of correction.
- E. Rights-of-Way. Water mains and appurtenances shall be located within off-site rights-of-way or within easement grants to TRIGID not less than 20 feet in width or as TRIGID may specify. All rights-of-way or easements shall be recorded prior to release of approved plans.
- F. Minimum Size of Main. The minimum size of any main to be constructed as a part of TRIGID's distribution system shall be six (6) inches in diameter; except in certain dead end locations where there are no fire hydrants and future extensions are not possible, TRIGID may allow mains four (4) inches in diameter.
- G. Fire Hydrants. Fire hydrant installations shall conform with design and location requirements of the governmental agency having jurisdiction.
- H. Commitment of Water Supply. Main extensions or other facilities constructed by persons for development of property shall not be considered as reserved for supply to those properties exclusively. Extensions of and connections to such mains for service to others shall be permitted when, in the opinion of TRIGID, such connections will not substantially affect supply to the original development or property.

10.2 Standard Main Extensions.

- A. General Conditions. Main extensions proposed for construction under provisions of this Article shall be subject to the general conditions as described in Article 10.1.
- B. Size of Mains. Proposed water main extensions to serve developments, both on-site and off-site, shall be of sufficient size to adequately provide a water supply for the development. TRIGID reserves the right to establish sizes of all mains and appurtenances.
- C. Responsibility for Cost. The cost of all main extensions to be constructed under Article 10.2, including service laterals, fire hydrants, and other appurtenances, shall be borne by the developer or Customer.
- D. Agreement and Payment of Fees. Prior to TRIGID's permission to start construction, the developer or Customer shall execute a standard form of a agreement with TRIGID and submit payment of all required fees, construction water charges, and other fees and deposits as required by these Rules.
- E. Construction by Private Contractor or Developer. Design and preparation of construction drawings shall be done by competent registered professional engineer selected by the applicant. Construction work shall be performed by an experienced, properly licensed and competent person or firm selected by the applicant. In certain circumstances when, in the opinion of TRIGID, the extent of work to be performed is minor and can be accomplished efficiently and economically by TRIGID employees or representatives, TRIGID may elect to perform the work and the applicant shall deposit an amount equivalent to the estimated cost. Upon completion of construction, the differential between estimated and actual costs will be billed or refunded.

- F. Completion. Upon completion of the work, the applicant's engineer shall certify that the work was completed according to the plans and specifications, except in the case of work completed by TRIGID. Water service will not be activated until the engineer's certification is submitted to TRIGID and TRIGID accepts the construction.

10.3 Oversized Main Extensions.

- A. General Conditions. Main extensions proposed for construction under provisions of this Article shall be subject to the general conditions described in Article 10.1.
- B. Applicability. For the purpose of this Article, an oversized main is described as a main larger than eight inches (8") and which, in addition to providing an adequate water supply to the proposed development, is required to be of a size which will be capable of meeting future demands for parcels other than Customer's on the distribution system and provide for orderly development of that system. TRIGID reserves the right to determine what constitutes an oversized main.
- C. Location of Mains. Oversized mains may be off-site (outside the boundaries of a development) or traverse the interior area or combination thereof.
- D. Identification of Mains. TRIGID shall indicate and identify on water plans submitted for a proposed development both the standard and oversized diameters of pipelines to be constructed.
- E. Approval by TRIGID Required. Proposals for oversizing of water mains shall be submitted to TRIGID for review and approval. Water plans, conforming with TRIGID's directive, shall then be approved and TRIGID shall enter into an agreement with the developer or Customer, providing for TRIGID's participation in construction costs as hereinafter set forth.
- F. Participation in Cost. Participation by TRIGID for the oversizing of a main extension shall be based on the difference in actual cost of pipe, fittings, and valves between the size required for the main extensions and the size required for oversizing, and shall not include trenching and backfilling. The cost difference shall be established by a certified price list from the supplier. Prices quoted on the list shall be the actual prices charged to the buyer. Hydrants installed by the developer on off-site lines shall not be considered as oversizing.
- G. Alternate Method of Payment. TRIGID may, in lieu of a lump sum payment of TRIGID's portion of the construction costs, arrange with the developer or Customer for an alternate method of payment from future hook-ups for a period of ten (10) years.

ARTICLE 11. TERMINATION OF SERVICES

- 11.1 Customer Request for Termination of Service. A Customer may have service terminated by giving not less than five (5) business days advance notice thereof to TRIGID, and provide a mailing address to which the closing bill will be mailed. Charges for service may be required to be paid until the requested date of discontinuance or such later date as will provide not less than the required five (5) business days advance notice. When such notice is not given, the Customer will be required to pay for service until five (5) business days after TRIGID has knowledge that the Customer has vacated the premises or otherwise has terminated service. Failure to notify TRIGID of termination of service shall not relieve the Customer or property owner (if other than the Customer) of responsibility for payment of water bills.
- 11.2 Termination of Service by TRIGID.

- A. For Nonpayment of Bills. A Customer's service may be discontinued for nonpayment of a bill for service furnished if the bill is delinquent, provided TRIGID has given the Customer at least five (5) days prior notice of its intention to discontinue service.

Premises to which charges have become delinquent may be disconnected from the water system. TRIGID shall charge the cost of disconnection of such premises and the cost of reconnection thereto, as provided in Article 5.2, plus the discontinuance charge in Article 5.11, before such premises are reconnected to the water system.

- B. For Noncompliance with Rules. TRIGID may discontinue service to any Customer for violation of these Rules after it has given the Customer at least five (5) days written notice of such intention. Where safety of water supply is endangered, or other emergency circumstances exist, service may be discontinued or curtailed immediately without notice.
- C. For Inter-Connections, Cross-Connections, or Illegal Connections. Where nonemergency inter-connection, cross-connection, or illegal connection on or from a Customer's premises occurs, TRIGID may discontinue service and/or make such corrections as may be indicated at Customer's expense, if such practices are not remedied within five (5) days after it has given the Customer written notice to such effect.
- D. For Unsafe Apparatus or Where Service is Detrimental or Damaging to TRIGID or its Customers. If any unsafe or hazardous condition is found to exist on the Customer's premises, or if any apparatus or illegal or prohibited connections, equipment or otherwise, is found to be detrimental or damaging to TRIGID or its Customers, the service may be discontinued without notice. TRIGID will notify the Customer immediately of the reasons for the discontinuance and the corrective action to be taken by the Customer before service can be restored.
- E. For Fraudulent Use of Services. When TRIGID has discovered that a Customer has obtained service by fraudulent means, or has altered the water service for unauthorized use, the service to that Customer may be discontinued without notice. TRIGID may not restore service to such Customer until that Customer has complied with all policies, rules and reasonable requirements of TRIGID and TRIGID has been reimbursed for the full amount of the service rendered and the actual cost that TRIGID incurred by reason of the fraudulent use.

11.3 Restoration of Service.

- A. To Be Made During Regular Working Hours. TRIGID will endeavor to make reconnections during regular working hours on the day of the request, if conditions permit; otherwise, reconnection will be made on the regular working day following the day the request is made.
- B. To Be Made at Other Than Regular Working Hours. When a Customer has requested that the reconnection be made at other than regular working hours, TRIGID will reasonably endeavor to do so, unless an emergency exists. Disconnections or reconnections requested by the Customer at other than regular working hours may result in the requirement of payment of additional TRIGID costs in addition to the charges for disconnection and reconnection as outlined in Article 5.2.

11.4 Refusal to Serve.

- A. Conditions for Refusal. In addition to the provisions of Article 8.5, TRIGID may refuse an applicant for service under the following conditions:
1. If the applicant for service is not within the boundaries of TRIGID.

2. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing Customers.
 3. If the applicant fails to comply with these Rules or other rules as approved by the Board.
 4. If, in the judgment of TRIGID, the applicant's installation for utilizing the service is unsafe or hazardous or subject to freezing, or flooding, or of such nature that satisfactory service cannot be rendered.
 5. Where service has been discontinued for fraudulent use, TRIGID may elect not to serve an applicant until it has determined that all conditions of fraudulent use or practice have been corrected.
 6. If the applicant for service is for a residential use.
- B. Notification to Customers. When an applicant is refused service under the provisions of this Article, TRIGID will notify the applicant promptly, by procedures specified in Article 3.12, of the reason for the refusal to serve and of the right of the applicant to appeal TRIGID's decision to the Board. Whenever termination of water service will affect more than one Customer, TRIGID will make reasonable effort to give notice to all Customers.

ARTICLE 12. CROSS CONNECTION CONTROL

12.1 Purpose

- A. Protect the TRI-GID potable water system from contamination or pollution by preventing contaminants and pollutants within the water systems of customers from entering the TRI-GID water system;
- B. Eliminate existing connections between drinking water systems and other sources of water that are not approved as safe and potable for human consumption;
- C. Eliminate cross-connections between drinking water systems and sources of contamination;
- D. Prevent the creation of cross-connections in the future.

12.2 Definitions

- A. Air-Gap Separation (AG). "Air gap separation" means a physical break between a supply pipe and a receiving vessel. The air-gap shall be at least double the diameter of the supply pipe measured vertically above the top rim of the vessel, but in no case less than one inch (1").
- B. Approved Backflow Prevention Assembly. "Approved Backflow Prevention Assembly" refers to an assembly that has been manufactured in full conformance with the standards established by the American Water Works Association (AWWA C506, 'Current Revision' Standards for Reduced Pressure Principle and Double Check Valve Backflow Prevention Devices); and has passed laboratory and field evaluation tests performed by a recognized testing organization which has demonstrated their competency to perform such test to the TRI-GID Public Works Department.

- C. Approved Water Supply. “Approved Water Supply” means any water supply whose potability is regulated by a state or local health agency.
- D. Auxiliary Supply. “Auxiliary Supply” means any water supply on or available to the premises other than the approved water supply.
- E. AWWA Standard. “AWWA Standard” means an official standard developed and approved by the American Water Works Association (AWWA).
- F. Backflow. “Backflow” means a flow condition, caused by a differential in pressure that causes the flows of water or other liquids, gases, mixtures or substances into the distributing pipes of a potable supply of water from any source or sources other than an approved water supply source. Back siphonage is one cause of backflow. Backpressure is the other cause.
- G. Contamination. “Contamination” means a degradation of the quality of the potable water by any foreign substance which creates a hazard to the public health, or which may impair the usefulness or quality of the water.
- H. Cross-Connections. “Cross-Connections” as used in this chapter means any unprotected actual or potential connection between a potable water system used to supply water for drinking purposes and any source or system containing unapproved water or substances that is not or cannot be approved as safe, wholesome and potable. By-pass arrangements, jumper connections, removable sections, swivel or changeover assemblies, or other assemblies through which backflow could occur, shall be considered cross-connections.
- I. Double Check Valve Assembly, (DC). “Double check valve assembly” means an approved backflow prevention assembly of two (2) internally loaded, independently acting check valves, including resilient seated shut-off valves on each end of the assembly and test cocks for testing the water-tightness of each check valve.
- J. Person. “Person” means any individual, corporation, company, association, partnership, municipality, public utility, or other public body or institution.
- K. Premises. “Premises” means any and all areas on a water user’s property which are served or have the potential to be served by the public water system.
- L. Public Water System. “Public Water System” means a system for the provision of piped water to the public for human consumption that has fifteen (15) or more service connections or regularly serves an average of twenty-five (25) individuals daily at least sixty (60) days out of the year.
- M. Non Potable Water. “Non Potable Water” means a wastewater, which, as a result of treatment, is suitable for uses other than potable use.
- N. Reduced Pressure Principle Backflow Prevention Assembly. “Reduced pressure principle backflow prevention assembly” (RP) means an approved backflow prevention assembly incorporating two (2) internally loaded check valves, including resilient seated shut-off valves on each end of the assembly, and equipped with necessary test cocks for testing the assembly.
- O. Service Connection. “Service Connection” refers to the point of connection of a user’s piping to the water supplier’s facilities.

P. Water Supplier. "Water Supplier" means the person who owns or operates an approved water supply system.

Q. Water User. "Water User" means any person obtaining water from an approved water supply system.

12.3 Cross-connection protection requirements

A. General Provisions

1. Unprotected cross-connections with the public water supply are prohibited. Nevada Administrative Code 445, Section 408 requires the State Health Officer's written approval to interconnect water supplies.
2. Whenever backflow protection has been found necessary, TRI-GID will require the water user to install an approved backflow prevention assembly by and at the user's expense for continued services or before new service will be granted. For new water meter sets, the required backflow assembly shall be installed, inspected, approved and certified test results provided to TRI-GID within; five (5) days of meter set, unless the TRI-GID District Manager or designee approves otherwise. The service will be locked off if inspections and certifications are not completed as specified above.
3. Wherever backflow protection has been found necessary on a water supply line entering a water user's premises, any and all water supply lines from TRI-GID mains entering such premises, buildings, or structures shall be protected by an approved backflow prevention assembly. The type of assembly to be installed will be in accordance with the requirements of this chapter.

B. Where Protection is Required.

1. Each service connection from the TRI-GID water system for supplying water to premises having an auxiliary water supply shall be protected against backflow of water from the premises into the public water system unless the auxiliary water supply is an approved water supply. NAC 445, Section 408 requires the State Health Officer's written approval to interconnect water supplies.
2. Each service connection from the TRI-GID water system for supplying water to premises on which any substance is handled in such fashion as may allow its entry into the water system shall be protected against backflow of the water from the premises into the public system. This shall include the handling of process waters and waters originating from the TRI-GID water system which have been subjected to deterioration of sanitary quality.
3. Backflow prevention assemblies shall be installed on the service connection to any premises having
 - a. Internal cross-connections that cannot be permanently corrected and controlled to the satisfaction of the TRI-GID or
 - b. Intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not cross-connections exist.

C. Type of Protection Required

1. The type of protection that shall be provided to prevent backflow into the approved water supply shall be commensurate with the degree of hazard that exists on the water user's premises. The type of protection assembly that shall be required (listing in an increasing level of protection) includes: atmospheric vacuum breaker (AVB), pressure vacuum breaker or spill resistant pressure vacuum breaker (PVB/SVB), double check valve assembly (DC), reduced pressure principle backflow prevention assembly (RP), and an air-gap separation (AG). The water user may choose a higher level of protection than required by the TRI-GID. The minimum types of backflow protection required to protect the approved water supply, at the user's water connection, are given in NAC 445A.6719 through NAC 445A.6721. Situations that are not covered in those sections of the NAC shall be evaluated on a case-by-case basis and the appropriate backflow protection shall be determined by TRI-GID.
2. When two (2) or more services supply water from different street mains to the same building, structure, or premises through which an inter-street main flow may occur, the premises shall have at least a DC on each water service to be located adjacent to and on the property side of the respective meters. Such protection shall not be considered adequate if backflow protection is deemed necessary to protect the mains from contamination; in such cases the installation of approved backflow assemblies at such service connections shall be required.

12.4 Backflow Prevention Assemblies

A. Approved Backflow Prevention Assemblies.

1. Only backflow prevention assemblies which have been approved by the University of Southern California Foundation for Cross-Connection Control and Hydraulic Research shall be acceptable for installation by a water user connected to TRI-GID's potable water system.
2. TRI-GID will provide upon request, to any affected user, a list of approved backflow prevention assemblies.

B. Backflow Prevention Assembly Installation

1. Backflow prevention assemblies shall be installed in a manner prescribed in the Standards and Details adopted by TRI-GID. Location of the assemblies shall be as close as practical to the user's service connection. TRI-GID shall have the final authority in determining the required location of a backflow prevention assembly.
 - a. Air-Gap Separation (AG). The air-gap separation shall be located on the user's side of and as close to the service connection as is practical. All piping from the service connection to the receiving vessel shall be above grade and be entirely visible. NO water use shall be provided from any point between the service connection and the air-gap separation. The water inlet piping shall terminate a distance of at least two pipe diameters of the supply inlet, but in no case less than one inch above the overflow rim of the receiving tank.
 - b. Reduced Pressure Principle Backflow Prevention Assembly (RP). The approved reduced pressure principle assembly shall be installed on the user's side of and as close to the service connection as is practical. The assembly shall be installed a minimum of twelve inches above grade and not more than thirty-six inches above grade, measured from the bottom of the assembly, and with a minimum of twelve inches side clearance. The assembly shall be installed so that it is readily accessible for maintenance and testing. Water supplied from any point between the service connection and the RP assembly shall be protected in a manner approved by TRI-GID.

- c. Double Check Valve Assembly (DC). The approved double check valve assembly shall be installed on the user's side of and as close to the service connection as is practical. The DC shall be installed above grade, if possible, and in a manner where it is readily accessible for testing and maintenance. If a double check valve assembly is put below grade it must be installed in a vault such that there is a minimum of twelve inches between the bottom of the vault and the bottom of the assembly, so that the top of the assembly is a maximum of twenty inches below grade and a maximum of thirty inches below grade, so there is a minimum of twenty-four inches of clearance between the side of the assembly with the test cocks and the side of the vault, and so there is a minimum of twelve inches clearance between the other side of the assembly and the side of the vault. Special consideration must be given to double check valve assemblies of the "Y" type. These assemblies must be installed so that either check valve may be removed for service and testing can be completed without removing the assembly. Vaults that do not have an integrated bottom must be placed on a three-inch layer of gravel.
- d. Pressure Vacuum Breaker Assembly/Spill Resistant Pressure Vacuum Breaker (PVB/SVB). The approved PVB/SVB shall be installed 12" above the downstream piping and sprinkler heads. The assembly shall not be subject to any backpressure from injection systems, compressed air, pumps, or other means.
- e. Atmospheric Vacuum Breaker (AVB). The use of the AVB for service protection is prohibited.

C. Backflow Prevention Assembly Testing and Maintenance.

- 1. The owner of any premises on which, or on account of which, backflow prevention assemblies are installed, shall have the assemblies tested by a person who is certified as a Backflow Prevention Assembly Tester by the CA/NV AWWA. Backflow prevention assemblies must be tested at least annually and immediately after installation, relocation or repair. TRI-GID may require a more frequent testing schedule if it is determined to be necessary. No assembly shall be placed back in service unless it is functioning as required. A report on the TRI-GID applied form must be filed with TRI-GID each time an assembly is tested, relocated or repaired. These assemblies shall be serviced, overhauled or replaced, whenever they are found to be defective and all costs of testing, repair, and maintenance shall be borne by the water user.
- 2. A successful, operational function test by a tester shall be completed and is due to TRI-GID within seven (7) days after the assembly is installed and water service is set and/or established.
- 3. Affected water users can obtain a list of qualified testers from the Nevada Health District. TRI-GID will notify affected customers by mail when periodic testing of an assembly is required.

D. Backflow Prevention Assembly Removals

- 1. Approvals must be obtained from TRI-GID before a backflow prevention assembly is removed, relocated, or replaced.
- 2. Removal: The use of an assembly may be discontinued and the assembly removed from service upon presentation of sufficient evidence to TRI-GID to verify that a hazard no longer exists or is not likely to be created in the future.
- 3. Relocation: An assembly may be relocated following confirmation by TRI-GID that the relocation will continue to provide the required protection and satisfy installation requirements. A retest will be required following the relocation of the assembly.

4. Repair: An assembly may be removed for repair, provided the water use is either discontinued until repair is completed and the assembly is tested and returned to service, or the service connection is equipped with other backflow protection approved by TRI-GID. A retest will be required following the repair of the assembly.
5. Replacement: An assembly may be removed and replaced provided the water use is discontinued until the replacement assembly is installed and tested. All replacement assemblies must be approved by TRI-GID and must be commensurate with the degree of hazard involved. A retest will be required following the replacement of the assembly.

12.5 Administrative Procedures

A. Water System Survey

1. TRI-GID will review all requests for new service to determine if backflow protection is needed. Plans and specifications must be submitted to the TRI-GID upon request for review of possible cross-connection hazards as a condition of service for new service connections. If it is determined that a backflow prevention assembly is necessary to protect the public water system, the required assembly must be installed before service will be granted.
2. TRI-GID may require an on-site inspection to evaluate cross-connection hazards. TRI-GID will transmit a written notice requesting an inspection appointment to each affected water user. Any water user who cannot provide for an on-premises inspection of premises piping systems shall be required to install the backflow prevention assembly or air-gap that TRI-GID considers necessary.
3. TRI-GID may, at its discretion, require a re-inspection for cross-connection hazards of any premises to which it serves water. The TRI-GID will transmit a written notice requesting an inspection appointment to each affected water user. Any water user who cannot provide for an on-premises inspection of premises piping systems shall be required to install the backflow prevention assembly or air-gap that TRI-GID considers necessary.

B. Tester Responsibilities and Testing Requirements

1. The TRI-GID approved test form shall be used for required backflow prevention assemblies. This form is available in electronic format.
2. All data on the test form must be legible and complete, otherwise the form will be returned to the tester for completion.
3. If the water meter number is not provided on the test form, the tester shall provide a copy of the water user's bill and attach it to the test form.
4. Any tester who conducts tests of backflow prevention assemblies which protect fire service connections shall also be a licensed fire system contractor or work under the direct supervision of a licensed fire system contractor per Nevada State Health.
5. TRI-GID retains the right to test a water user's backflow prevention assembly on a random basis as a quality control measure. Forty-eight hours advance notice will be given to the user.

6. TRI-GID may conduct periodic spot checks of a tester's work using the tester's gage. Also, TRI-GID may require that the tester perform the test in the presence of a TRI-GID representative.
7. The tester shall calibrate, at least annually, all test gauges per NAC 445A.67245. The calibration certification forms must be available at the TRI-GID's request.
8. Both backflow prevention assemblies on a Detector Check assembly shall be tested. Designate the test for the bypass assembly as such on the test form. Read the bypass meter and record it on the test form.

C. Customer Notification: Assembly Installation

1. TRI-GID will notify the water user of the survey findings, listing the corrective actions to be taken if any are required. A period of sixty days will be given to complete all corrective actions required, including installation and testing of approved backflow prevention assemblies or air-gap, unless a written extension is granted.
2. A second notice will be sent to each water user who does not take the required corrective actions prescribed in the first notice within the allowed sixty-day period. The second notice will give the water user a two-week period to take the required correction action. If no action is taken within the two-week period, the TRI-GID may terminate water service to the affected water user until the required corrective actions are taken.

D. Customer Notification: Testing and Maintenance

1. TRI-GID will notify each affected water user when it is time for the backflow prevention assembly, installed on their service connection, to be tested, or the air-gap to be inspected. This written notice shall give the water user thirty days to have the assembly tested or air-gap inspected, and supply the water user with the necessary form to be completed and resubmitted to the TRI-GID.
2. A second notice shall be sent to each water user who does not have the backflow prevention assembly tested or air-gap inspected as prescribed in the first notice within the thirty-day period allowed. The second notice will give the water user a two-week period to have the backflow prevention assembly tested or the air-gap inspected. If no action is taken within the two week period, the TRI-GID may terminate water service to the affected water user until the subject assembly is tested, or air-gap inspected.

12.6 Water Service Termination

A. General

1. When the TRI-GID encounters water users that represent a clear and immediate hazard to the water supply that cannot be immediately abated, the TRI-GID shall implement the procedure for discontinuing TRI-GID water service.

B. Basis for Termination

1. Conditions or water uses that create a basis for water service termination include, but are not limited to, the following items:
 - a) Refusal to install a required backflow prevention assembly or air-gap separation;

- b) Refusal to test a backflow prevention assembly or inspect an air-gap separation;
- c) Refusal to repair a faulty backflow prevention assembly;
- d) Refusal to replace a faulty backflow prevention assembly;
- e) Direct or indirect connection between the public water system and a sewer line;
- f) Unprotected direct or indirect connection between the public water system and equipment containing contamination;
- g) Unprotected direct or indirect connection between the public water system and an auxiliary water system;
- h) A situation that presents an immediate health hazard to the public water system.

C. Water Service Termination Procedures.

1. For conditions a, b, c, or d or subsection B, TRI-GID will terminate service to a customer's premises after two written notices have been sent specifying the corrective action needed and the time period in which it must be done. If no action is taken within the allotted time period water service may be terminated.
2. For conditions e, f, g, or h or subsection B, TRI-GID will take the following steps:
3. Make a reasonable effort to advise the water user of intent to terminate water service;
4. Terminate the water supply and lock the service valve. The water service will remain inactive until corrections of violations have been approved by TRI-GID.

12.7 Enforcement

The TRI-GID District Manager or his/her designee shall have the authority to enforce this policy.

It is unlawful for any person, firm, or corporation at any time to make or maintain or cause to be made or maintained, temporarily or permanently, for any period of time whatsoever, any cross-connection between plumbing pipes or water fixtures being served with water by TRI-GID water system and any other source of water supply or to maintain any sanitary fixture or other appurtenances or fixtures which, by reason of their construction, may cause or allow backflow of water or other substances into the water supply system of TRI-GID and/or the service of water pipes or fixtures of any customer of TRI-GID.

12.8 Severability

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this policy, or any part thereof, is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this policy or any part thereof.

ARTICLE 13. SERVICE AREAS

- 13.1 Intention. The intent of these Rules is to establish rules, regulations and rates for water service supplied hereunder only to areas allowed by TRIGID's service territory for retail service and for wholesale service. No other areas shall be served by TRIGID. Otherwise, TRIGID shall establish the service area, based on its ability to serve and as provided by law and these Rules.
- 13.2 Wholesale Service. TRIGID may enter into an agreement with a person who is a regulated public utility company, a governmental entity authorized by law to provide retail water service, or an accommodator under NRS 704.030 to provide wholesale water service to said person, provided said person provides retail water service outside TRIGID's retail service area in a manner allowed by law.

ARTICLE 14. DISPUTES, RELIEF, APPEALS, REVIEWS

- 14.1 Relief on Application. When any person by reasons of special circumstances is of the opinion that any provision of these Rules is unjust, inequitable or improper as applied to his premises, he may make written application to the Board stating the special circumstances, citing the provision complained of, and requesting suspension or modification of that provision as applied to his premises. If such application be approved, the Board may suspend or modify the provision complained of, as applied to such premises, to be effective as of the date of the application and continuing during the period of the special circumstances.
- 14.2 Relief on Own Motion. The Board may, on its own motion, find that by reason of special circumstances any provision of these Rules should be suspended or modified as applied to a particular premise and may order such suspension or modification for any such premises during the period of such special circumstances, or any part thereof.
- 14.3 Review by the Board. These Rules shall be reviewed by the Board on a periodic basis to ensure that the provisions of these Rules are kept up to date, and that the charges and fees set out in Articles 4 and 5 are adequate to meet the costs of operating the water facilities and recovering the cost of Capital Outlays.
- 14.4 Adjustment of Complaints. The Board shall have the power of discretion in the interpretation and application of these Rules, including adjustments or rebate of charges, if in the Board's opinion, the intent of the Rules would not be accomplished and an injustice would result by their strict application.
- 14.5 Ruling Final. All rulings of the Board shall be final, unless appealed in writing as provided in this Article within thirty (30) days.
- 14.6 Billing Disputes. Any dispute regarding the payment of any bill, charge or fee demanded by TRIGID is subject to relief and review as provided in this Article 14.
- 14.7 Right to Arbitration. Any request for relief made pursuant to Article 14.1 or other dispute arising from these Rules shall be subject to arbitration, and be decided by arbitration in accordance with the Rules of the American Arbitration Association currently in effect, unless the parties mutually agree otherwise. Notice of demand for arbitration shall be filed in writing with the Board and with the American Arbitration Association.
- 14.8 Limitation on Claim. A demand for arbitration shall be barred unless made within thirty (30) days after the ruling of the Board, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitations.
- 14.9 Claims and Timely Assertion of Claims. A party who files a notice of demand for arbitration must assert in the demand all claims then known to that party on which arbitration is permitted to be demanded. When a

party fails to include a claim through oversight, inadvertence or excusable neglect, or when a claim has not matured or been acquired subsequently, the arbitrator or arbitrators may permit amendment. Otherwise, all unasserted claims are barred.

- 14.10 Judgment on Final Award. The award rendered by the arbitrator or arbitrators shall be binding and final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

ARTICLE 15. WATER SERVICE AND WATER RESOURCES

- 15.1 Customer Provision of Water Rights. All water rights necessary for water service to a Customer will be dedicated to TRIGID by Customer, and water rights will be allocated by TRIGID to each of Customer's uses based on the submittal of building plans in sufficient detail to show the water quantities needed, based on dedication amounts established by TRIGID. If actual annual use of water by a Customer as verified by metering exceeds the amount of water rights provided to TRIGID by Customer for water service, Customer shall after notice by TRIGID either dedicate to TRIGID the additional water rights to make up the shortfall, or reduce its water consumption during the next year so as not to exceed in actual usage the amount dedicated. TRIGID reserves the right to discontinue water service to a Customer who by actual usage exceeds the amount of water rights dedicated, if the Customer has in the previous year also exceeded by actual usage the amount of water rights dedicated and after notice by TRIGID has failed to either reduce its water consumption or to dedicate additional water rights to make up the shortfall. In the event Customer uses less water on an annual basis than has been dedicated for Customer's use, Customer shall not be entitled to a refund or rebate of water rights or money for the extra water rights not used by Customer. All water rights dedicated to TRIGID or purchased from TRIGID for any Customer's use shall be the sole asset of TRIGID and Customer shall have no interest therein nor right to any claim of value or use for the unused excess amount of water rights so dedicated.
- 15.2 Will Serve Commitment. Upon provision of adequate water rights to TRIGID's satisfaction, approval of Customer's plans and specifications, and compliance with these Rules, TRIGID will issue to Customer a written will serve commitment for each development use of Customer. Unless Customer is required to build and dedicate water system facilities in accordance with Article 4.3 or Article 10, TRIGID agrees to cause the construction, at its sole cost and expense, of well improvements, water tanks, water lines and other water facilities deemed necessary by TRIGID in order to provide water service to Customer. TRIGID agrees to deliver water to Customer for Customer's beneficial purposes. Customer shall be obligated: (a) to use the water only on Customer's parcel for beneficial purposes not exceeding the amount of Customer's water rights utilizing conservation measures (and re-use of effluent) as may be required by TRIGID or the Nevada State Engineer; and (b) to use water conservation devices such as in-line aerators and flow restrictors, landscaping adapted to the desert environment, and best available water management practices. The use of any ground water or surface water (other than water provided by TRIGID) within the service area of TRIGID without TRIGID's consent is prohibited. In addition, no Customer shall without TRIGID's consent apply for, contract to use or own, or hold water rights subject to a permit issued by the Nevada State Engineer or a claim from the Orr Ditch Decree (U.S. vs. Orr Ditch Co., et. al, Equity Docket No. A-3, in the District Court of the United States in and for the District of Nevada), which permit or claim has a point of diversion or a place of use on any portion of the real property located in Storey County or Lyon County formerly known as the Asamera Ranch, or known as the Tahoe-Reno Industrial Center or in TRIGID's retail or wholesale service area.
- 15.3 Nonpotable Water. The parties acknowledge that water irrigation lines for use of untreated surface water or sanitary sewer effluent will be installed as part of TRIGID water system in certain areas of TRIGID's service area, and Customer shall be required to construct a separately metered water irrigation system for landscaping (and any other use for which nonpotable water can be used) which will allow the use of nonpotable water in those areas in which nonpotable water is made available by TRIGID or off-site nonpotable water facilities are installed for future Customer service. The parties intend that, if available

and economically feasible, nonpotable water shall be used for all irrigation purposes (and other nonpotable water uses) possible in the service area, as determined by TRIGID in its sole discretion.

Attachment B-2

RULES, REGULATIONS AND RATES OF THE TRI GENERAL IMPROVEMENT DISTRICT FOR SEWER SERVICE

TRI GENERAL IMPROVEMENT DISTRICT SEWER RULES, REGULATIONS AND RATES

Revised August 27, 2020

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ARTICLE 1. GENERAL PROVISIONS

- 1.1 Purpose. TRIGID has been created by Storey County under Nevada Revised Statutes Chapters 318 and 308 to own, maintain and operate community water and sewer systems to provide service to Customers in the service area, known as Tahoe-Reno Industrial Center, pursuant to Ordinance #171 and Resolution 00-85, both passed on August 8, 2000. TRIGID is not regulated as a public utility by the Nevada Public Utility Commission. TRIGID is a quasi-municipal entity functioning as a political subdivision of the State of Nevada.
- 1.2 Enterprise. TRIGID will furnish a system used for the provision of fire protection water as well as industrial, domestic and commercial water; and for the collection of domestic, commercial and industrial wastewater and septic tank effluent; including all parts of the enterprise, all appurtenances thereto, and land, easements, rights in land, contract rights and franchises.
- 1.3 Separability. If any section, subsection, sentence, clause or phrase of these Rules, Regulations and Charges or the application thereof to any person or circumstance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of these Rules, Regulations and Charges or the application of such provision to other persons or circumstances. The Board hereby declares that it would have promulgated these Rules or any section, subsection, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases may be declared to be unconstitutional.
- 1.4 Words and Phrases. For the purposes of these Rules, Regulations and Charges, all words used herein in the present tense shall include the future; all words in the plural number shall include the singular number; and all words in the singular number shall include the plural number.
- 1.5 Water Rights. All water rights arising from wastewater entering the TRIGID system shall belong solely to TRIGID, and no Customer shall perform any act which impairs or disputes TRIGID's ownership thereof.

ARTICLE 2. DEFINITIONS

- 2.1 Account Transfer shall mean any change made to a billing account, including but not limited to new ownership or new tenancy.
- 2.2 Additional Definitions/UPC. For the purpose of these Rules, additional terms shall have the meanings indicated in Chapter 1 of the latest edition of the Uniform Plumbing Code as prepared by the International Association of Plumbing and Mechanical Officials. Except as expressly stated otherwise in these Rules, all provisions of the latest edition of the Uniform Plumbing Code are incorporated herein by reference.
- 2.3 Applicant shall mean the person, business or governmental agency making application for a permit for sewer or plumbing installation or to discharge wastewater into any sewer, including the TRI Owners Association.
- 2.4 Application shall be a written request for sewer service (as distinguished from an inquiry as to the availability of, or charges for, such service) and agreement by Customer to comply with these Rules.
- 2.5 Billing Period shall be the period for which a billing is made. It may be for an average month and need not coincide with the calendar month (i.e. may be billed on a cycle of 29 to 31 days).
- 2.6 Biochemical Oxygen Demand (BOD) shall mean the quantity of oxygen utilized in the biochemical

oxidation of organic matter under standard laboratory procedure in five (5) days at 20 degrees C, expressed in milligrams per liter (mg/L).

- 2.7 Board shall mean the Board of Trustees of TRIGID.
- 2.8 Building shall mean any structure used for human habitation or a place of business, recreation or other purposes requiring wastewater disposal services.
- 2.9 Building Drain shall mean that part of the lowest horizontal piping of a drainage system which receives the discharge from soil, waste and other drainage pipes inside the walls of the building and conveys it to the building sewer. The building drain extends three (3) feet outside the inner face of the building wall.
- 2.10 Building Sewer shall mean that portion of any sewer beginning at the building drain and extending to the property line or to a private sewage disposal system.
- 2.11 Capital Costs shall mean costs of major rehabilitation, expansion or upgrading required as facilities reach the end of their useful life.
- 2.12 Capital Outlays shall mean expenditures which result in the acquisition of, or addition to, fixed or capital assets.
- 2.13 Collection System shall mean the system of sewers, manholes, pump stations and appurtenances receiving liquid wastes from buildings and premises for transmission to the treatment facility.
- 2.14 Combined Sewer shall mean a sewer intended to receive both surface runoff and sewage.
- 2.15 Commercial Building shall mean any building, structure or facility or a portion thereof, devoted to the purposes of trade or commerce, such as a store or office building.
- 2.16 Commercial User shall mean all business and service establishments defined in Article 2.77 A and B.
- 2.17 Compatible Pollutant shall mean BOD, COD, suspended solids, pH, total phosphorus, total nitrogen, and fecal coliform bacteria, plus additional pollutants identified in the Plant National Pollutant Discharge Elimination System (NPDES) permit if the treatment works were designed to treat such pollutants, and in fact do remove such pollutants to an acceptable concentration or loading.
- 2.18 Connection Charge shall mean a fee charged in order to compensate TRIGID for the capital costs of investment, maintenance and repair in sewer plant equipment and related sewer facilities made by TRIGID. The charge is applied to all new users of sewer facilities in approximate proportion to their anticipated usage and is for the right of service in the system.
- 2.19 Contractor shall mean an individual, firm, corporation, partnership or association duly licensed by the State of Nevada to perform the type of work to be done under a Permit.
- 2.20 County shall mean the County of Storey, Nevada.
- 2.21 Cubic Foot is the volume of water which occupies one cubic foot. The cubic foot is equal to 7.481 gallons.
- 2.22 Customer shall mean the person in whose name service is rendered as evidenced by its 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 Customer's name regardless of the identity of the actual user of the service.

- 2.23 Date of Presentation shall be the date upon which a bill or notice is either postmarked or hand delivered to the Customer.
- 2.24 Delinquent shall mean an account that has not been paid by the 1st day of the calendar month following the due date of payment specified on the bill.
- 2.25 Developer shall mean any person engaged in or proposing development of property in the service area.
- 2.26 Development shall mean a parcel of property being improved and requiring installation of sewer collection lines, including but not limited to installation of service mains to and possibly on the property being improved.
- 2.27 Discharge shall mean the addition of any substance to the sewer system.
- 2.28 Discharger shall mean any person who discharges or causes a discharge to a TRIGID sewer.
- 2.29 Domestic Wastewater shall mean the spent water from building water supply to which has been added the waste materials of restrooms, kitchen, laundry and other discharge sources.
- 2.30 Easement shall mean an acquired legal right for the specific use of land owned by others.
- 2.31 Employee shall mean any individual employed by TRIGID excluding independent contractors, consultants, and their employees.
- 2.32 Fixture shall mean any sink, tub, shower, water closet or other facility connected by drain to the sewer.
- 2.33 Fixture Unit is defined and has that weighted value assigned in the latest edition of the Uniform Plumbing Code.
- 2.34 Floatable Oil is oil, fat or grease in a physical state such that it will separate by gravity from wastewater by pretreatment in an approved pretreatment facility. Wastewater shall be considered free of floatable oil if it is properly pretreated and does not interfere with the collection system.
- 2.35 Gallon is the volume of water which occupies 231 cubic inches.
- 2.36 Garbage shall mean the animal and vegetable waste resulting from the handling, preparation, cooking and serving of foods.
- 2.37 Governmental User shall include legislative, judicial, administrative, and regulatory activities of federal, state and local governments.
- 2.38 Incompatible Pollutants shall mean any pollutant which is not a compatible pollutant as defined in these Rules.
- 2.39 Industrial/Commercial Discharger shall mean a discharger with water-carried waste and wastewater other than wastewater from domestic sources, and shall include all wastewater from any producing, manufacturing, processing, institutional, commercial, agricultural, or other operation where the wastewater discharged includes quantities of waste from human and nonhuman origin.

- 2.40 Industrial User shall include any non-governmental, non-residential user of TRIGID owned treatment works which is identified in the Standard Industrial Classification Manual, 1972, Office of Management and Budget, as amended and supplemented, under the following divisions: Division A-Agriculture, Forestry, and Fishing; Division B-Mining; Division D-Manufacturing; Division E-Transportation, Communications, Electric, Gas and Sanitary; and Division I-Services.
- 2.41 Infiltration shall mean the water which enters the sewer lines from the ground, usually through pipe and manhole joints.
- 2.42 Inflow shall mean the water discharged into the wastewater system from any such sources as, but not limited to, roof leaders, cellar, yard and area drains, foundation drains, drains from springs, manhole covers, cross-connections from storm sewers and combined sewers, and surface runoff.
- 2.43 Inspector and Industrial Waste Inspector shall mean a person authorized by TRIGID to inspect wastewater generation, conveyance, processing and disposal facilities.
- 2.44 Institutional User shall include social, charitable, religions, and educational activities such as schools, churches, hospitals, nursing homes, penal institutions, and similar institutional users.
- 2.45 Interference shall mean inhibition or disruption of the wastewater facilities treatment processes or operations which contribute to a violation of any requirements of the Plant NPDES permit. The term includes prevention of sewage sludge use or disposal of TRIGID in accordance with Section 405 of the Act, or any criteria guidelines or regulations developed pursuant to the Solid Waste Disposal Act (SWDA), the Clean Air Act, the Toxic Substances Control Act, or more stringent state criteria (including those contained in any state sludge management plan prepared pursuant to Title IV of SWDA) applicable to the method of disposal or use employed by TRIGID.
- 2.46 Lateral Sewer shall mean the portion of TRIGID sewer lying within a right of way open to the public connecting a building sewer to the main sewer.
- 2.47 Law is any statute, rule or regulation established by federal, state, County or municipal authorities.
- 2.48 Living Unit shall mean any residence, apartment, or other structure to be occupied for habitation purposes by a single person or family and requiring sanitary sewer service.
- 2.49 Main Sewer shall mean a TRIGID sewer line designed to accommodate more than one lateral sewer.
- 2.50 Metered Service is a service for which charges are computed on the basis of measured quantities of water or wastewater.
- 2.51 Natural Outlet shall mean any outlet, including storm sewers and combined sewer overflows, into a watercourse, pond, ditch, lake or other body of surface or groundwater.
- 2.52 New Source shall mean any source, the construction of which is commenced after the publication of an applicable discharge limitations (covers federal categorical changes).
- 2.53 Nitrogen or Total Nitrogen shall mean the total of all nitrogen forms (sometimes referred to as "TKN"), including organic and inorganic nitrogen, nitrate and nitrite. The total nitrogen is expressed as N and is determined by the appropriate procedures in "Standard Methods".
- 2.54 Normal Domestic Wastewater shall mean wastewater that has a five day average BOD concentration of not

more than 240 mg/l, a suspended solids concentration of not more than 170 mg/l, a total phosphorous concentration as P of not more than 8.0 mg/l and a total nitrogen concentration as N of not more than 26.0 mg/l.

- 2.55 Operation and Maintenance shall mean those functions that result in expenditures during the useful life of the treatment works for materials, labor, utilities and other items which are necessary for managing and maintaining the sewage works to achieve the capacity and performance for which such works were designed and constructed. The term “operation and maintenance” includes replacement as defined in these Rules.
- 2.56 Outside Sewer shall mean a sanitary sewer beyond the limits of TRIGID sewer service area not subject to the control or jurisdiction of TRIGID.
- 2.57 Owner shall mean a person who holds legal title to the property or who is under contract to purchase the property.
- 2.58 Permanent Service is a service which, in the opinion of TRIGID, is of a permanent and established character. The use of the sewer may be continuous, intermittent or seasonal in nature.
- 2.59 Permit shall mean any written authorization required pursuant to this or any other regulation of the service area for the installation or operation of any wastewater works.
- 2.60 Person shall mean any individual firm, association, organization, partnership, trust, company, corporation or entity, and any municipal, political, or governmental corporation, district, body, or agency other than TRIGID.
- 2.61 pH shall mean the logarithm of the reciprocal of the hydrogen-ion concentration. The concentration is the weight of hydrogen-ions, in grams, per liter of solution. Neutral water, for example, has a pH value of 7 and a hydrogen-ion concentration of 10^{-7} .
- 2.62 Phosphorus or Total Phosphorus includes orthophosphates and condensed phosphates (soluble and insoluble) and organic and inorganic species. The total phosphorus is expressed as P and is determined by the appropriate procedures in “Standard Methods”.
- 2.63 Plant shall mean the wastewater treatment plant(s) of TRIGID.
- 2.64 Plumbing Outlet shall mean any part of a plumbing system to which a fixture is attached.
- 2.65 Plumbing System shall mean all plumbing fixtures and traps; all soil, waste, vent pipes, and all sanitary sewer pipes within a building and building drain.
- 2.66 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: (a) such building, locations or services are to a single unit of property; or (b) such buildings, locations or services are on two or more units of property immediately adjoining, except for intervening highways, streets, alleys or waterways.
- 2.67 Private Sewer shall mean a sewer serving an independent wastewater disposal system not connected with TRIGID sewer and which accommodates one or more buildings or industries.
- 2.68 Properly Shredded Garbage shall mean garbage that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in TRIGID sewers, with no particle greater than ½ inch in any direction.

- 2.69 Public Sewer shall mean a sewer lying within an easement, highway, road, street, avenue, alley, way, public place or right of way and which is owned or controlled by or under the jurisdiction of TRIGID.
- 2.70 Replacement shall mean expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of the treatment works to maintain the capacity and performance for which such works were designed and constructed.
- 2.71 Residential Equivalent shall mean 25 weighted fixture units as defined in the latest edition of the Uniform Plumbing Code.
- 2.72 Residential User shall mean any contributor to TRIGID's treatment works whose lot, parcel or real estate, or building is used for domestic dwelling purposes only.
- 2.73 Rules shall mean these Rules, Regulations and Rates of The TRI General Improvement District For Sewer Service.
- 2.74 Sanitary Sewer shall mean a sewer which carries liquid and water carried wastes from residences, commercial users, industrial users, and other users together with minor quantities of ground, storm and surface waters that are not admitted intentionally.
- 2.75 Septic Tank Effluent shall mean the supernate liquid waste discharged by an approved septic tank, containing no solid waste material.
- 2.76 Service Area shall mean the sewer service area as designated in Article 12 of these Rules.
- 2.77 Service Classification shall mean:
- A. Commercial Unit - Group I Service: Service to office buildings, retail sales and services establishments, private clubs, motels or hotels, or portions thereof, without kitchen, laundry or other facilities (excepting toilet facilities) which require wastewater disposal services.
 - B. Commercial Unit - Group II Service: Service to all commercial buildings not in Group I, or portions thereof, and shall include but not be limited to, nonindustrial businesses, department stores, restaurants, clubs and schools.
 - C. Industrial Service: Service to customers engaged in warehousing or distribution, or in a process which creates or changes raw or unfinished materials into another form or product (factories, mills, manufacturing facilities, machine shops, mines, pumping plants, creameries, canning and packing plants, or processing activities as well as all other nonresidential uses not covered by Subsections A and B above).
 - D. Residential Service: Service to a customer in a single family dwelling, mobile home or building, or in an individual flat, condominium, or apartment in a multiple family dwelling, or building or portion thereof occupied as the home, residence or sleeping place of one or more persons.
- 2.78 Service Connection is the point of connection of the Customer's piping with TRIGID's facilities.
- 2.79 Sewage is the spent water of a community. The preferred term is "wastewater".
- 2.80 Sewer shall mean a pipe or conduit that carries wastewater.

- 2.81 Side Sewer shall mean the sewer line beginning three (3) feet outside the foundation wall of any building and terminating at the main sewer and shall include the building sewer and lateral sewer together.
- 2.82 Sludge shall mean any discharge of water or wastewater which in concentration of any given constituent or in quantity of flow exceeds for any period of duration longer than fifteen (15) minutes more than five (5) times the average twenty-four (24) hour concentration or flows during normal operation and shall adversely affect the collection system and/or performance of the wastewater treatment works as determined by TRIGID.
- 2.83 Standard Methods refers to the most current edition of "Standard Methods for the Examination of Water and Wastewater", prepared by American Public Health Association, American Water Works Association and Water Pollution Control Federation.
- 2.84 Storm Sewer or Storm Drain shall mean a sewer which carries storm water, groundwater, subsurface water, or unpolluted water from any source.
- 2.85 Storm Water shall mean excess water entering sewers during rainfall, snowfall, or following and resulting therefrom.
- 2.86 Suspended Solids shall mean total suspended matter (sometimes referred to as "TSS") that either floats on the surface of, or is in suspension in, water, wastewater, or other liquids, and that is removable by laboratory filtering as prescribed in "Standard Methods for the Examination of Water and Wastewater" and referred to as nonfilterable residue.
- 2.87 Tenant shall mean a person renting or leasing a premises from the owner or the owner's selected representative.
- 2.88 Treatment Works shall mean any devices and systems for the storage, treatment, recycling and reclamation of municipal sewage, domestic sewage or liquid industrial wastes. These include intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment and their appurtenances; extensions improvement, remodeling, additions and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities; and any works, including site acquisition of the land that will be an integral part of the treatment process or is used for ultimate disposal of residues resulting from such treatment (including land for composting sludge, temporary storage of such compost and land used for the storage of treated wastewater in land treatment systems before land application); or any other method or system for preventing, abating, reducing, storing, treating, separating or disposing of municipal waste or industrial waste, including waste in combined storm water and sanitary sewer systems.
- 2.89 TRIGID shall mean TRI General Improvement District, a political subdivision of the State of Nevada, formed and existing as specified in Subsection 1.1 of these Rules.
- 2.90 Unpolluted Water is water of quality equal to or better than the effluent criteria in effect or water that would not cause violation of receiving water quality standards and would not benefit by discharge to the sanitary sewers and wastewater treatment facilities provided.
- 2.91 Useful Life shall mean the estimated period during which a treatment works will be operated.
- 2.92 User Charge shall mean that portion of the total wastewater service charge which is levied in a proportional and adequate manner for the cost of operation, maintenance and replacement of the wastewater treatment works.
- 2.93 Waste includes sewage and all other substances, liquid, solid, gaseous, or radioactive, associated with

human or animal origin, or from producing, manufacturing, or processing operation of whatever nature, including such waste placed within containers of whatever nature prior to and for the purposes of disposal.

- 2.94 Wastewater shall mean the spent water of a community. From the standpoint of source, it may be a combination of the liquid and water carried wastes from residences, commercial buildings, industrial plants, and institutions, together with any groundwater, surface water, and storm water that may be present.
- 2.95 Wastewater Facilities shall mean the structures, equipment and processing required to collect, carry away, and treat domestic and industrial wastes and dispose of the effluent.
- 2.96 Wastewater Treatment Works shall mean an arrangement of devices and structures for treating wastewater, compatible industrial wastes and sludge. Sometimes used as synonymous with "Publicly Owned Treatment Works" or "wastewater treatment plant" or "water pollution control plant" or "sewer system".
- 2.97 Watercourse shall mean a natural or artificial channel for the passage of water either continuously or intermittently.
- 2.98 Water Meter shall mean a water volume measuring and recording device, furnished and/or installed by a user and approved by TRIGID.

ARTICLE 3. CONDITIONS OF SERVICE

- 3.1 Area Served. Properties within the boundaries of the service area specified in Article 13 shall be eligible to receive wastewater collection service from TRIGID in accordance with these Rules and subject to acceptance by TRIGID of a completed application by Customer.
- 3.2 Penalty for Violation. For the failure of the Customer to comply with all or any part of these Rules, the Customer's service may be discontinued until the Customer is in compliance. Termination of sewer service shall be in accordance with Article 9.
- 3.3 Notices to Customers. Notices from TRIGID to a Customer will normally be given in writing, and either delivered or mailed to Customer at Customer's last known address. Where conditions warrant and in emergencies, TRIGID may resort to notification either by telephone, facsimile or messenger. When a Customer is refused service under the provisions of these Rules, TRIGID will notify the Customer promptly of the reason for the refusal to serve and of the right of the Customer to appeal TRIGID's decision to the Board. Failure by the Customer to accept a certified letter notice will not relieve the Customer of responsibility for contents of notice.
- 3.4 Notices from Customers. Notice from the Customer to TRIGID may be given by Customer or by Customer's authorized representative in writing at TRIGID's operating office. TRIGID's current operating office (which is subject to change) is:

TRI General Improvement District
1705 Peru Drive, Suite 104
McCarran, NV 89437
Telephone: (775) 636-6126

- 3.5 Customer's Premises. TRIGID employees shall have the right of access to Customer's property at all reasonable hours for any purpose related to the furnishing of service, industrial waste inspection, and protection of water quality and quantity. Employees will generally not enter upon Customer's premises to engage in repair or alteration of Customer's piping and fixtures, since it is the responsibility of Customer to service or repair its piping and fixtures.
- 3.6 Special Conditions and Circumstances. In the event that conditions or circumstances arise which are not specifically covered by these Rules or warrant deviation from these Rules, TRIGID may take whatever action, including establishing rates and charges which, in its discretion, is warranted, including execution of contracts and agreements with Customers covering special conditions and circumstances.
- 3.7 Effective Date. These Rules shall become effective on the date of signature of the Board.
- 3.8 Continuity. Adoption of these Rules shall not be construed as a waiver of any right or obligation under any prior agreement, contract, or commitment of Customer and TRIGID.
- 3.9 Meters. All new services shall have water meters and will be billed according to the metered rate schedule. If there is no water service at the site, a sewer meter shall be required.
- 3.10 Interruption of Service. TRIGID will endeavor to notify Customers in advance of any interruption in service due to repairs, or other causes. However, in emergency conditions, when notification is not practical, service may be interrupted for indefinite periods of time. All Customers shall hold TRIGID harmless for any damages arising from interruptions in service caused by repairs, emergencies or conditions beyond the control of TRIGID.
- 3.11 Tampering with TRIGID Property. No one except an employee or representative of TRIGID shall at any time in any manner operate the curb cocks or valves, main cocks, gates or valves of TRIGID's system; or interfere with the meters or their connections, street mains or other parts of the system.

ARTICLE 4. SCHEDULE OF RATES AND CHARGES

- 4.1 General Metered Water Service. TRIGID shall not increase said rates and connection charges unless the Board determines that said rates and connection charges are insufficient to pay all costs of Capital Outlays (including interest carry) along with all operating costs of TRIGID, including but not limited to, overhead, salaries and other employee compensation, operating and maintenance expenses, taxes, reserve and replacement, water rights lease or purchase fees, any other fees, expenses and charges normal and customary for water service utility companies. In the event said rates are insufficient to pay all said operating costs, then monthly rates may be raised to a level that will cover all costs.

TRI-GID Sewer Rates

Meter Size	Sewer
3/4 inch	\$27.44
1 inch	\$33.81
1 1/2 inch	\$54.39
2 inch	\$101.43
4 inch	\$293.58
6 inch	\$473.57
8 inch	\$757.23
10 inch	\$2,094.98
Usage Per 1,000 gallons	\$2.69

- 4.2 Wastewater Surcharge Rates. The purpose of a wastewater surcharge is to recover collection, treatment, disposal, and administration expenses associated with contaminant concentrations higher than normal domestic strength as defined in article 10.12. The wastewater fees of commercial/industrial dischargers are based upon the following equation:

$$\frac{\$}{1000gal} = 2.69 + (BOD - 240) \times (0.00263) + (TSS - 240) \times (0.00211) + (TKN - 40) \times (0.01326)$$

BOD = Commercial/industrial customer's requested biological oxygen demand concentrations, mg/L

SS = Commercial/industrial customer's requested total suspended solids concentrations, mg/L

TKN = Commercial/industrial customer's requested total Kjeldahl nitrogen concentrations, mg/L

The above equation will be used to calculate the sewer rate for each commercial/industrial customer based on the highest expected or demonstrated concentrations for each constituent. The TRI GID may recalculate the rate if Discharge Monitoring Reports (DMRs) indicate concentrations higher or lower than the originally negotiated concentrations.

- 4.3 Connection Fees. An applicant for a Will Serve shall pay the sewer connection fee in effect on the date of the application upon completion of all requirements under Article 8.10. For calculations of connection fees on all Commercial and Industrial accounts, the applicant must provide the TRIGID with expected usage and discharge volume information based on fixture unit counts. This information is to be provided on the TRIGID prescribed form, certified by a Civil Engineer registered in the State of Nevada, and submitted along with an approved stamped set of drawings. Connection fees shall be charged on a one-time basis in the amount of \$9.57 per gallon per day, based on the approved fixture calculations.
- 4.4 Build and Dedicate TRIGID System Facilities. If TRIGID determines, in TRIGID's sole discretion, that connection of new service for a Customer will exceed the standard specifications (see, Article 8.9) for

existing capacity of TRIGID's sewer system, or requires additional distribution, treatment or effluent storage facilities, TRIGID may in its sole discretion require as a condition of service that the Customer design, permit and construct all additional new sewer facilities (e.g., pump station, pipelines, valves) necessary to increase said capacity or provide facilities for Customer's use prior to providing sewer service. Customer shall complete and dedicate to TRIGID without charge all sewer system facilities as constructed. To the extent that any of said sewer system facilities are oversized beyond the Customer's needs, TRIGID shall reimburse the Customer from connection charges collected from subsequent Customers using said facilities or provide Customer a credit therefor from connection charges. The basis for reimbursement or credit shall be the difference in actual costs of the sewer system facilities between the capacity required for the constructing Customer's use and the oversized capacity. No overhead, administrative charge, profit or interest on said actual costs will be reimbursable. All design and construction of said facilities must be approved by TRIGID. The constructing Customer shall not be entitled to a credit from the connection charge for all or any portion of the sewer system facilities so constructed, except as specified in this Article. The procedures specified in Article 10 shall be used for all construction under this Article 4.3. Construction by a third-party developer of off-site sewer system facilities shall not entitle the Customer to claim a credit or reimbursement for the water system facilities so constructed.

- 4.5 Basis for Billing. All services shall be billed on the basis of monthly rates specified in Article 4.1. Customers are responsible for payment based on all water recorded as having passed through a meter regardless of whether the water was put to beneficial use. The Owner shall be ultimately responsible for payment of sewer bills and fees for its property in the case of nonpayment by a tenant or other occupant.

ARTICLE 5. OTHER CHARGES, FEES AND DEPOSITS

- 5.1 Security Deposit for Service. TRIGID may require a security deposit in the amount of Five Hundred Dollars (\$500.00) or one-year's total estimated rates (whichever is less) from all new Customers or applicants, from Customers whose accounts are delinquent on more than one occasion (i.e., two monthly payments overdue) in any one (1) year period, or in situations where TRIGID has cause to believe that a deposit is required to ensure payment of bills. At the end of one year of service, if all accounts have been kept current the amount of the deposit, plus interest accrued at the rate of 4% per annum simple interest, shall be credited to the succeeding months' bill(s). Service must be in place for a minimum of six (6) months for any interest to be accrued. Upon discontinuance of service, any deposit held by TRIGID will be applied to the final billing with any deposit amount refunded to the Customer. If the deposit is applied to a Customer's account because of delinquent bills, all interest accrued will first be applied to delinquent bills. By posting a deposit, the Customer agrees that the deposit is a pledge to make future payments to TRIGID and not payments for future services that are furnished by TRIGID.
- Any application for service will not be granted unless full payment has been made for water or sewer services previously rendered to the applicant or Customer by TRIGID, if any. Failure on the part of the Customer to make a deposit within fifteen (15) days after written notice by TRIGID that such deposit be made or service may be discontinued, shall warrant TRIGID in discontinuing the service to the Customer. TRIGID may waive the security deposit requirement, in its sole discretion, or accept alternate security.
- 5.2 Wastewater Discharge Permits and Monitoring Fees. The fees for a wastewater discharge permits and monitoring shall be based on the actual time spent on inspection and monitoring. Fees for the wastewater discharge permit shall be the actual cost of the wastewater inspection, review and permit creation, plus a billing and processing fee of \$15.00. The minimum charge for a wastewater discharge permit shall be \$50.00. Fees for monitoring shall be the actual cost of monitoring, plus a billing and processing fee of \$15.00.
- 5.3 Sewer Plan Checking and Inspection Fee. Any applicant, Customer or a Developer requiring approval of plans by TRIGID, a Will Serve letter, or desiring plan checking shall pay to TRIGID a \$500 plan review fee and a \$1000 inspection fee at the time of the Will Serve application.

- 5.4 Relocation of Service Connection. An existing service connection may be relocated, if the new service is of like size and will provide a sewer service to the same parcel of property, upon application and payment of applicable fees by the Customer.
- 5.5 Increase in Size of Service Connections. Enlargement of a service connection to the same property, requiring abandonment of the existing connection and installation of a complete replacement connection of increased size shall be treated as a new service connection and shall be charged accordingly. The fees to be paid by the Customer upon application for increase in size of service connection shall be a connection charge which shall be determined by subtracting the connection charge for the size of service being abandoned from the connection charge for the size of service being installed, if any.
- 5.6 Structure Under Construction. For the purposes of these Rules, until a structure has installed plumbing fixtures the structure shall be considered under construction and disconnected from the sewer system of TRIGID. No charges otherwise provided herein will be accrued during this period.
- 5.7 Public Agencies Exempted from Deposit Requirements. In lieu of cash deposits or sureties, purchase orders will be accepted from public agencies.
- 5.8 Delinquent Accounts. In addition to other provisions of these Rules, there will be a charge for late payment. If payment is not received before it becomes delinquent, a late penalty processing fee and a penalty on the outstanding balance will be charged in accordance with Article 7.3 and the service may be discontinued according to the procedure outlined in Article 9.
- 5.9 Damage to TRIGID Property. Persons causing damage to TRIGID property by any willful or negligent act shall be responsible for payment of costs incurred. Customers or their contractors, agents and representatives causing damage to TRIGID property shall be strictly liable for payment of all costs caused by such damage.
- 5.10 Photocopy Charges. The charge for making photocopies on TRIGID copying equipment shall be \$.25 per copy.
- 5.11 Charges for Account Transfer and Special Reading. If the Customer requests an account transfer or special meter reading, a processing charge of Fifteen Dollars (\$15.00) shall be charged. Customers must give 24-hours or previous working day's notice for special reading.
- 5.12 Reimbursement for District Costs Benefitting Individuals or Entities: The District shall seek reimbursement from those individuals or private companies for outside contract services, including but not limited to legal and engineering services, that are incurred by the District in relation to proposed new development or special projects that are deemed to benefit individual persons or entities, rather than the District customers at large. The reimbursements collected from individual persons or entities shall be limited to the actual time and materials and unit rate costs incurred by the District related to proposed new development or special projects that are deemed, in the District's discretion, to benefit individual persons or entities, rather than the District's customers at large.

ARTICLE 6. MAIN EXTENSION

- 6.1 General Conditions.
- A. Construction Plans. A person proposing an extension to TRIGID distribution system to provide sewer service to a parcel of property shall submit detailed plans. Such plans shall indicate the size and location (horizontal and vertical) of mains and other facilities, including all service laterals. In

addition, plans shall designate boundaries of the applicant's property which will be served by the proposed extension. Sewer system improvements shall be designed by a professional engineer licensed in Nevada.

TRIGID will review the plans and return written comments to the applicant indicating any necessary revisions. The applicant shall prepare and submit to TRIGID final plans of the sewer improvements with all comments addressed to the satisfaction of TRIGID. Upon execution of the appropriate agreement by the applicant; payment of applicable charges, fees and deposits; approval of other appropriate governmental agencies, and a preconstruction conference with TRIGID, TRIGID will give the applicant permission to start construction. No sewer related construction will be started before permission is granted by TRIGID.

- B. Time Limitation. Approval by TRIGID for any main extension shall be valid for a limited time as will any related commitment of existing capacity in a particular main. In the event that construction of the mains covered by any approved plan is not started within one (1) year from the date of approval, the project shall be deemed to have been abandoned, and any subsequent proposal for reactivation shall be treated as a new project. The same shall apply when active construction work within a property is commenced and then discontinued for a period of six (6) months.
- C. Compliance with Specifications. All main extensions, service connections, and appurtenances shall be constructed to conform with TRIGID specifications. Activation of the mains shall not be permitted until authorized by TRIGID. Connections to existing mains shall be made only in the presence of a representative of TRIGID and at times specified by TRIGID. Mains will be shut down only with the specific approval of TRIGID.
- D. Guarantee. Materials and workmanship shall be guaranteed free of defect for a period of one (1) year from date of acceptance by TRIGID. Upon receipt of notice from TRIGID, the developer or Customer shall immediately cause any defect to be corrected, or shall reimburse TRIGID for the cost of correction.
- E. Rights-of-Way. Sewer mains and appurtenances shall be located within off-site rights-of-way or within easement grants to TRIGID not less than 20 feet in width or as TRIGID may specify. All rights-of-way or easements shall be recorded prior to release of approved plans.
- F. Commitment of Sewer Service. Main extensions or other facilities constructed by persons for development of property shall not be considered as reserved for supply to those properties exclusively. Extensions of and connections to such mains for service to others shall be permitted when, in the opinion of TRIGID, such connections will not substantially affect service to the original development or property.

6.2 Standard Main Extensions.

- A. General Conditions. Main extensions proposed for construction under provisions of this Article shall be subject to the general conditions as described in Article 6.1.
- B. Size of Mains. Proposed main extensions to serve developments, both on-site and off-site, shall be of sufficient size to adequately provide sewer service for the development. TRIGID reserves the right to establish sizes of all mains and appurtenances.
- C. Responsibility for Cost. The cost of all main extensions, including service laterals and other appurtenances to be constructed under Article 6.2, including permit fees and any other related fees, shall be borne by the developer or Customer.

- D. Agreement and Payment of Fees. Prior to TRIGID's permission to start construction, the developer or Customer shall execute a standard form of agreement with TRIGID and submit payment of all required fees, charges and deposits as required by these Rules.
- E. Construction by Private Contractor or Developer. Design, permitting and preparation of construction drawings shall be done by competent registered professional engineer selected by the applicant. Construction work shall be performed by an experienced, properly licensed and competent person or firm selected by the applicant. In certain circumstances when, in the opinion of TRIGID, the extent of work to be performed is minor and can be accomplished efficiently and economically by TRIGID employees or representatives, TRIGID may elect to perform the work and the applicant shall deposit an amount equivalent to the estimated cost. Upon completion of construction, the differential between estimated and actual costs will be billed or refunded.
- F. Completion. Upon completion of the work, the applicant's engineer shall certify that the work was completed according to the plans and specifications, except in the case of work completed by TRIGID. Sewer service will not be activated until the engineer's certification is submitted to TRIGID and TRIGID accepts the construction.

6.3 Oversized Main Extensions.

- A. General Conditions. Main extensions proposed for construction under provisions of this Article shall be subject to the general conditions described in Article 6.1. When applicable, the provisions of this Article 6.3 shall govern over the provisions of Article 4.4.
- B. Applicability. For the purpose of this Article, an oversized main is described as a main larger than eight inches (8") and which, in addition to providing an adequate sewer service to the proposed development, is required to be of a size which will be capable of meeting future demands for parcels other than Customer's on the distribution system and provide for orderly development of that system. TRIGID reserves the right to determine what constitutes an oversized main.
- C. Location of Mains. Oversized mains may be off-site (outside the boundaries of a development) or traverse the interior area or combination thereof.
- D. Identification of Mains. TRIGID shall indicate and identify on plans submitted for a proposed development both the standard and oversized diameters of pipelines to be constructed.
- E. Approval by TRIGID Required. Proposals for oversizing of water mains shall be submitted to TRIGID for review and approval. Plans, conforming with TRIGID's directive, shall then be approved and TRIGID shall enter into an agreement with the developer or Customer, providing for TRIGID's participation in construction costs as hereinafter set forth.
- F. Participation in Cost. Participation by TRIGID for the oversizing of a main extension shall be based on the difference in actual cost of pipe, fittings, and valves between the size required for the main extensions and the size required for oversizing and shall not include trenching and backfill. The cost difference shall be established by a certified price list from the supplier. Prices quoted on the list shall be the actual prices charged to the buyer.
- G. Alternate Method of Payment. TRIGID may, in lieu of a lump sum payment of TRIGID's portion of the construction costs, arrange with the developer or Customer for an alternate method of payment from future connection charges of other Customers for a period of ten (10) years.

ARTICLE 7. TIME AND MANNER OF PAYMENT

- 7.1 Issuance of Bills. TRIGID shall issue a monthly bill for each service in accordance with these Rules. TRIGID shall send out bills for sewer service and for which no payment has been received and shall use the rates and charges established by these Rules to determine the amount.
- 7.2 Bills Due When Presented. Upon presentation, all bills shall be due and payable at the operating office of TRIGID or as specified in the bills.
- 7.3 Delinquent Accounts. Accounts not paid in accordance with Article 5.8 are delinquent and shall be charged a late fee of 1.5 percent per month of the outstanding balance plus a basic penalty fee of ten percent (10%) of the delinquent monthly billing.
- 7.4 Discontinuance of Service. TRIGID may discontinue service to a Customer having a delinquent bill as specified in Article 9.2.
- 7.5 Represents Lien on Property. Until paid, all rates and charges provided in these Rules which are delinquent constitute a perpetual lien on and against the property served and may be foreclosed upon as provided by law.
- 7.6 Proration of Service Charges; Minimum Bill. If any opening or closing bill is for a period shorter than the regular billing period, the base rate charge for service shall be reduced in the same proportion as the actual period of use is reduced from the regular billing period.
- 7.7 Failure to Receive a Bill. Failure to receive a bill does not relieve the Customer of the obligation to pay for services received.
- 7.8 Checks Not Honored by Bank. Checks presented in payment to TRIGID which are returned by a bank shall be treated as though no payment had been made and a fifty dollar (\$50.00) handling charge will be levied by TRIGID plus any additional charges of the bank. Payment in lieu of returned checks may be required to be by cash or equivalent. The Customer must reimburse TRIGID for any returned check fees charged by a bank to TRIGID.
- 7.9 Estimated Bills and Non-operable Meters. If a meter cannot be read because of obstructions or other causes, an estimate shall be made of the quantity of water used, and a bill shall be issued for the estimated service. The next succeeding bill which is based upon actual meter readings will reflect the difference between prior estimates and actual consumption. If a meter is found to be non-operable, consumption shall be estimated and billed, considering all pertinent factors.
- 7.10 Billing Adjustments. Where billing adjustments are processed for inaccurate meter recordings or other usage adjustments, if the meter has:
- A. under-recorded the usage of water, the adjustment shall be only for the period of the most recent six (6) months of usage.
 - B. over-recorded the usage, the adjustment in the form of a credit shall be made only for the period of the most recent six (6) months of usage.

A Customer who, because of an adjustment to their bill, owes TRIGID money for service may pay that amount over a three (3) month period. TRIGID shall credit the Customer who was overcharged because of an inaccurate meter not later than thirty (30) days after the overcharge is determined.

- 7.11 Disputed Bills. In the case of a dispute between a Customer and TRIGID as to the correct amount of any bill rendered by TRIGID for service furnished to the Customer, the Customer will deposit with TRIGID the amount claimed by TRIGID to be due. Failure on the part of the Customer to make such deposit within fifteen (15) days after written notice by TRIGID that such deposit be made or service may be discontinued, shall warrant TRIGID in discontinuing the service to the Customer without further notice. A billing dispute not resolved to the Customer's satisfaction is subject to the dispute resolution procedures as provided in Article 13.

ARTICLE 8. APPLICATION FOR SERVICE

- 8.1 Application. Each person applying for a new sewer service or changes in an existing service, will be required to sign appropriate application forms provided by TRIGID and to pay all required fees and charges. The application form shall include an agreement to abide by all TRIGID rules and regulations and shall require furnishing such information as TRIGID may reasonably require. Each applicant shall describe the type of development proposed for the property.
- 8.2 Existing Service Connection. Applicants for service through existing service connections shall nevertheless provide required information on application forms provided by TRIGID.
- 8.3 New Service. The applicant shall provide any and all information which will assist TRIGID in properly sizing and locating a service lateral, including a description of the development, the use of water and plumbing plans of the private facilities, if required. Applications shall be accompanied by payment of any deposit, applicable fees, plus the connection charge, unless deferred.
- 8.4 Work to be Inspected. All sewer facilities construction work shall be inspected by TRIGID to ensure compliance with all TRIGID requirements. No sewer shall be covered at any point until it has been inspected and passed for acceptance. No sewer shall be connected to the sewer system until all work has been completed, inspected, approved and accepted by TRIGID.
- 8.5 Self-identification of User Type. Whether a new, or existing service, the applicant shall identify themselves to the TRIGID if they are classified as a Significant Industrial User as defined in 40 CFR 403.3 (v), or a Categorical Industrial User subject to any standard in 40 CFR chapter I, subchapter N.
- 8.6 Correct Information. In the event that an applicant provides incorrect information as to the size and location of a service connection or requests a change in the size or location after work has commenced, the applicant shall pay any costs incurred by reason of such corrections and changes.
- 8.7 Rejection of Application. Applications for service through existing or new service connections accompanied by all required fees and charges may nevertheless be rejected if:
- A. The account of the applicant or any other person (e.g., prior Customer, tenant, owner) at the same service location, or the applicant at another location, is delinquent; or
 - B. The purpose of the applicant, in the opinion of TRIGID, is to circumvent discontinuance of service in another name because of nonpayment of sewer bills.
- 8.8 Service Outside Service Area Boundary. Only property within the service area boundary is eligible for sanitary sewer service from TRIGID. Property outside the service area must be annexed into the service area before application can be made for sanitary sewer service to the property. Applicant shall pay all costs

associated with annexation of property into the service area. The Board may deny any annexation request, in its sole discretion, and the Board shall not approve any annexation that conflicts with existing County Master Plans and/or existing Development Agreements for the TRIGID Service Area. The Board may annex, in its sole discretion, any property for wholesale service, and any nonresidential property for retail service.

- 8.9 Design, Construction of New Connections, Inflow Sources. No new connection shall be made to TRIGID sewer system unless the same is properly designed and constructed complying with the Uniform Plumbing Code and approved TRIGID Design Standards and Details. All inflow sources including but not limited to roof leaders, cellar, yard and area drains, foundation drains, cooling water discharges, drains and springs and swampy areas, manhole covers, cross connections from storm sewers and combined sewers, catch basins, storm waters, surface runoff, street wash waters or drainage shall not be permitted to be connected to the sewer system.
- 8.10 Prohibition against Altering Connections. No person may bypass, adjust, or alter any piping arrangement (including metering devices) from a premises connecting to the sewer without the prior written consent of TRIGID.
- 8.11 Will Serve Commitment. Upon approval of Customer's application for service and compliance with all provisions of these Rules, TRIGID will issue to Customer a written will serve commitment for each sewer use of Customer. Unless Customer is required to build and dedicate sewer system improvements in accordance with Article 4.4 or Article 6, TRIGID agrees to cause the construction, at its sole cost and expense, of all community sewer system facilities deemed necessary by TRIGID in order to provide sewer service to Customer.

ARTICLE 9. TERMINATION OF SERVICES

- 9.1 Customer Request for Termination of Service. A Customer may have service terminated by giving not less than five (5) business days advance notice thereof to TRIGID and provide a mailing address to which the closing bill will be mailed. Charges for service may be required to be paid until the requested date of discontinuance or such later date as will provide not less than the required five (5) business days advance notice. When such notice is not given, the Customer will be required to pay for service until five (5) business days after TRIGID has knowledge that the Customer has vacated the premises or otherwise has terminated service. Failure to notify TRIGID of termination of service shall not relieve the Customer or property owner (if other than the Customer) of responsibility for payment of sewer bills.
- 9.2 Termination of Service by TRIGID.
- A. For Nonpayment of Bills. A Customer's service may be discontinued for nonpayment of a bill for service furnished if the bill is delinquent, provided TRIGID has given the Customer at least five (5) days prior notice of its intention to discontinue service.
 - B. Premises to which charges have become delinquent may be disconnected from the sewer system. TRIGID shall charge the cost of disconnection of such premises and the cost of reconnection thereto, plus the discontinuance charge before such premises are reconnected to the sewer system.
 - C. For Noncompliance with Rules. TRIGID may discontinue service to any Customer for violation of these Rules after it has given the Customer at least five (5) days written notice of such intention. Where safety of water supply or water quality is endangered, or other emergency circumstances exist, service may be discontinued or curtailed immediately without notice.
 - D. For Infiltration, Cross-Connections, or Illegal Connections. Where nonemergency infiltration, discharge of harmful waste, inter-connection, cross-connection, or illegal connection on or from a

Customer's premises occurs, TRIGID may discontinue service and/or make such corrections as may be indicated at Customer's expense, if such practices are not remedied within five (5) days after it has given the Customer written notice to such effect.

- E. For Unsafe Apparatus or Where Service is Detrimental or Damaging to TRIGID or its Customers. If any unsafe or hazardous condition is found to exist on the Customer's premises, or if any apparatus or illegal or prohibited connections, equipment or otherwise, is found to be detrimental or damaging to TRIGID or its Customers, the service may be discontinued without notice. TRIGID will notify the Customer immediately of the reasons for the discontinuance and the corrective action to be taken by the Customer before service can be restored.
- F. For Fraudulent Use of Services. When TRIGID has discovered that a Customer has obtained service by fraudulent means, or has altered sewer service for unauthorized use, the service to that Customer may be discontinued without notice. TRIGID may not restore service to such Customer until that Customer has complied with all policies, rules and reasonable requirements of TRIGID and TRIGID has been reimbursed for the full amount of the service rendered and the actual cost that TRIGID incurred by reason of the fraudulent use.

9.3 Restoration of Service.

- A. To Be Made During Regular Working Hours. TRIGID will endeavor to make reconnections during regular working hours on the day of the request, if conditions permit; otherwise, reconnection will be made on the regular working day following the day the request is made.
- B. To Be Made at Other Than Regular Working Hours. When a Customer has requested that the reconnection be made at other than regular working hours, TRIGID will reasonably endeavor to so make the reconnection if practicable under the circumstances, but will be under no obligation to do so, unless an emergency exists. Disconnections or reconnections requested by the Customer at other than regular working hours may result in the requirement of payment of additional TRIGID costs in addition to the charges for disconnection and reconnection.

9.4 Refusal to Serve.

- A. Conditions for Refusal. In addition to the provisions of Article 8.7, TRIGID may refuse an applicant for service under the following conditions:
 - 1. If the applicant for service is not within the boundaries of TRIGID.
 - 2. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing Customers.
 - 3. If the applicant fails to comply with these Rules or other rules as approved by the Board.
 - 4. If, in the judgment of TRIGID, the applicant's installation for utilizing the service is unsafe or hazardous or subject to freezing, or flooding, or of such nature that satisfactory service cannot be rendered.
 - 5. Where service has been discontinued for fraudulent use, TRIGID may elect not to serve an applicant until it has determined that all conditions of fraudulent use or practice have been corrected.
 - 6. When the collection lines, disposal systems, or treatment facilities do not have capacity or the

capability to receive and/or treat sewage, septic tank effluent, or liquid waste without contamination of the ground or surface waters of the basin or the watershed of the Truckee River, or in violation of Health Department requirements.

7. If the applicant for service is for a residential use.

- B. Notification to Customers. When an applicant is refused service under the provisions of this Article, TRIGID will notify the applicant promptly, by procedures specified in Article 3.3, of the reason for the refusal to serve and of the right of the applicant to appeal TRIGID's decision to the Board. Whenever termination of water service will affect more than one Customer, TRIGID will make reasonable effort to give notice to all Customers.

ARTICLE 10. REGULATION OF WASTEWATER DISCHARGE

- 10.1 Purpose and Policy. The portions of these Rules regarding wastewater discharge regulation impose uniform requirements for discharges into TRIGID's wastewater collection system and enable TRIGID to comply with any applicable state and federal water quality standards, limitations and pretreatment standards, to derive the maximum public benefit by regulating the quality and quantity of wastewater discharged. These regulations provide a means for determining wastewater volumes, constituents, and characteristics, the issuance of discharge permits to certain users, and enforcement.
- 10.2 Administration. Except as otherwise provided herein, TRIGID shall administer, implement and enforce the provisions of this regulation of wastewater discharge. Any powers granted or duties imposed upon TRIGID may be delegated by TRIGID to persons acting in the beneficial interest of or in the employment of TRIGID.
- 10.3 Dischargers Subject to These Regulations. All wastewater dischargers, domestic and industrial/commercial, to TRIGID sewer system are subject to the wastewater regulations, inspection, enforcement and charges provided in these Rules.
- 10.4 Discharges Prohibited from Sanitary Sewers. Sewage, waste, or any matter having any of the following characteristics shall not, under any conditions, be discharged into, be placed where they might find their way into, or be allowed to run, leak or escape into any part of TRIGID sewer system:
- A. Any gasoline, benzene, naphtha, solvent, fuel oil, or any other liquid, solid, or gas which create a fire or explosion hazard in the POTW, including, but not limited to, waste streams with a closed cup flashpoint of less than 140 degrees Fahrenheit or 60 degrees Centigrade using the test methods specified in 40 CFR 261.21;
 - B. Pollutants which will cause corrosive structural damage to the POTW, but in no case Discharges with pH lower than 5.0, unless the works is specifically designed to accommodate such Discharges; any waste with a pH greater than 9.5 pH units or high enough to cause alkaline incrustations on sewer walls or other adverse effects on the wastewater systems;
 - C. Any solids or viscous wastes that may cause deposition, obstruction, damage or reduction of flow in the sewer, be detrimental to proper wastewater treatment plant operations, or other interference. These objectionable substances include, but are not limited to: asphalt, dead animals, offal, ashes, sand, mud, straw, industrial process shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure, bones, hair fleshings, entrails, paper, dishes, paper cups, milk containers, or other similar paper products, either whole or ground;
 - D. Any pollutant, including oxygen demanding pollutants (BOD, etc.) released in a Discharge at a flow rate and/or pollutant concentration which will cause Interference with the POTW.

- E. Heat in amounts which will inhibit biological activity in the POTW resulting in Interference, but in no case heat in such quantities that the temperature at the POTW Treatment Plant exceeds 40 °C (104 °F) unless the Approval Authority, upon request of the POTW, approves alternate temperature limits.
 - F. Petroleum oil, nonbiodegradable cutting oil, refined petroleum products, or products of mineral oil origin in amounts that will cause interference or pass through;
 - G. Any waste containing or causing the promotion of toxic or poisonous solids, liquids, or gases that, alone or in combination with other waste substances may create a hazard for humans, animals, or the environment, interfere with wastewater treatment processes, cause a public nuisance, or cause any hazardous condition to occur in the wastewater system
 - H. Any trucked or hauled pollutants, except at discharge points designated by the POTW;
 - I. Any inflow sources, including rainwater, storm water, groundwater, street drainage, subsurface drainage, roof drainage, yard drainage, and water from yard fountains, ponds or law sprays, or any other uncontaminated water. It is unlawful to connect any sewer lateral to TRIGID's wastewater facilities which would allow infiltration discharges in excess of two hundred gallons per day per pipe diameter inch per mile of length;
 - J. Any water added for the purpose of diluting waste;
 - K. Any radioactive, radiological, or chemical/biological warfare, waste or material exceeding 100 mg/L except as regulated by the state or federal government;
 - L. Any matter that would be poisonous to or inhibit the biological organisms associated with any sewage treatment process, and which, in the opinion of the TRIGID, might interfere with the satisfactory operation of any treatment facility or any portion of the sewer system.
- 10.5 Administration - Determination of Prohibited Discharge. TRIGID shall make all discretionary determinations as may be required to administer these Rules and shall recover the cost incurred in making such determinations from the discharger.
- 10.6 Prohibition on Unpolluted Water. Unpolluted water including, but not limited to, process cooling water, blowdown from cooling towers or evaporator coolers, and swimming pool water, shall not be discharged through direct or indirect connection into TRIGID sewer system unless a discharge permit is issued by TRIGID for such discharge. TRIGID may approve the discharge of such water when no reasonable alternative method of disposal is available and such discharge does not violate other sections of these Rules. If a permit is granted for the discharge of such water into the wastewater facilities, the user shall pay the applicable charges and fees and shall meet such other conditions required by TRIGID.
- 10.7 Exclusions from Sanitary Sewers. In addition to the matter excluded heretofore, all surface drainage water shall be excluded from all parts of the sewer system designated by TRIGID as the sanitary sewer system.
- 10.8 Septic Tank Waste. It is unlawful to discharge any septic tank or cesspool waste to TRIGID sewer system unless specifically authorized in writing by TRIGID. The time and place for the specific discharge and required characteristics of the matter discharged shall be designated by TRIGID. No discharge shall violate any section of these Rules.
- 10.9 Limitations on the Use of Garbage Grinders, and Required Use of Grease Traps and Interceptors. Waste from garbage grinders shall not be discharged into TRIGID's wastewater facilities except when the wastes are generated in preparation of food normally consumed on the premises and the grinders shred the waste to a degree that all particles will be carried freely under normal flow conditions prevailing in the wastewater

facilities, and to a size not to exceed one-half inch in any dimension. Garbage grinders shall not be used for grinding plastic, paper products, inert materials or garden refuse. All scullery or dish table wastes shall not be put through a garbage grinder unless the discharge is through an approved grease interceptor.

All waste discharged from establishments which may generate grease shall install and maintain a grease interceptor. Sizing specifications for grease traps and interceptors are outlined in Chapter 7 and Appendix H of the Uniform Plumbing Code. TRIGID may waive the required minimum size grease interceptor. The design, operation and sizing of all grease traps and interceptors must be approved by TRIGID.

Grease traps, interceptors and sand/oil separators shall be constructed to prevent any bypass of matter prohibited in the wastewater system. Sand/oil separators shall be a minimum capacity of 1,000 gallons except when otherwise specified in Appendix I of the Uniform Plumbing Code.

The introduction of emulsifiers, bacteria, enzymes or any other product into the grease trap or interceptor which could cause oil and grease to pass through the trap or interceptor is prohibited. Grease traps and interceptors shall be cleaned regularly to ensure proper operation.

- 10.10 Limitations on Point of Discharge. No person shall discharge any substances directly into a manhole or other opening in a TRIGID sewer other than through an approved building sewer unless he has been issued a permit by TRIGID. If a permit is issued for such direct discharge, the user shall pay the applicable charges and fees and shall meet such other conditions as required by TRIGID.
- 10.11 Limitations on Wastewater Strength. Except as expressly permitted by these Rules or by TRIGID upon demonstration of good cause, no person shall discharge wastewater containing constituents in excess of:

<u>Constituent</u>	<u>Maximum Concentration</u>
Alkalinity, Total	430 mg/L
Arsenic	.05 mg/L
Barium	4.0 mg/L
Biological Oxygen Demand, BOD	240 mg/L
Boron	1.00 mg/L
Cadmium	0.01 mg/L
Chloride	110 mg/L
Chromium	0.05 mg/L
Chemical Oxygen Demand, COD	720 mg/L
Copper	0.05 mg/L
Cyanide	0.23 mg/L
Fluoride	4.0 mg/L
Iron	5.0 mg/L
Lead	0.30 mg/L
Manganese	0.70 mg/L
Mercury	0.01 mg/L
Nickel	1.80 mg/L
pH	6.5-9.5
Phenol	.005 mg/L
Phosphorus	8 mg/L
Selenium	0.04 mg/L
Silica, as SiO ₂	80 mg/L
Silver	0.05 mg/L
Sulfate	240 mg/L
Total Chlorinated Hydrocarbons	0.005 mg/L
Total Dissolved Solids, TDS	500 mg/L
Total Kjeldahl Nitrogen, TKN	40 mg/L
Total Suspended Solids, TSS	240 mg/L
Zinc	1.0 mg/L

<u>Pesticides and Herbicides</u>	<u>Maximum Concentration</u>
Chlordane	0.005 mg/L
Lindane	0.005 mg/L
Heptachlor	0.005 mg/L
Methoxychlor	0.005 mg/L
Taxaphene	0.005 mg/L
2-4D	0.005 mg/L
2-4-5T	0.005 mg/L
Parathion	0.0016 mg/L
Malathion	0.004 mg/L
Guthion	0.004 mg/L

- 10.12 Revision of Wastewater Regulations. Effluent limitations promulgated by any federal, state or local law, and regulations and guidelines promulgated thereunder, shall apply in any instance where they are more stringent than those in these regulations.

Limitations on wastewater strength in Article 10.12 may be supplemented with more stringent limitations pursuant to Article 12 of these Rules:

- A. If TRIGID determines that the limitations in Article 10.12 of these Rules may not be sufficient to protect the operation of the sewer system.
 - B. If TRIGID determines that the limitations in Article 10.12 may not be sufficient to enable TRIGID sewer system to comply with water quality standards or effluent limitations specified in any federal, state or local permit.
 - C. If any matter of any nature may be discharged into the sewer system, which discharge might reasonable be considered a violation of these Rules, the controlling characteristic of such matter shall be determined to the satisfaction of TRIGID. The responsibility of initiating such determinations of any costs involved and of submitting the results of the determinations to TRIGID for its approval lie solely with the party of parties desiring to discharge the matter into the sewer system. Verification of these results and the decision as to whether or not a permit shall be issued shall be the responsibility of TRIGID. The adoption of different rules or policies subsequent hereto does not constitute a waiver of TRIGID's right to regulate or prohibit the discharge of any matter.
- 10.13 Accidental Discharges. Customers shall notify TRIGID immediately upon accidentally discharging waste in violation of these Rules to enable TRIGID to take proper measures to reduce the impact of the discharge. This notification must be followed by a detailed written statement within fifteen (15) days of the date of occurrence.
- 10.14 Excessive Discharge. No Customer shall ever increase the use of process water or in any way attempt to dilute a discharge as a partial or complete substitute for adequate treatment to achieve compliance with the limitations enforceable under these Rules.
- 10.15 Cooling Water. Except as expressly permitted by TRIGID or these Rules, facilities using water for cooling shall not discharge the cooling water to the wastewater system or storm drain system. Recirculation of such cooling water shall be required.
- 10.16 Pretreatment. Industrial/commercial process water shall be pretreated, if necessary, to meet discharge requirements of these Rules. If process water can be recirculated or reused, equipment shall be installed to accomplish the recirculation or reuse.
- 10.17 Identification of Process Chemicals. All process chemicals and industrial wastes shall be properly labeled for identification purposes.

ARTICLE 11. WASTEWATER DISCHARGE PERMITS

- 11.1 Permit for Industrial/Commercial Dischargers. Industrial/Commercial dischargers connected to the TRIGID sewer system shall obtain a wastewater discharge permit from TRIGID. No industrial/commercial discharger may discharge without such a permit. TRIGID shall require permits for the following categories of industrial/commercial dischargers:

- A. Dischargers with an average process waste stream of twenty-five thousand (25,000) gallons per day or more to the TRIGID wastewater plant (excluding sanitary, noncontact cooling and boiler blowdown wastewater)
 - B. Dischargers whose effluent strength (BOD, total suspended solids, total Kjeldahl nitrogen) exceeds the limitations on wastewater strength as described in article 10.12;
 - C. Dischargers using an unmetered water source;
 - D. All industrial dischargers for which national pretreatment standards have been established under federal, state or local law and regulations and guidelines promulgated thereunder;
 - E. Other dischargers as determined by TRIGID to require special regulation or source control.
- 11.2 Exemption from Requirement to Obtain a Wastewater Discharge Permit. The TRIGID may determine that an industrial/commercial discharger is nonsignificant based on information supplied by the discharger representing a process wastewater stream determined to not impact the WWTP.
- 11.3 Permit Application.
- A. To obtain a wastewater discharge permit the industrial/commercial user shall complete and file with TRIGID an application in the form prescribed by TRIGID. The application may require the following information:
 - 1. Name, address and Standard Industrial Classification (S.I.C.) number or numbers of applicants;
 - 2. Estimated volume of wastewater to be discharged;
 - 3. Wastewater constituents and characteristics as prescribed by TRIGID;
 - 4. Time and duration of discharge;
 - 5. Site plans, floor plans, mechanical and plumbing plans, and details to show all sewers and appurtenances by size, location and elevation as required by TRIGID;
 - 6. Description of business activities including type of products, raw materials used, variation in operation, and number and duties of employees;
 - 7. Any other information as may be deemed by TRIGID to be necessary to evaluate the permit application.
 - B. TRIGID will evaluate the data furnished by the discharger. After evaluation, inspection, and approval of all the data required, TRIGID may issue a wastewater discharge permit subject to terms and conditions provided herein.
 - C. Before a new industrial/commercial discharger is allowed, the discharger must first obtain a wastewater discharge permit from TRIGID. Violation of this provision shall subject the discharger to enforcement and charges as provided in these Rules.
 - D. Fees for wastewater discharger permit and monitoring shall be as stated in Article 5.3 of these Rules.

11.4 Terms and Conditions.

- A. Duration of Discharge Permits. Wastewater discharge permit shall be issued for a specified time period not to exceed one year. A permit may be issued for a period less than a year or may be stated to expire on a specific date. If the user is not notified by TRIGID thirty (30) days prior to the expiration of the permit, the permit shall be extended until such notice is made. The terms and conditions of the permit may be subject to modification and change by TRIGID during the life of the permit as limitations or requirements as identified in Article 10 of these Rules are modified and changed. The user shall be informed of any proposed changes in their permit at least thirty (30) days prior to the effective date of change. Any changes or new conditions in the permit shall include a time schedule for compliance, at a maximum of six months.
- B. Permit Conditions. Wastewater discharge permit shall be expressly subject to all provisions of these Rules and all other applicable regulations, user charges and fees established by TRIGID. Permits may contain the following:
1. the unit charge or schedule of user charges and fees for the wastewater to be discharged to a sewer;
 2. limits on the average and maximum wastewater constituents and characteristics;
 3. limits on average and maximum rate and time of discharge or requirements for flow regulations and equalization;
 4. requirements for installation and maintenance of inspection and sampling facilities;
 5. specifications for monitoring programs which may include sampling locations, frequency of sampling, number, types and standards for tests and reporting schedule;
 6. compliance schedules;
 7. requirements for submission of technical reports or discharge reports;
 8. requirements for maintaining and retaining records relating to wastewater discharge as specified by TRIGID, and affording TRIGID access thereto;
 9. requirements for notification to TRIGID of any new introduction of wastewater constituents or any substantial change in the volume or character of the wastewater constituents being introduced into the sewer system.
 10. requirements for notification of sludge discharges;
 11. pretreatment of wastes before discharge;
 12. relocation of discharge points;
 13. prohibition of discharge of certain wastewater constituents;
 14. notification to TRIGID of any new introduction of wastewater constituents or any substantial change in the volume or character of wastewater discharge;
 15. development of a compliance schedule for the installation of technology required to meet

applicable pretreatment standards and requirements;

16. other conditions necessary to accomplish the purpose of these Rules.

17. The permit may include a time schedule which allows the discharger time to meet the conditions of the permit. The industrial/commercial discharger who has been issued a permit, will be responsible for all costs required to comply with conditions of the permit.

C. Change of Permit Terms and Conditions. TRIGID may change any or all terms and conditions of a discharge permit for cause. TRIGID shall specify a reasonable compliance period to comply with any required changes in the permit.

D. Transfer of a Permit. Wastewater discharge permits are issued to a specific user for a specific corporation. Except as expressly permitted by TRIGID or these Rules, a wastewater discharge permit shall not be reassigned or transferred or sold to a new owner, new user, different premises, or a new or changed operation.

11.5 Minimum Reporting Requirements. All industrial/commercial dischargers applying for a new permit or proposing changes to a stream covered by an existing permit are subject to monthly reporting for 30-day average and maximum daily flow, and for all constituents listed in article 11.12, except those listed under Pesticides and Herbicides.

11.6 Reduced Reporting. Following periods of continuous compliance, the TRIGID may reduce the required reporting requirements and frequencies.

11.7 Trade Secrets and Confidentiality. Any information, except effluent data as defined in 40 CFR 2.302 may be claimed as confidential, or as a trade secret by the discharger. Confidentiality claims must be asserted at the time of submission by sampling the words "CONFIDENTIAL BUSINESS INFORMATION" on each page containing such information. If no claim is made at the time of submission, the District may provide information to the public by request.

Information as defined in 40 CFR 2.302 (a)(2)(ii) may be classified as effluent data only to the extent necessary to allow the regulatory agency to disclose publicly that a source is (or is not) in compliance with an applicable standard or limitation, or to allow the regulatory agency to demonstrate the feasibility, practicability, or attainability (or lack thereof) an existing or proposed limitation.

11.8 Monitoring Facilities, Reports and Access by Industrial Waste Inspector. TRIGID may require discharger, at their own expense, to construct, operate and maintain monitoring facilities and equipment, and to submit monitoring reports in order to allow inspection, sampling and flow measurement. The monitoring facility will normally be required to be located on the discharger's premises outside of the building. There shall be accommodations to allow safe and immediate access for the Industrial Waste Inspector, as may be required by TRIGID. No person shall prevent, or attempt to prevent, any such entrance or obstruct or interfere with any such officer or employee of TRIGID while so engaged.

11.9 Inspection. TRIGID, Industrial Waste Inspector, or government officials or employees, shall have the right of entry for inspection purposes of the facilities discharging to TRIGID's sewer system to ascertain compliance with TRIGID's sewer regulations or any federal, state or local law. Person or occupants of premises where wastewater is created or discharged shall allow TRIGID or its representatives ready access to all parts of the premises for the purposes of inspection, sampling, records examination, or in the performance of any other duties as called for in these Rules. TRIGID or its representative will verify the discharge flows and strength reported by discharger, or to determine compliance with these Rules. Inspection, measurement and sampling may be conducted periodically by the Industrial Waste Inspector. TRIGID may install, maintain and operate sampling and measuring equipment on the premises of the discharger. Where a discharger has security measures in force which would require proper identification

and clearance before entry into the user's premises, the user shall make necessary arrangements with their security guards so that upon presentation of suitable identification the Industrial Waste Inspector will be permitted to enter without delay for the purposes of performing the specific responsibilities of these Rules.

- 11.10 Pretreatment of Sewage. When at any time it becomes necessary or desirable to discharge into the sewer system any matter from any source which does not conform to the requirements outlined in Articles 10 or 11 of these Rules, it is required that before such matter may be discharged into the sewer system, the producer thereof shall pretreat same at their own expense to a degree that will produce an effluent which does conform to the requirements. Such pretreatment plants shall be understood to include grease traps, chemical or biochemical plants, sedimentation chambers and any other devices which effect a change of any nature in the characteristics of the matter being treated. Any and all such devices and equipment shall not be put into operation without a written permit of approval issued by TRIGID and shall be provided with all necessary features of construction to permit inspection of operations and testing of material passing through them, and shall be open to the inspection of TRIGID at any time, but the producer, in lieu of the treatment of the sewage as hereinabove provided for, may, with the written approval of TRIGID being first obtained, discharge the sewage, waste or other matter into the sewage system, subject to the provisions of Article 10, and subject to the payment of the additional cost of the treatment thereof, as provided for in these Rules.

TRIGID may require users of TRIGID's sewer system to pretreat wastewater. Users shall make wastewater acceptable under the limitations established herein before discharging into any wastewater facility. Any facilities required to pretreat wastewater to a level acceptable to TRIGID shall be provided and maintained at the user's expense. Detailed plans showing the pretreatment facilities and operating procedures shall be submitted to TRIGID for review and shall be approved by TRIGID before construction of the pretreatment facility. The review and approval of such plans and operating procedures will in no way relieve the user from the responsibility of modifying the facility as necessary to produce an effluent complying with the provisions of these Rules. Any subsequent changes in the pretreatment facilities or method of operation shall be reported to and be approved by TRIGID.

11.11 Monitoring Equipment Construction and Report Requirements.

- A. Monitoring facilities and equipment may be required of any sewer user in order to allow inspection, sampling and flow measurement of the building sewer, or internal drainage system. When more than one sewer user can discharge into a common building sewer, TRIGID may require installation of a separate monitoring facility for each user. Also when, in the judgment of TRIGID, there is significant difference in wastewater constituents and characteristics produced by different operations of a single user, TRIGID may require that separate monitoring facilities be installed for each separate discharge. Monitoring facilities that are required to be installed shall be constructed, operated and maintained at the user's expense. The purpose of the facility is to enable inspection, sampling and flow measurement of wastewaters produced by a user. If sampling or metering equipment is also required by TRIGID, it shall be provided, installed and operated at the user's expense. The monitoring facility will normally be required to be located on the user's premises outside of the building. TRIGID, however, when such a location would be impractical or cause hardship to the user, may allow the facility to be constructed in the public street or public sidewalk area.

If the monitoring facility is inside the user's fence, there shall be accommodations to allow safe and immediate access for the Industrial Waste Inspector, such as a gate secured with a TRIGID lock. There shall be ample room in or near such facility to allow accurate sampling and compositing of samples for analysis. The entire facility and the sampling and measuring equipment shall be maintained at all times in a safe and proper operating condition by and at the expense of the sewer user.

Whether constructed on public or private property, the monitoring facilities shall be constructed in accordance with TRIGID's requirements. When, in the judgment of TRIGID, an existing user requires a monitoring facility, the user will be so notified in writing. Construction must be completed within ninety (90) days following written notification unless a time extension is otherwise granted by TRIGID.

- B. Within ninety (90) days following the date for final compliance with applicable discharge limitations, or in case of a new source following commencement of the introduction of wastewater into TRIGID sewer system, any commercial/industrial discharger subject to such discharge limitations shall submit to TRIGID a report indicating the nature and concentration of all pollutants in the discharge from the affected commercial or industrial establishment. The discharger's report will include reporting on the discharge from any regulated processes which are limited by the discharge limitations and the average and maximum daily flow from these process units in the user facility which are limited by such standards or discharge limitations. The report shall state whether the applicable limitations are being met on a consistent basis, and, if not, what additional operation and maintenance and/or pretreatment is necessary to bring the sewer user into compliance with the applicable limitations. The submitted report shall be signed by an authorized representative of the industrial/commercial user and certified to be a qualified professional.
- C. Any user subject to a discharge limitation after the compliance date of such discharge limitation, or, in the case of a new source after commencement of the discharge into TRIGID sewer system shall submit to TRIGID during the months of June and December, unless requirement more frequently by TRIGID, a report indicating the nature and concentration of pollutants in the effluent which are limited by such discharge limitations. In addition, this report shall include a record of all daily flows which, during the reporting period, exceeded the average daily flow reported, as required under the permit. At the discretion of TRIGID, and in consideration of such factors as local high or low flow rates, holidays, budgets and cycles, TRIGID may agree to alter the months during which the above reports are to be submitted. TRIGID may impose mass limitations on users which are using dilution to meet applicable discharge limitations or in other cases where the imposition of mass limitations are appropriate. In such cases, the report required by the above paragraph shall indicate the mass of pollutants regulated by the discharge limitations in the effluent of the sewer user. These reports shall contain the results of sampling and analysis of the discharge, including the flow and nature of concentration, or production and mass, where requested by TRIGID, of pollutants contained therein which are limited by such applicable pretreatment standards. The frequency of monitoring shall be prescribed in the discharge permit. All analyses shall be performed in accordance with procedures established in standard methods or other procedures approved TRIGID.
- 11.12 Violation Notice. In the event of a minor or potential hazard, the Industrial Waste Inspector shall issue a notice to the discharger to remedy the hazard. Said notice shall require the discharger to submit to TRIGID within ten days a detailed plan and time schedule of specific action the discharger will take in order to correct or prevent a violation. If the discharger fails to submit an acceptable plan, fails to comply with the notice, or fails to comply with the plans submitted, the discharger shall be in violation of these Rules.
- 11.13 Cease and Desist Order. In the event of a discharge or potential discharge threatens the operation of the TRIGID sewer system, or endangers the health or safety of any person, TRIGID shall issue a cease and desist order to the discharger. If the discharger fails to obey said order immediately, the Industrial Waste Inspector may take such action pursuant to these Rules as may be necessary to ensure compliance.
- 11.14 Enforcement Procedures.
- A. When discharge of wastewater has taken place in violation of these Rules or the provisions of a wastewater discharge permit, TRIGID, Industrial Waste Inspector, or other duly authorized TRIGID employee, may issue a cease and desist order and direct those persons not complying with such prohibitions, limits, requirements, or provisions, to: comply forthwith, comply in accordance with a time schedule set forth by TRIGID, or take appropriate remedial, or preventative action.
- B. Any user who violates the following conditions of this title, or applicable state and federal regulations, is subject to having their permit revoked by TRIGID for:
1. failure of a user to factually report the wastewater constituents, flow and/or characteristics of their discharge;

2. failure of the user to report significant changes in operations, or wastewater constituents and characteristics;
 3. refusal of reasonable access to the user's premises for the purpose of inspection or monitoring; or
 4. violation of conditions of a wastewater discharge permit.
- C. In the event of a significant upset or permit violation, the TRIGID may issue a public notice with details regarding the event if there is potential for the event to cause issues to public health.
- 11.15 Indemnity. Any person who violates or aids or abets the violation of any provisions of these regulations, requirements, or conditions set forth in permits duly issued, or who discharges wastewater which causes pollution, or violates any cease and desist order, prohibition, effluent limitation, national standard of performance, pretreatment or toxicity standard, shall be liable to indemnify, defend and hold harmless TRIGID in the full amount of any penalty or judgment rendered against TRIGID which is attributable to, or results from, such violation.
- 11.16 Falsifying of Information. Any person who knowingly makes any false statements, representation, record, report, plan or other document filed with TRIGID, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required under these Rules, is declared to be in violation of these Rules, and subject to the charges imposed under these Rules, or subject to the procedures specified in these Rules.

ARTICLE 12. SERVICE AREAS

- 12.1 Intention. The intent of these Rules is to establish rules, regulations and rates for sewer service supplied hereunder only to areas allowed by TRIGID's service territory for retail service and for wholesale service. No other areas shall be served by TRIGID. Otherwise, TRIGID shall establish the service area, based on its ability to serve and as provided by law and these Rules.
- 12.2 Wholesale Service. TRIGID may enter into an agreement with a person who is a regulated public utility company, a governmental entity authorized by law to provide retail water service, or an accommodator under NRS 704.030 to provide wholesale water service to said person, provided said person provides retail water service outside TRIGID's retail service area in a manner allowed by law.

ARTICLE 13. DISPUTES, RELIEF, APPEALS, REVIEWS

- 13.1 Relief on Application. When any person by reasons of special circumstances is of the opinion that any provision of these Rules is unjust, inequitable or improper as applied to their premises, he may make written application to the Board stating the special circumstances, citing the provision complained of, and requesting suspension or modification of that provision as applied to their premises. If such application be approved, the Board may suspend or modify the provision complained of, as applied to such premises, to be effective as of the date of the application and continuing during the period of the special circumstances.
- 13.2 Relief on Own Motion. The Board may, on its own motion, find that by reason of special circumstances any provision of these Rules should be suspended or modified as applied to a particular premises and may order such suspension or modification for any such premises during the period of such special circumstances, or any part thereof.
- 13.3 Review by the Board. These Rules shall be reviewed by the Board on a periodic basis to ensure that the provisions of these Rules are kept up to date, and that the charges and fees set out in Articles 4 and 5 are adequate to meet the costs of operating the water facilities and recovering the cost of Capital Outlays.

- 13.4 Adjustment of Complaints. The Board shall have the power of discretion in the interpretation and application of these Rules, including adjustments or rebate of charges, if in the Board's opinion, the intent of the Rules would not be accomplished, and an injustice would result by their strict application.
- 13.5 Ruling Final. All rulings of the Board shall be final, unless appealed in writing as provided in this Article within thirty (30) days.
- 13.6 Billing Disputes. Any dispute regarding the payment of any bill, charge or fee demanded by TRIGID is subject to relief and review as provided in this Article 14.
- 13.7 Right to Arbitration. Any request for relief made pursuant to Article 14.1 or other dispute arising from these Rules shall be subject to arbitration and be decided by arbitration in accordance with the Rules of the American Arbitration Association currently in effect, unless the parties mutually agree otherwise. Notice of demand for arbitration shall be filed in writing with the Board and with the American Arbitration Association.
- 13.8 Limitation on Claim. A demand for arbitration shall be barred unless made within thirty (30) days after the ruling of the Board, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitations.
- 13.9 Claims and Timely Assertion of Claims. A party who files a notice of demand for arbitration must assert in the demand all claims then known to that party on which arbitration is permitted to be demanded. When a party fails to include a claim through oversight, inadvertence or excusable neglect, or when a claim has not matured or been acquired subsequently, the arbitrator or arbitrators may permit amendment. Otherwise, all unasserted claims are barred.
- 13.10 Judgment on Final Award. The award rendered by the arbitrator or arbitrators shall be binding and final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Attachment B-3

RESOLUTION 2019-01 CHANGING CERTAIN RATES AND CHARGES FOR WATER AND SEWER SERVICE BY TRI GENERAL IMPROVEMENT DISTRICT

WHEREAS, Storey County (the "County") by and through the Board of County Commissioners (the "BCC"), approved on February 1, 2000 pursuant to Resolution 00-50 a service plan for the TRI General Improvement District ("TRIGID" or "District") within the County to supply electric power and space heating to customers. On the same date Ordinance No. 164 was passed by unanimous vote of the Board creating TRIGID.

WHEREAS, the County by and through the BCC approved on July 18, 2000 pursuant to Resolution 00-85 a service plan modification for TRIGID to supply water and sewer services to customers. On the same date Ordinance No. 171 passed by unanimous vote of the BCC to add basic powers of furnishing water service and sewer service.

WHEREAS, the Tahoe-Reno Industrial Center ("TRI Center") is an area planned by the Storey County Master Plan to be a large industrial business park located in the northern portion of the County, in which water and sewer service is provided by TRIGID.

WHEREAS, general improvement districts are authorized under state law, NRS Chapter 318, to supply water and sanitary sewerage facilities to customers, and NRS 318.197 and 318.199 specify criteria to create rates, tolls, charges and services by a general improvement district for water and sewer service.

WHEREAS, on September 27, 2019 and October 25, 2019 a Notice of Hearing and information on how to obtain a Utility Rate Analysis Report dated October 21, 2019 ("Rate Study") prepared by Farr West Engineering, District Engineers for TRIGID was made available to all customers. Said Notice of Hearing and Rate Study are attached to this Resolution as Exhibit "A".

WHEREAS, the Rate Study analyzed revenue and expenditures of TRIGID and existing rates and charges of TRIGID to customers, in order to recommend proposed rates and charges that meet the future level of TRIGID expenditures.

WHEREAS, pursuant to NRS 318.199, a 30 days' notice of a public hearing by the TRIGID Board of Trustees (the "Board") on proposed rates and charges for water and sewer service, set for November 4, 2019, 2016 at 2:00 p.m. at the Storey County Administrative Center, 1705 Peru Drive, McCarran, Nevada 89434, was published in the Comstock Chronicle on October 4, 2019.

WHEREAS, on April 18, 2001 the Board adopted Resolution 2001-04 Establishing Rates, Tolls, Charges And Services For Water And Sewer Service By TRI General Improvement District, which approved the following:

- Rules, Regulations And Rates Of The TRI General Improvement District For Sewer Service
- Rules, Regulations And Rates Of The TRI General Improvement District For Water Service

These documents are referred to as the "Sewer Rules" and the "Water Rules", respectively, the provisions of which are incorporated into the Resolution by reference.

WHEREAS, an open public hearing on the adoption of amended rates and charges was held by the Board on November 4, 2019 at 2:00 p.m. within the District at the Storey County Administrative Center, located at 1705 Peru Drive, McCarran, Nevada 89434. The general public and TRIGID customers were given the opportunity to testify and comment, as well as to submit data, views or arguments orally or in writing at the hearing, whereupon the Board discussed and deliberated the proposed rates and charges.

WHEREAS, after discussion, upon motion made, seconded and unanimously approved, the Board made the following findings and passed the following resolutions.

Findings. The Board finds as follows.

1. Pursuant to NRS 318.197 and 318.199 the Board of Trustees of TRI General Improvement District may establish rates and charges for water and sewer service and may set new and changed rates and charges from time to time.
2. Pursuant to NRS 318.199(2) the Board caused the Notice of Hearing to be mailed by regular mail to all users (customers) of TRIGID more than 30 days prior to the scheduled hearing date.
3. Pursuant to NRS 318.199(3) notice was given by publication in a newspaper published in Storey County, the Comstock Chronicle, and said notice was not placed in that portion of the newspaper where legal notices and classified advertisements appear and the type used in the headline of the notice was not smaller than 18 point.
4. Pursuant to NRS 318.199(4), all users of water and sewer service in TRIGID were afforded a reasonable opportunity to submit data, views or arguments orally or in writing, both before the hearing set for 2:00 p.m. on November 4, 2019 and at said hearing.
5. The Board, having considered the Rate Study and all other data, views and arguments submitted, finds that in order for TRIGID to meet future obligations to provide water and sewer service and to pay expenditures of TRIGID to provide said services it is required that rates and charges be changed as proposed in the Rate Study.
6. Sections 4.1 of the Water Rules and the Sewer Rules provide that the Board may raise water and sewer rates when current rates are insufficient to pay all operating costs and

the monthly rates proposed in the Rate Study raise rates to a level that are projected to cover all operating costs.

Resolutions: The Board therefore passes the following resolutions.

RESOLVED, that rates and charges specified below are the new and changed rates and charges of TRIGID.

Table of Monthly Meter Fees Based on Size and Monthly Usage Fees

Meter Size	Water Service	Sewer Service	Hydrant Service
3/4"	\$26.51	\$27.44	\$75.10
1"	\$47.08	\$33.81	
1-1/2"	\$81.11	\$54.39	
2"	\$122.54	\$101.43	
4"	\$361.96	\$293.58	
6"	\$705.13	\$473.57	
8"	\$1,116.53	\$757.23	
10"	\$1,945.34	\$2,094.98	
Usage Per 1,000 Gallons	\$3.52	\$2.69	\$3.52

The revised industrial wastewater surcharge structure shall be based on the following equation:

$$\frac{\$}{1000gal} 2.69 + (BOD - 240) \times (0.00263) + (TSS - 240) \times (0.00211) + (TKN - 40) \times (0.01326)$$

BOD = 5 day Biological Oxygen Demand, mg/l

TSS = Total Suspended Solids, mg/l

TKN = Total Kjeldahl Nitrogen, mg/l

RESOLVED, that any rates, tolls, charges, services to be performed or products to be furnished which are currently in place other than the new and changed rates and charges established above remain unchanged.

RESOLVED, that the effective date of these resolutions shall be November 4, 2019.

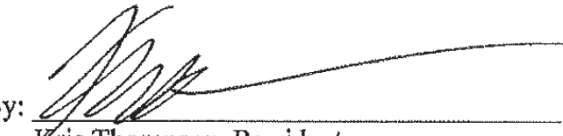
MOTION MADE BY J. Barnes AND SECONDED

BY L. Armas.

THOSE VOTING AYE: ^{J. Barnes}
L. Armas, K. Thompson

THOSE VOTING NAY: none

TRUSTEES OF THE TRI GENERAL IMPROVEMENT DISTRICT

By: 
Kris Thompson, President

Attachment B-4

UNDERGROUND WATER

Well No. or WR Name	Permit/ Application	Status	Cert.	Cubic Feet Second	Acre Feet	Reduced From	MoU	Combined Duty	Notes	Owner Name	PCW Dates	PBU Dates	Notes
	No.		No.	(cfs)	(AFA)	(AFA)					Date	Date	
31149	31149	CER	9673	0.11	3.36		QM			TRI General Improvement District			
31285	31285	CER	9655	0.05	2.24		QM			TRI General Improvement District			
Well 1	61778	PER		0.5	206.25		QM		Permits Nos. 61778, 62256, 62257, 62258, 62260, 62261, 62262, 65603, 67176 & 69299 and 86556 have a total combined amount of 2195.29 NOT TO EXCEED 2195.29 AFA	TRI General Improvement District	7/26/2020	7/26/2020	
WF-1	62256	PER		0.5	206.25		QM			TRI General Improvement District	7/26/2020	7/26/2020	
Coyote	62257	PER		0.5	206.25		QM			TRI General Improvement District	7/26/2020	7/26/2020	
Well 2	87183	Permit		0.5	206.25		QM			TRI General Improvement District	Filed 11/2018	11/28/2022	Moved #62258 from W-3b
Well 2	62260	PER		0.75	542.98		QM			TRI General Improvement District		7/26/2020	
Well 4	62261	PER		0.75	542.98		QM			TRI General Improvement District		7/26/2020	
Tiger	62262	PER		0.75	542.98		QM			TRI General Improvement District	7/26/2020	7/26/2020	
NEW Well	86556	PER		0.75	542.98		QM			TRI General Improvement District	2/16/2020	2/16/2020	moved #62263
Well 2	65603	CER	19656	0.01872	13.44		QM			TRI General Improvement District			
Well 3	67176	PER		1	240		MUN			TRI General Improvement District		7/26/2020	
Well 3	69299	CER	19574	0.044	31.85		MUN			TRI General Improvement District			
w-6	65061	PER		2.5	1000		QM		Permit Nos. 65061-65071, & 76754 for a combined amount of 2740.00 AFA	TRI General Improvement District	3/21/2020	3/21/2021	See #84003(denied 2016)
w-5a	65062	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
W-11	65063	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
W-10a	65064	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
w-9	65065	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
S	65066	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
Comstock													
Well 6	65067	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
N	65068	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
Comstock													
w-8	65069	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
w-7	65070	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
MW-Target	65071	PER		2.5	1000		QM			TRI General Improvement District	3/21/2020	3/21/2021	
Range													
Well 5	76754	PER		2.5	1000		QM			TRI General Improvement District		3/12/2023	
Well 5	79685	CER	21049	0.0067	2.11		QM		Smith 2010 - Permit No. 60770	TRI General Improvement District			

Well 2	80159	PER		0.076	55		QM		TMWA - Permit No. 60877	TRI General Improvement District		7/26/2021	
Well 4	81718	PER		1	180		MUN		Western 102 Ranch Limited	TRI General Improvement District (85 afa) - Western 102 Ranch (beneficial use of 95 afa) - TRI General Improvement District		8/30/2020	
Well 5	80304	CER	21050	0.0084	2.63		QM		Brian Smith 2010 - Permit No. 60770	TRI General Improvement District			
Granite Well	83083	PER		4.045	32.575		MUN		Granite Construction - Combined with 83084 for a total 32.575 afa	TRI General Improvement District	4/15/2021	4/15/2021	
	83084	PER					MUN	32.575	Granite Construction - Combined with 83083 for a total 32.575 afa	TRI General Improvement District	4/15/2021	4/15/2021	
Well 5	83085	CER	21051	0.158	57.161		MUN		Rock West - Combined with 83086 for a total 57.16 afa	TRI General Improvement District	Filed Nov 2014		
	83086	CER	21052				MUN	57.161	Rock West - Combined with 83085 for a total 57.16 afa	TRI General Improvement District	Filed Nov 2014		
Well 4	83299	PER		0.5	9.1		MUN		Peri Family 2013 - Permit 28864	TRI General Improvement District	Filed May 2016	5/6/2024	
Well 4	83300	PER		0.27	11.3		MUN		Peri Family 2013 - Permit 45313	TRI General Improvement District	Filed May 2016	5/6/2024	
Underground		Total			5290.765								

TRUCKEE RIVER WATER

Well No. or WR Name	Permit/ Application	Status	Cert.	Cubic Feet Second	Acre Feet	Reduced From	MoU	Combined Duty	Notes	Owner Name	PCW Dates	PBU Dates	Notes
TR	61886	PER		0.096	28.29		MUN		Fox June 2016 - TR Claim 346/347	TRI General Improvement District		1/16/2021	
TR	64368	PER		1.265	192.22		MUN		Hilton/Caesars	TRI General Improvement District		4/27/2021	
TR	65134	PER		1.298	45.14		Mun/Dom		TMWA Aug 2016 - TR Claim 311	TRI General Improvement District		9/24/2020	
TR	66589	PER		1.298	86.03		Mun/Dom		TMWA March 2015 - Permit 25915	TRI General Improvement District		5/26/2020	
TR	67467	PER		0.392	128.38		Mun/Dom		TMWA January 2017	TRI General Improvement District		8/18/2020	
TR	68273	PER		0.3616	118.46		MUN		TMWA Jan 2017	TRI General Improvement District		9/14/2020	
TR	70875	PER			299.14		MUN		Vidler June 2019	TRI General Improvement District		8/14/2023	Purchased June 2019 to SE June 2019
TR	72776	PER		0.226	40		Mun/Dom		Besso March 2015 TR Claim 50 & 50a	TRI General Improvement District		4/1/2021	
TR	73529	PER			32.43		MUN		CP Logistic Oct 2016	TRI General Improvement District		10/7/2020	
TR	73061	PER		0.346	58.52		MUN		Judson Trust/Miller	TRI General Improvement District		4/10/2021	
TR	73711	PER		0.0164	14.51		MUN			TRI General Improvement District		12/20/2020	
TR	74330	PER		0.106	17.76		MUN			TRI General Improvement District		11/20/2020	
TR	74908	PER		0.029	8.6		Mun/Dom		Campbell Const. TR Claim 337	TRI General Improvement District		4/6/2021	
TR	75029	PER		0.0656	13.51		MUN			TRI General Improvement District		4/26/2021	
TR	76790	PER		0.38	18.73		MUN		Nevada(S Virginia Ave)	TRI General Improvement District		7/17/2020	
TR	80230	PER		0.178	22.76		MUN		TR Claim 634 - TMWA Area	TRI General Improvement District		7/26/2021	
IW-1	85507	PER		3.1439	634.6	888.73	Mun/lnd		Moved 82927 from Reno Land & Water (Kiley) TR Claim 346/347	TRI General Improvement District	10/26/2020	10/26/2021	
Induct Well	83254	PER		1.1539	74.625	110	MUN		Annapurna Capital Partners 2010 - Permit 25915	TRI General Improvement District	7/24/2020	7/24/2020	
Induct Well	83296	PER		0.0033	0.47	0.75	MUN		Big Canyon Ranch 2013 Permit 65580	TRI General Improvement District	7/24/2020	7/24/2020	

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Induct Well	83297	PER		0.001	0.125	0.2	MUN		Big Canyon Ranch 2013 Permit 65581, 83298	TRI General Improvement District	7/24/2020	7/24/2020	
IW-1	85505	PER		0.089	23.75	38	MUN		Big Canyon Ranch 2013 Permit 65582	TRI General Improvement District	4/21/2021	4/21/2021	
Induct Well	84004	PER		0.099	16.79	26.86	MUN		Collinsworth June 2014 - Permit 81394	TRI General Improvement District	10/10/2020	10/10/2020	
Induct Well	84005	PER		0.016	1.88	3	MUN		Lee Racicot June 2014 - Permit 77977	TRI General Improvement District	10/10/2020	10/10/2020	
Induct Well	84006	PER		0.0252	1.42	2.55	MUN		TMWA June 2014 - Permit 73529	TRI General Improvement District	10/10/2020	10/10/2020	
TR	81144	PER		0.0133	9.52		MUN		TMWA 2013 - Permit 63620	TRI General Improvement District	12/27/2019	3/21/2022	
Induct Well	81246	PER		0.0923	21.13	30.42	MUN			TRI General Improvement District	12/27/2020	12/27/2020	
Induct Well	81247	PER		0.0081	0.78	1.25	MUN		Sterling Builders 2014 - TR 294/295	TRI General Improvement District	12/27/2020	12/27/2020	
Induct Well	81248	PER		0.1228	16.03	29.88	MUN		TMWA 2014 - Permits 63622, 71740 71741	TRI General Improvement District	12/27/2020	12/27/2020	
Induct Well	82338	PER		0.347	36.38	58.19	MUN		TMWA 2012 - Permit 62287	TRI General Improvement District	12/27/2020	12/27/2020	
TR	85734	PER			24.06		MUN		CFCP, LLC	TRI General Improvement District	8/12/2026	8/12/2026	Title to State May 2018
TR	88033	PER			95.26		MUN		Rancharah Holdings	TRI General Improvement District	10/29/2020	10/29/2023	Title to State Oct 2018
TR	Claim 7676a	Decree			10		DEC		US Geomatics	TRI General Improvement District			Purchased June 2019 to SE June 2019
TR	Claim 623	Decree		1.33	6		DEC		Scott Family June 2016	TRI General Improvement District			
TR	Claim 271	Decree			23.6		DEC		Canton Properties October 2014	TRI General Improvement District			

TR	Claim 272	Decree			24.96	DEC		Canton Properties October 2014	TRI General Improvement District			
TR	Claim 207/208.5	Decree			352.609	DEC		Middlefork (Ranchharrah)	TRI General Improvement District			
TR	Claim 208.5	Decree			8	DEC		US Geomatics	TRI General Improvement District			Purchased June 2019 to SE June 2019
TR	Claim 207	Decree			45.349	DEC		Merchant & Water Co	TRI General Improvement District			Purchased June 2018
TR	Claim 207	Decree			19.453	DEC		Ranchharrah Holdings	TRI General Improvement District			Purchased Oct 2018
TR	Claim 208.5	Decree			48.89	DEC		Ranchharrah Commer	TRI General Improvement District			Purchased Aug 2018
TR	Claim 47	Decree			250	DEC		Reno Land & Dev. April 2016	TRI General Improvement District			
TR	Claim 46	Decree			14.265	DEC		Barbara Iler April 2019	TRI General Improvement District			
TR	Claim 17, 31.33,46,47,4 9,48,94	Decree			485.09	DEC		Reno Land & Dev. April 2015	TRI General Improvement District			Claim 46 was short by 15.29 afa (working with RLD)
TR	Claim 19	Decree			16	DEC		US Geomatics	TRI General Improvement District			Purchased June 2019 To SE June 2019
TR	Claim 147	Decree			3.04	DEC		US Geomatics	TRI General Improvement District			Purchased June 2019 To SE June 2019
TR	Claim 477	Decree			3.33	DEC		US Geomatics	TRI General Improvement District			Purchased June 2019 To SE June 2019
TR	Claim 191	Decree			2.51	DEC		TMWA June 2019 - TR Claim 1941	TRI General Improvement District			July 2020 Permit No. 63620 but was cancelled back to Decreed Place of Use
(TR) Truckee River Surface Water Total					3391.886		1199.83					

STEAMBOAT and THOMAS CREEK										
Claim 680,681.68 2,683	80855	PER						Barbara Reed October 2014	TRI General Improvement District	Filed April 2016
					28.6142					3/30/2021
										100% above gauge 53,7688 sold in June 2019 100.77 sold in June 2018 #4827067
Claim 709 and 710	72371	PER			9.6			Campbell Const	TRI General Improvement District	4/27/2021
Claim 680,681.68 2,683	70925	PER			160			Western Supply Co.	TRI General Improvement District	10/23/2020
Claim 685/686	86044	PER			17.96			RT Merchant Christopher Mitchell	TRI General Improvement District	9/8/2020
Claim 685,686.66 0.663	Steamboat Creek	Decreed			19.67			Togialliti March 2015	TRI General Improvement District	
Claim 685,686.66 0.663	Steamboat Creek	Decreed			11.87			Miles May 2015	TRI General Improvement District	
Creek Rights					247.7142					
					Total					

Attachment B-5

TRIGID WATER RIGHTS BUDGETS

Water Rights Commitments for Process Water

Water Rights for Domestic Use

Entity	A.F.	A.F.
Reno Supernap, LLC	3,330	
Silver Slate, LLC	2,500	
Tesla, Inc.	1,600	
Blockchains, LLC	1,800	
Emerald City Empire, LLC	510	
Comstock TRIC Associates, LLC	200	
Ryze Renewables, LLC	60	
	<hr/> 10,000	2,290*

* Includes 655.3269 a.f. allocated to Prior High Use Water Customers using potable water system. The balance of 1634.6731 a.f. is reserved for domestic uses of customers.

HIGH WATER USERS ON POTABLE WATER SYSTEM

Entity	A.F. (over domestic use)
Hardie	265
Fulcrum	155
Cemex	10
PPG	13
Ardagh	34
PetSmart	10
Reno Land & Water	30
Marriot	15
Nevada Express Corp.	18
Fady Mehanna	3
Denmark and Venice No. 1 LLC	30
Thanh van Hoge Trust	5

Lima Land Co. LLC	9
MRB Realty	2
Edgewater Investments	21
Can and Company	20
Sparks Hotels, LLC	14
Beauregard Ventures	.1469
Cedar Sage	1.18
	<hr/>
	655.3269

Attachment C

MASTER PROCESS WATER PROJECT LIST

Item	TMWRF Pipeline Projects - Off Site	Design	Construction Management	Construction	Other	Contingency	Total
1	TMWRF Pump Station	\$ 550,000	\$ 501,818	\$ 4,442,007		\$ -	\$ 5,493,825
2	TMWRF Off Site Pipeline	\$ 1,259,411	\$ 1,008,113	\$ 23,555,613	\$ 2,608,000	\$ 2,000,000 ¹	\$ 30,431,137
Total Off-site Improvements: \$							\$ 35,924,962

Item	Phase 1 On-Site Projects	Design	Construction Management	Construction	Other	Contingency	Total
1	Induction Well 1 & 2 and Pipeline to Reservoir	\$ 239,000	\$ 209,000	\$ 2,400,000 ²		\$ 360,000	\$ 3,208,000
2	Well 2 Treatment Plant	\$ 210,581	\$ 20,000	\$ 1,000,000	\$ -		\$ 1,230,581
3	Storage Reservoir Upgrades	\$ 613,646	\$ 608,470	\$ 13,286,500			\$ 14,508,616
4-a	Reservoir Pump Station ⁴	\$ 258,295	\$ 193,721	\$ 2,807,557		\$ 421,134	\$ 3,680,707
4-b	Reservoir Booster Pump Station	\$ 344,279	\$ 258,209	\$ 3,742,163		\$ 561,324	\$ 4,905,976
4-c	Blending Tank ⁴	\$ 155,960	\$ 116,970	\$ 1,695,217		\$ 254,283	\$ 2,222,429
4-d	Reservoir Transmission Main	\$ 545,891	\$ 409,419	\$ 5,933,603		\$ 890,040	\$ 7,778,954
5	3MG Peru Tank	\$ 22,141	\$ 9,332	\$ 1,700,000	\$ -		\$ 1,731,473
6-a	Well 07	\$ 145,000	\$ -	\$ 1,091,421	\$ 500,000		\$ 1,736,421
6-b	Well 08	\$ 145,000	\$ -	\$ 663,801	\$ 500,000		\$ 1,308,801
6-c	Well 09	\$ 125,000	\$ 144,000	\$ 1,100,000	\$ 500,000	\$ 300,000 ³	\$ 2,169,000
7	On-Site TMWRF Pipeline	\$ 235,822	\$ 188,767	\$ 4,412,718	\$ 0		\$ 4,837,307
Total On-site Improvements: \$							\$ 49,318,264
Total of All Projects: \$							\$ 85,243,226

Footnotes:

- 1 Includes estimate of new alignment costs, litigation expenses and increased right-of-way costs
- 2 Includes estimate of induction well drilling costs
- 3 Assumes three exploratory wells at \$100,000 each
- 4 May be built by others, not the Master Developer

Attachment D-1



March 4, 2020

To the Board of Trustees
TRI General Improvement District
McCarran, Nevada

We have audited the financial statements of TRI General Improvement District as of and for the year ended June 30, 2019, and have issued our report thereon dated March 4, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards

As communicated in our engagement letter dated May 10, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of TRI General Improvement District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated March 4, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

What inspires you, inspires us. Let's talk. | eidebailly.com

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Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by TRI General Improvement District is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the capital assets which were donated to the District. The District utilized an engineer to develop the value of the capital assets and water rights which have been included in the financial statements. Capital asset values were based upon current replacement costs and adjusted based upon the date of the assets. Water rights were determined based upon data provided to the respective counties upon transfer to the District.
- Management's estimate of accumulated depreciation is based on the estimated lives for capital assets based upon historical knowledge of similar assets and current expected lives.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

- The restatement resulting from capital assets not properly included by the District as noted in Note 7.

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- Correct expenses to the appropriate category \$33,106
- Record current year capital contribution \$3,235,886
- Add prior period capital assets, net of related depreciation \$100,833,508
- Record current year depreciation expense for added assets \$1,013,573

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated March 4, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with TRI General Improvement District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as TRI General Improvement District's auditors.

Modification of the Auditor's Report

We have made the following modification to our auditor's report. As discussed in Note 7 to the financial statements, certain errors in the 2018 financial statements were discovered by management of the District during the current year. Accordingly, amounts reported for capital assets have been restated in and a prior period adjustment is reported. Our opinion is not modified with respect to this matter.

This report is intended solely for the information and use of the Board of Trustees and management of the TRI General Improvement District and is not intended to be and should not be used by anyone other than these specified parties.

Edie Bailly LLP

Reno, Nevada



Financial Statements
June 30, 2019

TRI General Improvement District

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TRI General Improvement District
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June 30, 2019

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Independent Auditor's Report

To the Board of Trustees
TRI General Improvement District
McCarran, Nevada

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of TRI General Improvement District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the business-type activities of the District, as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of an Error

As discussed in Note 7 to the financial statements, certain errors in the 2018 financial statements were discovered by management of the District during the current year. Accordingly, amounts reported for net position have been restated. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements. The budgetary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TRI General Improvement District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Reno, Nevada
March 4, 2020

TRI General Improvement District
Statement of Net Position
June 30, 2019

Assets	
Current assets	
Cash	\$ 2,077,281
Accounts receivable	176,398
Prepaid insurance	<u>53,417</u>
Total current assets	<u>2,307,096</u>
Noncurrent assets	
Capital assets	
Capital assets not being depreciated	51,504,446
Capital assets being depreciated	54,100,736
	<u>105,605,182</u>
Total assets	107,912,278
Liabilities	
Current liabilities	
Accounts payable	<u>114,505</u>
Net Position	
Invested in capital assets	105,605,182
Unrestricted	<u>2,192,591</u>
Total net position	<u>\$ 107,797,773</u>

TRI General Improvement District
Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2019

Operating Revenue	
Charges for water services	\$ 1,808,298
Operating Expenses	
Accounting and legal	72,757
Automobile	13,110
Chemicals	89,719
Contracted labor and benefits	10,000
Depreciation	1,174,456
Engineering and fees	294,534
Insurance	52,213
Licenses and permits	14,308
Repairs, maintenance and supplies	240,371
Outside technical utility services	377,587
Office	24,151
Telephone	1,401
Utilities	298,835
Total operating expenses	2,663,442
Operating Loss	(855,144)
Nonoperating Revenue	
Land lease	10,000
Investment income	8,062
Total nonoperating revenue	18,062
Loss Before Capital Contributions	(837,082)
Capital Contributions	
Capital asset contributions	3,235,886
Connection fees	480,131
	3,716,017
Change in Net Position	2,878,935
Total Net Position, Beginning of Year, as Previously Reported	4,085,330
Restatement	100,833,508
Total Net Position, Beginning of Year, as Restated	104,918,838
Total Net Position, End of Year	\$ 107,797,773

TRI General Improvement District
Statement of Cash Flows
Year Ended June 30, 2019

Cash Flows from Operating Activities	
Receipts from customers	\$ 1,788,945
Payments to suppliers	(1,591,335)
Payments to employees and related taxes and benefits	<u>(10,000)</u>
Net Cash Flows from Operating Activities	<u>187,610</u>
Cash Flows from Noncapital and Related Financing Activities	
Investment income	<u>8,062</u>
Net Cash from Noncapital and Related Financing Activities	<u>8,062</u>
Cash Flows from Capital and Related Financing Activities	
Capital asset contributions	
Connection fees	480,131
Acquisition of capital assets	(756,656)
Land lease	<u>10,000</u>
Net Cash Flows used for Capital and Related Financing Activities	<u>(266,525)</u>
Net Change in Cash	(70,853)
Cash, Beginning of Year	<u>2,148,134</u>
Cash, End of Year	<u><u>\$ 2,077,281</u></u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities	
Operating income	\$ (855,144)
Adjustments to reconcile operating income to net cash flows from operating activities	
Depreciation	1,174,456
Change in current assets and liabilities	
Accounts receivable	(19,353)
Prepaid insurance	(3,787)
Accounts payable	<u>(108,562)</u>
Net Cash Flows from Operating Activities	<u><u>\$ 187,610</u></u>
Supplemental Cash Flow Information	
Contributed capital assets	<u><u>\$ 3,235,886</u></u>

TRI General Improvement District
Notes to Financial Statements
June 30, 2019

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The TRI General Improvement District (District) was formed in 2000. The District has been charged with the responsibility of providing water and sewer services for the land owners of the Tahoe-Reno Industrial Center located in Storey County, Nevada. The District is governed by a Board of Trustees that is elected by the District taxpayers. In addition, the District is required to abide by regulations established by Storey County and the State of Nevada.

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has no component units that are required to be combined in the financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The District's financial activities are accounted for in a proprietary fund, specifically, an enterprise fund. An enterprise fund accounts for operations that are financed and operated in a manner similar to those found in the private business sector, where the costs of providing goods or services to the general public on a continuing basis are recovered primarily through user charges.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, requires the Board to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989. Accordingly, the District has not applied FASB pronouncements issued after that date.

The District maintains its accounting records on the accrual basis of accounting wherein revenues are recognized when earned and become measurable, and expenses are recognized when incurred. All assets and liabilities associated with the operations are included on the statement of net position. Net position is segregated into invested in capital assets and unrestricted components.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund is comprised of charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expense, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

TRI General Improvement District
Notes to Financial Statements
June 30, 2019

Budgets and Budgetary Accounting

The District adheres to the Local Government Budget Act incorporated within Statutes of the State of Nevada. These Statutes provide for the preparation, filing, notice, public hearing, and adoption in connection with the budgetary process for Nevada local governments. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget amendments must be approved by the Board of Trustees. All annual appropriations lapse at year-end.

On or before April 15, the Board of Trustees files a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget are held and a final budget must be prepared and adopted no later than June 1.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents are defined as short-term highly liquid investments, generally with original maturities of three months or less. The District does not have any investments that are considered to be cash equivalents at June 30, 2019.

Cash is maintained in one commercial bank in Reno, Nevada. The funds are deposited in a commercial bank that participates in the state collateral pool program and thereby secures all cash and cash equivalents deposited with the bank. Therefore, the District does not need to have a deposit policy related to custodial credit risk.

The District's bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in the aggregate. Excess balances are collateralized in the state collateral pool by Western Alliance Bank.

Accounts Receivable

Accounts receivable is comprised of monthly water and sewer meter fees. The District has not established an allowance for doubtful accounts as it believes all accounts are collectible at June 30, 2019.

Capital Assets

Capital assets with a cost of \$1,000 or more and a life greater than one year are capitalized and are stated at cost. Donated capital assets are valued at acquisition value at the date of donation. Depreciation is computed using the straight-line method for all assets over the estimated useful lives of the assets, which range from five to forty years.

The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments are capitalized.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period.

TRI General Improvement District
Notes to Financial Statements
June 30, 2019

Equity Classifications

Equity is classified as net position and displayed in two components:

- Invested in capital assets – consists of capital assets, net of accumulated depreciation.
- Unrestricted net position – consists of amounts designated for major repairs and replacements and all other net position that do not meet the definition of “invested in capital assets.”

The District has obtained a reserve study that is updated periodically to ensure there are adequate designated reserves on hand to meet future repair and replacement requirements.

As of June 30, 2019, the District’s unaudited theoretical reserve balance is approximately \$2,387,252. The District has \$1,727,330 designated cash reserves at June 30, 2019.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 - Compliance with Nevada Revised Statutes and the Nevada Administrative Code

The District conformed to all significant statutory constraints on its financial administration during the year.

Note 3 - Cash

By provision of statutes, the District is authorized to deposit all money in banks or savings and loan associations located in the State of Nevada and must be subject to withdrawal on demand. Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Board's deposits may not be returned. District’s bank deposits are covered by Federal Deposit Insurance Corporation (FDIC) insurance. Of the bank balances each bank is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). In addition, the District participates in the Nevada Pooled Collateral program through one of the individual banks, which insures the balances that are in excess of FDIC amounts.

At June 30, 2019, the carrying amount of the District’s cash in banks was \$2,077,281 and the bank balance was \$2,077,281.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair-value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates. The District does not have a formal policy regarding credit risk or concentration of credit risk.

TRI General Improvement District
Notes to Financial Statements
June 30, 2019

Note 4 - Capital Assets

Capital asset activity consists of the following for the year ended June 30, 2019:

	June 30 2018 (restated)	Additions	Disposals	June 30, 2019
Capital Assets, Not Being Depreciated				
Land	\$ 215,314	\$ -	\$ -	\$ 215,314
Water rights	48,053,246	3,235,886	-	51,289,132
Total capital assets not being depreciated	<u>\$ 48,268,560</u>	<u>\$ 3,235,886</u>	<u>\$ -</u>	<u>\$ 51,504,446</u>
Capital Assets, Being Depreciated				
Sewer treatment facility and improvements	\$ 63,246,979	\$ 562,955	\$ -	\$ 63,809,934
Well houses	2,982,742	193,701	-	3,176,443
Roadway	125,319	-	-	125,319
Equipment	343,109	-	-	343,109
Vehicles	65,056	-	-	65,056
Momument signs	10,000	-	-	10,000
Total capital assets being depreciated	<u>66,773,205</u>	<u>756,656</u>	<u>-</u>	<u>67,529,861</u>
Less Accumulated Depreciation				
Sewer treatment facility and improvements	10,658,508	1,028,579	-	11,687,087
Well houses	1,334,955	119,983	-	1,454,938
Roadway	105,477	6,266	-	111,743
Equipment	98,272	15,567	-	113,839
Vehicles	47,457	4,061	-	51,518
Momument signs	10,000	-	-	10,000
Total accumulated depreciation	<u>12,254,669</u>	<u>1,174,456</u>	<u>-</u>	<u>13,429,125</u>
Total Capital Assets Being Depreciated, Net	<u>54,518,536</u>	<u>(417,800)</u>	<u>-</u>	<u>54,100,736</u>
Net Capital Assets	<u>\$ 102,787,096</u>	<u>\$ 2,818,086</u>	<u>\$ -</u>	<u>\$ 105,605,182</u>

Note 5 - Commitments, Contingencies and Risk Management

There were no claims pending or unresolved disputes involving the District at June 30, 2019.

TRI General Improvement District

Notes to Financial Statements

June 30, 2019

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

The District has entered into agreements for engineering and vendor services relating to various projects for work to be performed in the next fiscal year totaling approximately \$632,000 of which \$54,000 is remaining to be expended.

Note 6 - Agreements and Subsequent Events

An Operating Agreement was entered into between the District and TRI Water and Sewer Company (Company) on March 7, 2001. The agreement provides for the Company to operate and maintain the water and sewer systems on behalf of the District. The agreement also stipulates that the Company will be paid all income received by the District from fees, charges and rates established by the rules, except for the connection fees paid by customers that are considered reserve funds to be utilized for repairs and maintenance of the District facilities. Even though it is allowable under the agreement, the Company has not historically collected any income received by the District. The agreement also stipulates that the Company is required to pay cash subsidies to the District as needed, which has occurred in past years, but did not to occur in the year ending June 30, 2019. The referenced operating agreement between the Company and the District will be terminated on June 30, 2020.

As stated in the Operating Agreement, the District owns, leases or otherwise has title and control of all real estate, water rights, and water and sewer improvements. TRI LLC (Master Developer) owns the beneficial interest in a portion of the water rights, along with other key process water stakeholders, and existing and future customers within the District service area. As part of the District transition and the termination of the operating agreement, the District is currently negotiating with TRI LLC regarding their future ability to assign the beneficial interest in water rights banked with the District.

Note 7 - Restatement

During 2019, management identified errors within previously issued financial statements that, when evaluated in the aggregate, warranted restatement of those financial statements. The June 30, 2018 financial statements omitted certain capital assets not being depreciated and capital assets being depreciated. Water and sewer treatment system and water rights which are under the control of the District, however were not purchased or constructed by the District were not properly included. These capital assets and water rights were transferred to the control of the District in prior years, therefore in accordance with generally accepted accounting principles should have been included in the Districts financial statements. Accordingly, amounts reported for capital assets have been restated. The net position at July 1, 2018 was restated by an increase of \$100,833,508.



Supplementary Information
June 30, 2019

TRI General Improvement District

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TRI General Improvement District
Statement of Revenue, Expenses, and Changes in Net Position – Budget and Actual
June 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenue				
Charges for water services	\$ 1,825,000	\$ 1,825,000	\$ 1,808,298	\$ (16,702)
Operating Expenses				
Accounting and legal	30,000	30,000	72,757	(42,757)
Automobile	5,844	5,844	13,110	(7,266)
Chemicals	43,161	43,161	89,719	(46,558)
Contracted labor and benefits	61,073	61,073	10,000	51,073
Depreciation	125,000	125,000	1,174,456	(1,049,456)
Engineering and fees	87,899	87,899	294,534	(206,635)
Insurance	63,800	63,800	52,213	11,587
License and permits	4,596	4,596	14,308	(9,712)
Repairs, maintenance and supplies	774,780	774,780	240,371	534,409
Outside technical utility services	366,400	366,400	377,587	(11,187)
Office	21,398	21,398	24,151	(2,753)
Telephone	1,844	1,844	1,401	443
Utilities	221,065	221,065	298,835	(77,770)
Total operating expenses	1,806,860	1,806,860	2,663,442	(856,582)
Operating Income (Loss)	18,140	18,140	(855,144)	(873,284)
Nonoperating Revenue				
Land lease	-	-	10,000	10,000
Investment income	5,000	5,000	8,062	3,062
Income (Loss) Before Capital Contributions	23,140	23,140	(837,082)	(860,222)
Capital Contributions				
Connection fees	125,000	125,000	480,131	355,131
Total capital contributions	125,000	125,000	480,131	355,131
Change in Net Position	\$ 148,140	\$ 148,140	\$ (356,951)	\$ (505,091)
Total Net Position, Beginning of Year, as Previously Reported			4,085,330	
Restatement			100,833,508	
Total Net Position, Beginning of Year, as Restated			104,918,838	
Total Net Position, End of Year			\$ 104,561,887	



Compliance Section
June 30, 2019

TRI General Improvement District



**Independent Auditors' Report on Internal Control
over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees
TRI General Improvement District
McCarran, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of TRI General Improvement District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise TRI General Improvement District's basic financial statements, and have issued our report thereon dated March 4, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TRI General Improvement District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

TRI General Improvement District's Response to Findings

TRI General Improvement District's response to the findings identified in our audit are described in the accompanying *schedule of findings and responses*. TRI General Improvement District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
March 4, 2020

TRI General Improvement District
Schedule of Findings and Responses
Year Ended June 30, 2019

2019-001: Financial Reporting Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial statement reporting. One of the components of an effective system of internal control over financial reporting is the preparation of full disclosure financial statements that do not require adjustment as part of the audit process.

Condition: As auditors, we assisted in the preparation of the financial statements, and proposed several journal entries to reclassify expenses to the proper expense and record capital assets. Sewer and water treatment facilities and water rights which were transferred to the control of the District in prior years was not properly included in the financial statements of the District, the error was noted in the current audit and a restatement has been reported.

Cause: Procedures have not been implemented to ensure District personnel possess the experience to prepare the District's full disclosure financial statements in accordance with generally accepted accounting principles and appropriate review of reconciliations of all accounts with supporting documentation has not been implemented.

Effect: Financial information prepared by the District may not comply with generally accepted accounting principles.

Recommendation:
We recommend the District implement procedures to provide training in the preparation of governmental financial statements in accordance with generally accepted accounting principles and management review and approve all reconciliations.

Views of Responsible

Officials: TRI General Improvement District agrees with this finding.



To the Board of Trustees
TRI General Improvement District
McCarran, Nevada

In connection with our audit of the financial statements of the TRI General Improvement District (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The required disclosure on compliance with the Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

Progress on Prior Year Statute Compliance

The District monitored all significant constraints on its financial administration during the year ended June 30, 2019.

Current Year Recommendations

No material weaknesses or significant deficiencies reported.

Progress on Prior Year Recommendations

No material weaknesses or significant deficiencies were noted.

Nevada Revised Statute 354.6241

In connection with our audit, nothing came to our attention that caused us to believe that the District had not complied in all material respects with NRS 354.6241, including:

- Use of funds established
- Use of generally accepted accounting principles
- Limitations on reserves
- Recording sources of revenue and transfers available
- Statutory and regulatory requirements applicable to the fund
- Ending retained earnings amounts

Eide Bailly LLP

Reno, Nevada
March 4, 2020

TRI GENERAL IMPROVEMENT DISTRICT

Management's Discussion and Analysis

June 30, 2019

As management of the TRI General Improvement District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019.

Financial Highlights

- ♦ The assets of the TRI General Improvement District exceeded its liabilities at the close of the current fiscal year by \$107,797,773. Of this amount \$2,192,591 is *unrestricted, undesignated net position* that may be used to meet the District's ongoing obligations to users and creditors. The remaining amounts is invested in capital assets (\$105,605,182).
- ♦ The District's *total net position* increased by \$103,712,443 during the current year. \$100,833,508 was due to a restatement for capital assets and \$2,878,935 was current year change in net position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the TRI General Improvement District's financial statements. The District's basic financial statements comprise two components: 1) government-wide financial statements and 2) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

The financial statements have been prepared in accordance with generally accepted accounting principles as they apply to governmental units. The financial statements include a statement of net position, a statement of revenue, expenses and changes in net position, a statement of cash flows, and notes to the financial statements.

The statement of net position presents the financial position of the District on the full accrual basis as net position. This statement provides information on the District's assets and liabilities with the difference reported as net position and information about the nature and amount of resources and obligations at year-end. Over time, increases and decreases in net position are one indicator of whether the financial position of the District is improving or deteriorating.

The statement of revenue, expenses, and changes in net position presents the results of the activities over the course of the fiscal year and information as to how the net position changed during the most recent year. The changes in net position under the full accrual method are recorded as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

The District also adopts annual appropriated budgets. Budgetary comparison statements have been provided to demonstrate compliance with the budget.

TRI GENERAL IMPROVEMENT DISTRICT

Statement of Net Position

<u>Years Ended June 30,</u>	<u>2019</u>	<u>2018</u>
Cash	\$ 2,077,281	\$ 2,148,134
Accounts receivable	176,398	157,045
Prepaid expenses	53,417	49,630
Capital assets	105,605,182	1,953,588
Total assets	<u>107,912,278</u>	<u>4,308,397</u>
Liabilities	114,505	223,067
Net position	<u>\$ 107,797,773</u>	<u>\$ 4,085,330</u>

The largest portion of the TRI General Improvement District's net position (98%) reflects its investment in capital assets (e.g. buildings (including treatment facilities), well houses and machinery and equipment). The District uses these capital assets to provide services to users; consequently, these assets are *not* available for future spending.

The remaining balance of *unrestricted net position* (\$2,192,591), may be used to meet the District's ongoing obligations to its users and creditors.

Statement of Revenue and Expenses

<u>Years Ended June 30,</u>	<u>2019</u>	<u>2018</u>
Charges for water services	\$ 1,808,298	\$ 1,469,206
Land lease	10,000	3,000
Investment income	8,062	5,083
Capital asset contributions	3,235,886	-
Connection fees	<u>480,131</u>	<u>102,948</u>
Total revenue and capital contributions	<u>\$ 5,542,377</u>	<u>\$ 1,580,237</u>

Revenue and Capital Contributions: Total revenue received by the District for the year ended June 30, 2019 was \$5,542,377 representing a \$3,962,140 increase over the year ended June 30, 2018. The largest increase is due to a capital asset contribution. In addition, there were additional charges for water services. Capital contribution for connection fees totaled \$102,948 which represents an increase of 377,183.

<u>Years Ended June 30,</u>	<u>2019</u>	<u>2018</u>
Operating expenses	\$ 1,488,986	\$ 550,815
Depreciation	<u>1,174,456</u>	<u>107,426</u>
Total operating expenses	<u>\$ 2,663,442</u>	<u>\$ 1,431,176</u>

TRI GENERAL IMPROVEMENT DISTRICT

Management's Discussion and Analysis (Continued)

June 30, 2019

Expenses: Operating expenses for the year end June 30, 2019 totaled \$2,663,442 representing an increase over the year ended June 30, 2018 of \$1,232,266. The increase is primarily due to depreciation expense in the current year which increased \$1,067,030.

Budgetary Highlights

Charges for water services are the primary sources of revenue. Actual general fund revenue was 1% lower than budgeted. Expenses were higher than budget by 47% with higher than expected depreciation expenses by 840% and lower than expected repairs, maintenance and supplies by 69%.

Capital Asset and Debt Administration

At year-end, the TRI General Improvement District's investment in capital assets totaled \$105,605,182 representing an increase from the year ended June 30, 2018 of \$103,651,594. The increase is due to a restatement from prior year of \$103,712,443, capital asset contribution in the current year of \$3,235,886 and additional current year purchases of equipment and facility improvements of \$756,656 and an offsetting decrease due to depreciation expense recognized.

The District has no outstanding debt obligations.

Economic Factors and Next Year's Budget and Rates

The National economy, and in turn Nevada's economy, has recovered and a positive trend continues into fiscal year 2019 (FY19). The TRI General Improvement District's projected revenue from user fees are expected to increase approximately 24% to \$1,825,000 due to a rate increase in November 2019. Expenses are also expected to increase approximately 26% to \$1,806,860 due to the addition of GID staff and the associated salaries and benefit expenses.

Requests for Information

This financial report is designed to provide a general overview of the TRI General Improvement District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District Manager, TRI General Improvement District, 1705 Peru Dr Ste 104, McCarran, NV 89437.

Attachment D-2

**TRI GENERAL IMPROVEMENT DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2018**

TRI GENERAL IMPROVEMENT DISTRICT
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JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
TRI General Improvement District

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of TRI General Improvement District (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects the business-type activities of the District, as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the District's basic financial statements. The budgetary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Howe & Company

Reno, Nevada
November 21, 2018



TRI GENERAL IMPROVEMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

CURRENT ASSETS

Cash	\$ 2,148,134
Accounts receivable	157,045
Prepaid insurance	49,630
Total current assets	<u>2,354,809</u>

NONCURRENT ASSETS

Capital assets	
Property and equipment, net of accumulated depreciation of \$1,110,808	<u>1,953,588</u>
Total assets	4,308,397

LIABILITIES

CURRENT LIABILITIES

Accounts payable	<u>223,067</u>
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NET POSITION

Invested in capital assets, net	1,953,588
Unrestricted	
Designated for major repairs and replacements	1,469,923
Undesignated	<u>661,819</u>
Total net position	<u><u>\$ 4,085,330</u></u>

TRI GENERAL IMPROVEMENT DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

OPERATING REVENUE	
Charges for water services	\$ 1,469,206
OPERATING EXPENSES	
Accounting and legal	137,157
Automobile	7,501
Chemicals	39,820
Contracted labor and benefits	57,095
Depreciation	107,426
Engineering and fees	122,722
Insurance	44,864
Licenses and permits	13,192
Repairs, maintenance and supplies	453,528
Outside technical utility services	179,727
Office	30,465
Telephone	1,319
Utilities	236,360
Total operating expenses	<u>1,431,176</u>
Operating income	38,030
NONOPERATING REVENUE	
Land lease	3,000
Investment income	<u>5,083</u>
Income before capital contributions	46,113
CAPITAL CONTRIBUTIONS	
Connection fees	<u>102,948</u>
Change in net position	149,061
TOTAL NET POSITION, July 1	<u>3,936,269</u>
TOTAL NET POSITION, June 30	<u><u>\$ 4,085,330</u></u>

See accompanying notes

TRI GENERAL IMPROVEMENT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,465,523
Payments to suppliers	(1,100,129)
Payments to employees and related taxes and benefits	(57,095)
Net cash flows from operating activities	<u>308,299</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Investment income	5,083
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Connection fees	102,948
Acquisition of capital assets	(208,268)
Land lease	3,000
Net cash flows from capital and related financing activities	<u>(102,320)</u>
NET CHANGE IN CASH	211,062
CASH, July 1	<u>1,937,072</u>
CASH, June 30	<u><u>\$ 2,148,134</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 38,030
Adjustments to reconcile operating income to net cash flows from operating activities	
Depreciation	107,426
Change in current assets and liabilities	
(Increase) decrease in:	
Accounts receivable, net	(3,683)
Prepaid insurance	(5,882)
Accounts payable	172,408
Net cash flows from operating activities	<u><u>\$ 308,299</u></u>
SUMMARY OF NONCASH INVESTING AND FINANCING ACTIVITIES	
None	<u><u>\$ -</u></u>

NOTES TO FINANCIAL STATEMENTS

TRI GENERAL IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The TRI General Improvement District (District) was formed in 2000. The District has been charged with the responsibility of providing water and sewer services for the land owners of the Tahoe-Reno Industrial Center located in Storey County, Nevada. The District is governed by a Board of Trustees that is elected by the District taxpayers. In addition, the District is required to abide by regulations established by Storey County and the State of Nevada.

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District has no component units that are required to be combined in the financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The District's financial activities are accounted for in a proprietary fund, specifically, an enterprise fund. An enterprise fund accounts for operations that are financed and operated in a manner similar to those found in the private business sector, where the costs of providing goods or services to the general public on a continuing basis are recovered primarily through user charges.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, requires the Board to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989. Accordingly, the District has not applied FASB pronouncements issued after that date.

The District maintains its accounting records on the accrual basis of accounting wherein revenues are recognized when earned and become measurable, and expenses are recognized when incurred. All assets and liabilities associated with the operations are included on the statement of net position. Net position is segregated into invested in capital assets and unrestricted components.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund is comprised of charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expense, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Budgets and Budgetary Accounting

The District adheres to the Local Government Budget Act incorporated within Statutes of the State of Nevada. These Statutes provide for the preparation, filing, notice, public hearing, and adoption in connection with the budgetary process for Nevada local governments. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget amendments must be approved by the Board of Trustees. All annual appropriations lapse at year-end.

On or before April 15, the Board of Trustees files a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget are held and a final budget must be prepared and adopted no later than June 1.

TRI GENERAL IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents are defined as short-term highly liquid investments, generally with original maturities of three months or less. The District does not have any investments that are considered to be cash equivalents at June 30, 2018.

Cash is maintained in one commercial bank in Reno, Nevada. The funds are deposited in a commercial bank that participates in the state collateral pool program and thereby secures all cash and cash equivalents deposited with the bank. Therefore, the District does not need to have a deposit policy related to custodial credit risk.

Accounts Receivable

Accounts receivable is comprised of monthly water and sewer meter fees. The District has not established an allowance for doubtful accounts as it believes all accounts are collectible at June 30, 2018.

Capital Assets

Property and equipment with a cost of \$1,000 or more and a life greater than one year are capitalized and are stated at cost. Depreciation is computed using the straight-line method for all assets over the estimated useful lives of the assets, which range from five to forty years.

The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments are capitalized.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period.

Equity Classifications

Equity is classified as net position and displayed in two components:

- Invested in capital assets – consists of capital assets, net of accumulated depreciation.
- Unrestricted net position – consists of amounts designated for major repairs and replacements and all other net position that do not meet the definition of "invested in capital assets."

The District has obtained a reserve study that is updated periodically to ensure there are adequate designated reserves on hand to meet future repair and replacement requirements. As of June 30, 2018, the District's unaudited theoretical reserve balance is approximately \$2,552,043. The District has \$1,469,923 designated cash reserves at June 30, 2018.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through November 21, 2018, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

TRI GENERAL IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

NOTE 2 - COMPLIANCE WITH NEVADA REVISED STATUTES AND THE NEVADA ADMINISTRATIVE CODE

The District conformed to all significant statutory constraints on its financial administration during the year.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The District's bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in the aggregate. Excess balances are collateralized in the state collateral pool by Western Alliance Bank.

NOTE 4 - CAPITAL ASSETS

Capital asset activity consists of the following for the year ended June 30, 2018:

	June 30, 2017	Additions	Disposals	June 30, 2018
<u>Capital assets, not being depreciated:</u>				
Land	\$ 215,314	\$ -	\$ -	\$ 215,314
Water rights	9,510	-	-	9,510
<u>Capital assets, being depreciated</u>				
Sewer treatment facility and improvements	1,690,560	187,962	-	1,878,522
Well houses	524,992	-	-	524,992
Roadway	125,319	-	-	125,319
Equipment	343,109	-	-	343,109
Vehicles	44,750	20,306	-	65,056
Monument signs	10,000	-	-	10,000
Total capital assets being depreciated	2,738,730	208,268	-	2,946,998
<u>Less: accumulated depreciation</u>				
Sewer treatment facility and improvements	541,171	66,369	-	607,540
Well houses	328,488	21,000	-	349,488
Roadway	99,211	6,266	-	105,477
Equipment	87,188	11,084	-	98,272
Vehicles	44,750	2,707	-	47,457
Monument signs	10,000	-	-	10,000
Total accumulated depreciation	1,110,808	107,426	-	1,218,234
Total capital assets being depreciated, net	1,627,922	100,842	-	1,728,764
Net capital assets	\$ 1,852,746	\$ 100,842	\$ -	\$ 1,953,588

NOTE 5 - COMMITMENTS, CONTINGENCIES AND RISK MANAGEMENT

There were no claims pending or unresolved disputes involving the District at June 30, 2018.

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

The District has entered into agreements for engineering and vendor services relating to various projects for work to be performed in the next fiscal year totaling approximately \$429,000 of which \$201,000 is remaining to be expended.

TRI GENERAL IMPROVEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

NOTE 6 - AGREEMENTS

An operating agreement was entered into with TRI Water and Sewer Company (Company) on March 7, 2001. As stated in the agreement, the District owns, leases or otherwise has title and control of all real estate, water rights, and water and sewer improvements. However, the majority of the water rights are not reflected on the accompanying financial statements since they have been committed to existing or future customers and the beneficial interest in the water rights lies with the Company who can designate, commit or require reconveyance at any time. The agreement provides for the Company to operate and maintain the water and sewer systems on behalf of the District. The agreement stipulates that the Company will be paid all income received by the District from fees, charges and rates established by the rules, except for the connection fees paid by customers that are considered reserve funds to be utilized for repairs and maintenance of the District facilities. It also stipulates that the Company is required to pay cash subsidies to the District as needed.

SUPPLEMENTARY INFORMATION

TRI GENERAL IMPROVEMENT DISTRICT
STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUE				
Charges for water services	\$ 1,425,000	\$ 1,425,000	\$ 1,469,206	\$ 44,206
OPERATING EXPENSES				
Accounting and legal	148,000	148,000	137,157	10,843
Automobile	5,200	5,200	7,501	(2,301)
Chemicals	40,500	40,500	39,820	680
Engineering and fees	65,000	65,000	122,722	(57,722)
Insurance	52,000	52,000	44,864	7,136
Repairs, maintenance and supplies	567,000	567,000	466,720	100,280
Outside technical utility services	148,000	148,000	179,727	(31,727)
Office and miscellaneous	25,000	25,000	30,465	(5,465)
Contracted labor and benefits	57,000	57,000	57,095	(95)
Utilities and telephone	226,500	226,500	237,679	(11,179)
Depreciation	-	125,000	107,426	17,574
Total operating expenses	<u>1,334,200</u>	<u>1,459,200</u>	<u>1,431,176</u>	<u>28,024</u>
Operating income (loss)	90,800	(34,200)	38,030	72,230
NONOPERATING REVENUE				
Connection fees	250,000	250,000	102,948	(147,052)
Investment income	3,900	3,900	5,083	1,183
Land lease	-	-	3,000	3,000
Total nonoperating revenue	<u>253,900</u>	<u>253,900</u>	<u>111,031</u>	<u>(142,869)</u>
Change in net position	<u>\$ 344,700</u>	<u>\$ 219,700</u>	<u>149,061</u>	<u>\$ (70,639)</u>
TOTAL NET POSITION, July 1			<u>3,936,269</u>	
TOTAL NET POSITION, June 30			<u>\$ 4,085,330</u>	

**REPORTS ON COMPLIANCE, INTERNAL CONTROL
AND AUDITORS' COMMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of
TRI General Improvement District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of TRI General Improvement District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise TRI General Improvement District's basic financial statements, and have issued our report thereon dated November 21, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered TRI General Improvement District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TRI General Improvement District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Reno, Nevada
November 21, 2018

Howe & Company



AUDITORS' COMMENTS

To the Board of Trustees of
TRI General Improvement District:

In connection with our audit of the financial statements of the TRI General Improvement District (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

The required disclosure on compliance with the Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The District monitored all significant constraints on its financial administration during the year ended June 30, 2017.

CURRENT YEAR RECOMMENDATIONS

No material weaknesses or significant deficiencies reported.

PROGRESS ON PRIOR YEAR RECOMMENDATIONS

No material weaknesses or significant deficiencies were noted.

NEVADA REVISED STATUTE 354.6241

In connection with our audit, nothing came to our attention that caused us to believe that the District had not complied in all material respects with NRS 354.6241, including:

- (a) Use of funds established
- (b) Use of generally accepted accounting principles
- (c) Limitations on reserves
- (d) Recording sources of revenue and transfers available
- (e) Statutory and regulatory requirements applicable to the fund
- (f) Ending retained earnings amounts

Kohn & Company

Reno, Nevada
November 21, 2018

Attachment D-3

**Balance Sheet
As of 6/30/2020**

TRI General Improvement District (GID)

ASSETS

CURRENT ASSETS

1002-04-00	Cash - First Independent	\$	754,421.48	
1002-06-00	Cash- First Indep Money Market	\$	1,919,065.19	
1002-08-00	Cash - Checking S. Whalen	\$	3,522.93	
1204-00-00	ACCOUNTS RECEIVABLE	\$	475,612.99	
1206-00-00	Prepaid Insurance	\$	53,417.32	
1208-00-00	Prepaid Credit Card	\$	438.23	
	Total CURRENT ASSETS:			\$ 3,206,478.14

FIXED ASSETS

1500-00-00	Land	\$	215,314.28	
1506-00-00	Furniture	\$	3,999.00	
1507-00-00	Computer Equipment	\$	20,188.06	
1508-00-00	Roadway Improvements	\$	125,319.00	
1509-00-00	Monument Signs	\$	10,000.00	
1510-00-02	Water rights	\$	9,510.00	
1540-00-00	Equipment - Screw Press	\$	275,727.42	
1550-00-00	Equipment - Loader	\$	67,382.00	
1550-00-02	Water meters	\$	20,718.97	
1550-02-02	Sewer Treatment Facility	\$	62,941,352.98	
1550-02-04	Improvements	\$	847,862.00	
1552-00-02	Well House #2	\$	307,924.55	
1552-00-06	Well House #4	\$	235,862.43	
1552-00-08	Well House # 6	\$	174,905.94	
1552-00-10	Wells - PPA	\$	2,457,750.00	
1554-00-00	Water Rights - PPA	\$	51,279,621.83	
1559-99-99	Accumulated Depreciation	\$	-13,542,608.21	
1570-00-00	Vehicle - 2019 Jeep Grand Cherokee	\$	27,922.25	
	Total FIXED ASSETS:			\$ 105,478,752.50
	Total ASSETS:			\$ 108,685,230.64

LIABILITIES

CURRENT LIABILITIES

2200-00-16	Due to TRI Water & Sewer	\$	1,500.00	
2204-00-00	Meter deposits	\$	1,200.00	
	Total CURRENT LIABILITIES:			\$ 2,700.00
	Total LIABILITIES:			\$ 2,700.00

EQUITY

3000-00-00	Developers Contribution	\$	5,271,453.24	
3200-00-00	Retained Earnings-Current Year	\$	884,758.14	
3200-00-00	RETAINED EARNINGS - PRIOR	\$	102,526,319.26	
	Total EQUITY:			\$ 108,682,530.64
	Total LIABILITIES & EQUITY:			\$ 108,685,230.64

**Income Statement
For The 12 Periods Ended 6/30/2020**

TRI General Improvement District (GID)

	<u>Year to Date</u>	<u>% of Revenue</u>
REVENUE		
Hook up fees	175,520.00	6.03
Water Meter Collection	2,721,423.38	93.55
Verizon - Land Lease	12,175.00	0.42
Total REVENUE:	2,909,118.38	100.00
GROSS PROFIT:	2,909,118.38	100.00
EXPENSES		
Computer Software/Support	2,300.00	0.08
Chemicals	106,006.35	3.64
Postage & Delivery	527.50	0.02
Licences Fees & Dues	1,237.02	0.04
Permit Fees	19,703.66	0.68
Utilities- electric	201,778.04	6.94
Utilities - phone lines	7,691.24	0.26
Trash expense	50,630.77	1.74
Water & Sewer Exp.	15,799.21	0.54
Mobile Phone	1,174.47	0.04
Office Expense	5,037.83	0.17
Automobile Expense	27,655.36	0.95
Meals & Entertainment	142.96	0.00
Bank Fees	111.28	0.00
Professional Fees/Contract Labor	388,780.13	13.36
COVID - 19	1,851.88	0.06
Repairs & Maintenance	254,377.98	8.74
Legal fees	116,063.72	3.99
Accounting fees	44,685.42	1.54
Transition Consultants	1,500.00	0.05
Insurance Expense	77,666.95	2.67
Insurance - Employee Health/Life	3,269.24	0.11
Engineering Fees - Admin	297,396.20	10.22
Payroll Service	1,687.50	0.06
Salaries & Wages	161,305.84	5.54
Payroll Taxes	5,886.42	0.20
PERS	42,095.81	1.45
Water Testing	23,697.90	0.81
Total EXPENSES:	1,860,060.68	63.94
NET INCOME FROM OPERATIONS:	1,049,057.70	36.06
OTHER INCOME AND EXPENSE		
Interest Income	6,238.78	0.21
Depreciation	-162,293.81	-5.58
Distribution Sale of Vehicles	-8,244.53	-0.28
Total OTHER INCOME AND	-164,299.56	-5.65
EARNINGS BEFORE INCOME TAX:	884,758.14	30.41
Net Income (Loss):	884,758.14	30.41