

## SPECIAL REFUNDING AGREEMENT

This Special Refunding Agreement ("Agreement") is made and entered into as of the Effective Date (defined below) by and between the CITY OF HENDERSON, a municipal corporation and political subdivision of the State of Nevada ("City"), and PARDEE HOMES OF NEVADA, a Nevada corporation ("Developer").

### RECITALS

- A. City is engaged in distributing potable water to customers within its corporate boundaries consistent with regulations set forth in the Henderson Municipal Code ("HMC"), and City rules, policies and procedures, as any of the foregoing is amended from time to time; and
- B. Developer, in connection with the construction of its residential development generally located south of the intersection of Horizon Ridge Parkway and Gibson Road in Henderson, Nevada, has designed and constructed certain potable Water Backbone Infrastructure to bring City water service from the original point of supply to the development area, including one (1) pumping station, one (1) reservoir, one (1) pressure-reducing station, pipelines, and associated improvements, as more specifically described in Exhibit A attached hereto, (collectively, the "Facilities"); and
- C. HMC 14.16.050 provides a refunding mechanism for the orderly development of the water utility system through the refunding of eligible Water Backbone Infrastructure costs; and
- D. In accordance with HMC 14.16.050, Developer has made application to City's Director of Utility Services for a special refunding agreement for the repayment of eligible costs; and
- E. Developer caused its contractor, Slater Hanifan Group Consulting Engineers & Planners, to prepare the Original Report and Final Refunding Report (each defined below); and
- F. City will provide for the refunding of eligible costs of the Facilities, as further set forth herein.

In consideration of the above recitals, mutual covenants and terms and conditions contained herein, the parties agree as follows:

### AGREEMENT

1. **DEFINITIONS.** In addition to the terms defined elsewhere in this Agreement, as used in this Agreement, the capitalized terms below will have the following definitions:

## **SPECIAL REFUNDING AGREEMENT**

- 1.1 Department Service Rules: The document that contains, but is not limited to, the Department of Utility Services' rates, fees, charges and procedures, as amended from time to time.
- 1.2 Effective Date: The date the Facilities were completed, tested and accepted by the City, which date is May 3, 2016.
- 1.3 Permit: Any applicable approval, permit, consent, waiver, exemption, variance, franchise, authorization, right, action, or license required from any federal, state, or local governmental authority, agency or other governmental body having jurisdiction over the matter in question (including City). Any specific reference to a Permit in this Agreement refers to the Permit as amended unless otherwise specified.
- 1.4 Property Rights: The rights and permissions to use real property, including but not limited to easements, rights of entry, conveyances, deeds, and certain Permits, such as a right-of-way grant issued by the United States of America through the Department of Interior, Bureau of Land Management (a "ROW Grant").
- 1.5 Special Refunding Area: The area that will be served by the Facilities, as described and depicted in Exhibit 2 to the Final Refunding Report (defined below).
- 1.6 Water Backbone Infrastructure: Infrastructure such as pump stations, reservoirs and all connecting pipelines, or as otherwise determined by the Director of Utility Services, that are used to transmit and distribute water to users or other facilities.

## **2. REFUNDING; FEES & EXPENSES.**

- 2.1 Refunding Reports. On April 14, 2015, during its regular meeting through agenda item CA-10, the Henderson City Council accepted the refunding report entitled "Refunding Report SR-011 Pardee Homes Horizon Ridge/Gibson Water System Improvements September 2014" ("Original Report") and authorized City's Director of Utility Services to execute a special refunding agreement. That Original Report was further updated to incorporate the final audited costs, is entitled "Refunding Report SR-011 Pardee Homes Horizon Ridge/Gibson Water System Improvements March 2019" and is attached hereto as Exhibit B and by this reference incorporated herein ("Final Refunding Report"). That Final Refunding Report supersedes and replaces the Original Report as the "refunding report" defined in HMC 14.01.010 and referenced in HMC 14.16.050. A copy of HMC 14.01.010 - Definitions, of HMC Chapter 14.03 - Water Regulations, and of HMC Chapter 14.16 - Refunding Regulations, in effect as of the Effective Date, is attached hereto as Exhibit C.
- 2.2 Basis of Refund. Costs that are eligible to be refunded back to Developer are identified in HMC 14.16.050 and the procedures and methodology for calculating and refunding those costs are described in the Final Refunding Report. The Final Refunding Report reflects a total Facilities cost of \$8,569,169.00 and a maximum

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total refunding amount of \$7,185,812.00 (“Refundable Amount”). As of the Effective Date, the proportional cost reimbursement for the Facilities is based on a maximum of 661 EDUs being allocated to other customers for the pumping station, reservoir and pipelines and on a maximum of 467.5 EDUs being allocated to other customers for the pressure-reducing station. In the event that the density of any portion of the Special Refunding Area increases or decreases during the Refunding Period, the number of EDUs may change. In accordance with HMC 14.16.050.B.3, on July 1<sup>st</sup> of each year during the Refunding Period, the City will index and depreciate the then-remaining balance of the Refundable Amount. The term “EDU” has the meaning ascribed to the term “EDU” in HMC 14.01.010.

- 2.3 Refund Payments. In accordance with the Original Report, City assessed a special refunding fee on customers who were to obtain direct or indirect service from the Facilities and collected \$673,624.00 (“SRFs Collected”), which amount reduces the Refundable Amount balance to \$6,512,188.00. By April 8, 2019, City will remit to Developer the SRFs Collected minus the costs identified in Section 2.6 below. In accordance with HMC 14.16.050 and the procedures and methodology described in the Final Refunding Report, City will assess a special refunding fee on each customer who will obtain direct or indirect service from the Facilities (“Special Refunding Fee”). Subject to the limitations set forth in this Agreement and in HMC Title 14 - Utility Service, City will then remit to Developer on a quarterly basis the Special Refunding Fee(s) collected by City during the Refunding Period. If City returns, or is obligated to return, to a customer a Special Refunding Fee collected from that customer, City will deduct that amount from any future refund to Developer or invoice Developer for such amount. Developer must pay that invoice within thirty (30) days of receipt.
- 2.4 Limits on Refund. Refund payments shall be made by City to Developer only from Special Refunding Fees assessed during the Refunding Period and received by City from customers in the Special Refunding Area whose properties are served by the Facilities. Under no circumstances will City be required to remit to Developer any amount except out of the Special Refunding Fees collected during the Refunding Period minus City fees and expenses described in Section 2.6 below and any fees that City collected and returned or is obligated to return.
- 2.5 Refunding Period. After Developer completes construction of all Facilities, the period during which the Special Refunding Fees will be collected for the Facilities shall commence on the date City delivers to Developer a Letter of Acceptance of the final segment of Facilities that Developer completed and shall expire twenty (20) years thereafter or the date City remits the entire Refundable Amount to Developer, whichever date is earlier, (the “Refunding Period”). City will provide Developer written confirmation of the date the Refunding Period commenced. After the Refunding Period expires, City will not assess, collect or remit to Developer any more Special Refunding Fees for any Facilities even if all of the proportional costs associated with Refundable Amount have not been remitted to Developer. If City for any reason does not receive a Special Refunding Fee(s) for

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the Facilities during the Refunding Period, then – upon the expiration of the Refunding Period – City’s obligation to collect such fee(s) and/or remit them to Developer is extinguished.

- 2.6 City Fees and Expenses. Upon execution of this Agreement, City will deduct from the Developer’s first refund payment the total costs associated with the following fees and expenses presently due and owing to City:

- (a) Initiation fees for City administrative, legal, financial and utility staff services, in connection with the preparation of this Agreement in the amount of \$950; and
- (b) Eligible cost auditing fees (but excluding services covered by plan checking and inspection fees) incurred by City under its agreement with Advantage Civil Design Group, LLP in an amount not to exceed \$67,000.00.

Thereafter, City will deduct from any future refund to Developer any additional amounts reasonably required to cover City’s administrative time to administer this Agreement and any other fees as outlined in HMC Title 14 or the Department Service Rules.

### **3. ACCEPTANCE OF FACILITIES; PROPERTY RIGHTS.**

- 3.1 Acceptance. Following construction of the Facilities by Developer according to City-approved plans, specifications, and testing, Developer offered the Facilities to City for acceptance. City delivered to Developer a letter of acceptance dated May 3, 2016, and therefore the Facilities are property owned, maintained, and controlled by City as of that date.
- 3.2 On-Going Developer Obligation. Within 30 days of City’s written request, Developer shall provide to City, without charge and in a form(s) acceptable to City, “as-built” plans of the Facilities, Property Rights for the Facilities as required by City, a bills(s) of sale for all or a portion of the Facilities further documenting Developer’s conveyance of title to the Facilities to City and/or a certification that the Facilities are free of liens and other encumbrances.
- 3.3 Property Rights and Permits. Developer shall, without cost to City, grant and convey – and cause to be granted and conveyed – to City all Property Rights that City determines are required for the Facilities, in a manner that is satisfactory to City as to location and form, and, at City’s request, assist City in obtaining a ROW Grant(s) for the Facilities. Developer shall, without cost to City, obtain, or require its contractors/subcontractors to obtain all Permits required for the Facilities. Developer’s obligations under this Section survive termination of this Agreement.
- 3.4 Responsibility for Use of City Property Rights. Developer (a) is responsible for any violation or breach of any Property Rights or Permits for the Facilities or of any

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agreements or instruments creating or evidencing any Property Rights for the Facilities (collectively, "Property Rights Documents") by Developer or any of its contractors or any of their respective subcontractors, employees, representatives or agents ("Responsible Parties"); (b) is responsible for ensuring compliance with any requirement of or obligation imposed by any Permits, Property Rights or Property Rights Documents in connection with any work performed by one or more Responsible Parties on the Facilities ("Project Work"); and (c) is responsible for any violation of applicable law or of a Permit by one or more Responsible Parties in connection with the Project Work and any fines or penalties imposed in connection with such a violation. Developer's obligations under this Section survive termination of this Agreement.

- 3.5 Warranty. Developer warrants all Facilities against defects in materials and workmanship for a period of one (1) year, which one-year period began on May 3, 2006.
- 3.6 Liens. Upon City's written request, Developer shall deliver to City a complete release of any lien or claim and receipts covering in full all labor, material, and equipment for which a lien could be filed in relation to the Facilities.
4. **TERM**. This Agreement shall be effective on the Effective Date and terminate on the Refunding Period End Date or the date City remits all of the proportional costs of the Facilities based on the Refundable Amount to Developer, whichever date is earlier, (the "Term"). City will notify Developer that this Agreement has terminated, identify the event that triggered the termination, and confirm the date of termination. For purposes of this Section, the "Refunding Period End Date" means the date the Refunding Period expires.
5. **INDEMNIFICATION**. Developer agrees to protect, indemnify, defend and hold harmless City, its officials, officers, employees and agents, from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorney's fees, and court costs (collectively, "Losses") which may be suffered, sought against, recovered or obtained from City, or its officials, officers, employees or agents, arising out of or in connection with any alleged act or omission on the part of Developer in performing or failing to perform any of its obligations under this Agreement, except to the extent such Losses are directly caused by the gross negligence or willful misconduct of City. Developer's obligations under this Section survive termination of this Agreement.
6. **GENERAL TERMS**.
  - 6.1 HMC Applicability. Developer acknowledges that this Agreement is subject to the HMC, as adopted on the Effective Date and as amended from time to time by City. The HMC applies to this Agreement, is binding on the parties, and supersedes any portion of this Agreement should a conflict arise.
  - 6.2 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the substantive and procedural laws of the State of Nevada, without giving effect to its choice or conflicts of law provisions.

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- 6.3 Venue. All actions shall be initiated in the courts of Clark County, Nevada or the federal district court with jurisdiction over Clark County, Nevada. Developer agrees that it shall not initiate an action against City in any other jurisdiction. Developer irrevocably agrees to submit to the exclusive jurisdiction of the courts located in Clark County, Nevada over any dispute or matter arising under or in connection with this Agreement.
- 6.4 Amendment. This Agreement may be modified or amended only by a written instrument signed by both City and Developer with the same formality as this Agreement.
- 6.5 Entire Agreement. Except as provided in Section 6.6 (Other Agreements) below, this Agreement constitutes the complete and exclusive statement of the agreement between City and Developer regarding the subject matter of this Agreement and supersedes all prior or contemporaneous agreements, promises, proposals, negotiations, and understandings, whether written or oral, relating to this subject matter.
- 6.6 Other Agreements. Nothing contained in this Agreement shall be construed as affecting City's or Developer's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to Developer's development or operation under existing and future business licenses, which obligations are and shall remain independent of Developer's rights and obligations, and City's rights and obligations, under this Agreement.
- 6.7 Interpretation. Each party acknowledges that it has carefully reviewed this Agreement and that each fully understands and has participated in drafting its provisions, and, accordingly, the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party are not to be employed or used in any interpretation of this Agreement.
- 6.8 Assignment. Developer shall not assign, transfer, convey or otherwise dispose of this Agreement or its right, title, or interest in or to the same, or any part thereof, without prior written consent of City, such consent not to be unreasonably withheld, and any attempted assignment in violation hereof shall be void. No assignment is effective until after Developer's successor or assignee agrees in writing to assume all obligations and liabilities under this Agreement, Developer completes performance of any obligations that were to be completed prior to the effective date of the assignment, and City consents in writing to such assignment, such consent not to be unreasonably withheld.
- 6.9 No Third Party Beneficiaries. This Agreement is intended only to benefit the parties hereto and their successors and assigns, shall not be deemed to be for the benefit of any other entity or person other than a party hereto or that party's successor or assign, and does not create any rights, benefits or causes of action for any other person, entity or member of the general public.

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- 6.10 Performance of Acts on Business Days. Any reference in this Agreement to time of day refers to local time in Nevada. Unless specifically stated to the contrary, all references to days herein refer to calendar days. Any reference herein to a “business day” refers to a day that is not a Friday, Saturday, Sunday or legal holiday for State of Nevada or City governmental offices. If the final date for payment of any amount due or performance of any act required hereunder falls on a Friday, Saturday, Sunday or legal holiday, that payment may be made or act performed on the next business day.
- 6.11 Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain valid and binding on the parties hereto. Any invalid or unenforceable provision will be deemed severed from this Agreement, and the balance of this Agreement will be construed and enforced as if it did not contain the particular invalid or unenforceable provision. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision.
- 6.12 Authority. Developer represents that it has taken all actions as may be necessary or advisable and proper to authorize this Agreement, the execution and delivery of it, and the performance contemplated in it. The individual(s) executing this Agreement on behalf of Developer state and acknowledge that she/he/they are authorized and empowered to do so on behalf of Developer. Nothing contained herein shall be construed as creating any personal liability on the part of any officer or agent of City.
- 6.13 Headings; Exhibits; Cross References. The section titles contained in this Agreement are used solely for convenience and do not constitute a part of this Agreement, nor should they be used to aid in any manner in the construction of this Agreement. All references in this Agreement to Sections, Subsections and Exhibits are to Sections, Subsections and Exhibits in this Agreement, unless otherwise specified. All Exhibits, and any attachments to an exhibit, are incorporated into and made a part of this Agreement. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural and the masculine gender includes the feminine gender. Unless otherwise expressly stated, words not defined herein shall be given their common and ordinary meaning.
- 6.14 Construction of the Word “Include” and Its Derivatives. When followed by an example, the words “include,” “includes,” and “including” are to be read as if they were followed by the phrase “without limitation.”
- 6.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.
- 6.16 Notices. All notices required by this Agreement shall be in writing, reference CMTS #21482, and shall be delivered by personal delivery, by a nationally-

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recognized-overnight courier service, or by certified U.S. mail (postage prepaid, return receipt requested), and addressed to the receiving party at the address below:

If to City:           City of Henderson  
                          240 Water Street  
                          Henderson, Nevada 89015  
                          Attention: Director, Department of Utility Services

With a copy to:    City of Henderson  
                          240 Water Street  
                          Henderson, Nevada 89015  
                          Attention: City Attorney

If to Developer:   Pardee Homes of Nevada  
                          4675 West Teco Avenue, Suite 115  
                          Las Vegas, NV 89118  
                          Attention: Division President

Such notice will be deemed to have been received by the party to whom it was addressed on the date of delivery if delivered personally, on the date officially recorded as delivered (or delivery refused) according to the record of delivery if delivered by courier, or three (3) days after mailing. Either party may change its contact information for purposes of the Agreement by giving written notice to the other party in the manner set forth above.

- 6.17 Attorneys' Fees. If any action is instituted to interpret or enforce any of the provisions of this Agreement, the party prevailing in such action shall be entitled to recover from the other party thereto reasonable attorney's fees and costs of such suit (including both prejudgment and post judgment fees and costs) as determined by the court as part of the judgment.

[SIGNATURE PAGE FOLLOWS]



## SPECIAL REFUNDING AGREEMENT

IN WITNESS WHEREOF, CITY and DEVELOPER have executed and delivered this Agreement as of the Effective Date.

Date of Council Action: April 16, 2019

CITY OF HENDERSON  
CLARK COUNTY, NEVADA

DocuSigned by:

*Stephanie Garcia-Vause for*

3D2E6F20680947F...

RICHARD A. DERRICK  
City Manager/CEO

04/18/2019

Date

ATTEST:

DocuSigned by:

*Sabrina Mercadante* 

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SABRINA MERCADANTE, MMC  
City Clerk

APPROVED AS TO FUNDING:

DocuSigned by:

*Jim McIntosh*

E6132FE9CD8B4AA...

JIM MCINTOSH  
Chief Financial Officer

APPROVED AS TO CONTENT:

DocuSigned by:

*Kyle R. Okamura for*

193C0DF65533417...

PRISCILLA HOWELL  
Director of Utility Services

APPROVED AS TO FORM:

DocuSigned by:

*Nicholas G. Vaskov*

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NICHOLAS G. VASKOV  
City Attorney

DS

*BR*

CAO  
Review

PARDEE HOMES OF NEVADA  
A Nevada corporation

DocuSigned by:

*Klif Andrews*

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KLIF ANDREWS  
Division President

04/01/2019

Date

## **SPECIAL REFUNDING AGREEMENT**

Exhibit A  
Facilities

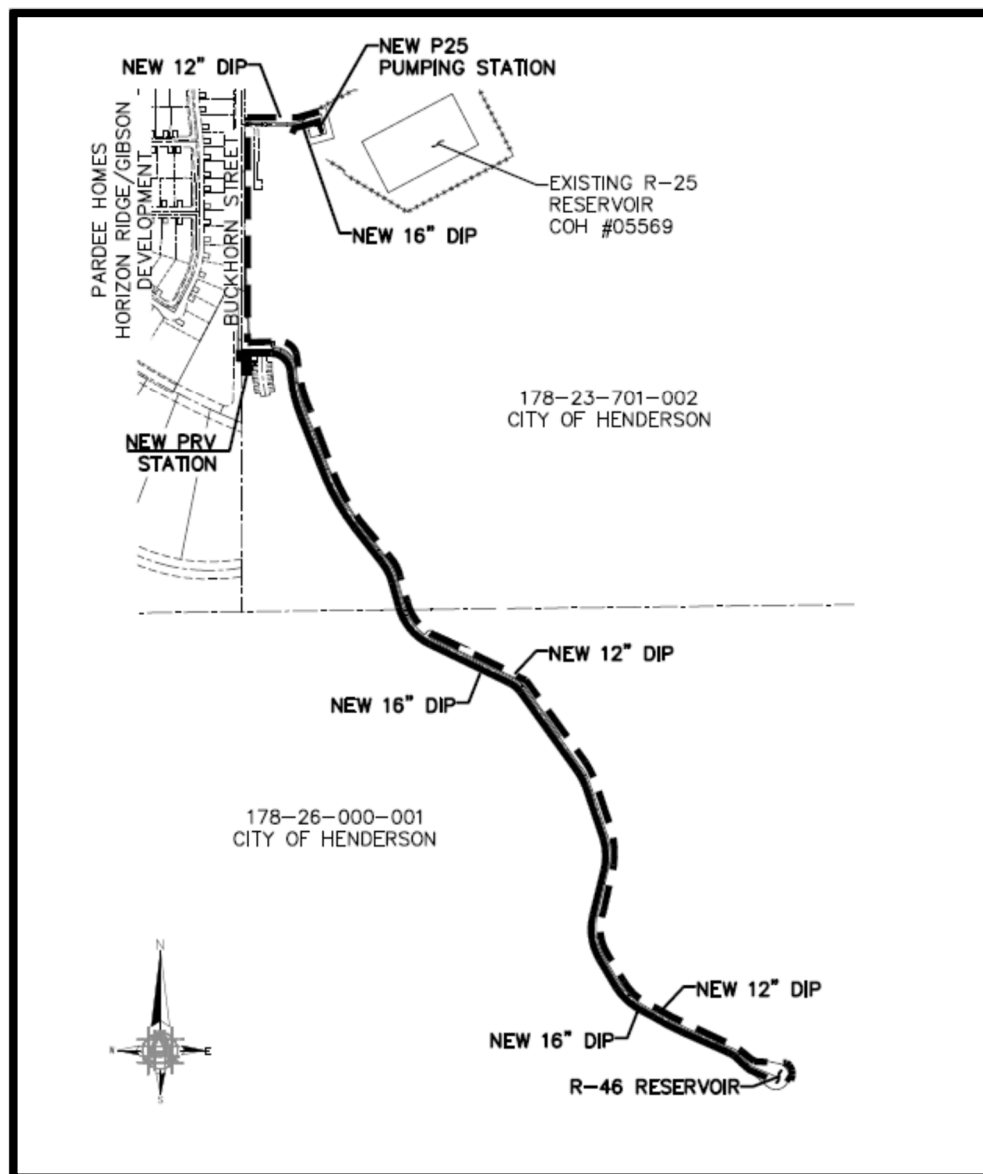
[ATTACHED]

## Exhibit A – Facilities Map

### Facilities:

The Horizon Ridge/Gibson 2500 & 2370 Zone Potable Water Facilities include the following facilities:

1. P-25 Pumping Station (new packaged pump station, CMU building, and associated site improvements)
2. R-46 Reservoir (new above grade prestressed concrete reservoir)
3. PRS 122 (new packaged pressure reducing station)
4. Approximately 4,500 linear feet of 12-inch and approximately 4,000 linear feet of 16-inch transmission main (Ductile Iron Pipe)



## **SPECIAL REFUNDING AGREEMENT**

### **Exhibit B Final Refunding Report**

**[ATTACHED]**

## **REFUNDING REPORT**

**SR-011**

**Pardee Homes Horizon Ridge/Gibson  
Water System Improvements**

**March 2019**

Prepared by:

Slater Hanifan Group  
5740 S. Arville St., Suite 216  
Las Vegas, NV 89118



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## **INTRODUCTION**

The Pardee Homes Horizon Ridge/Gibson Water System Improvements are proposed to serve an area generally located south of the intersection of Horizon Ridge Parkway and Gibson Road, consisting of approximately 317.97 acres of single family residential property, as depicted in the Pardee Homes 2370/2500 Zones Water Master Plan – South of Horizon Ridge and Gibson Road by Slater Hanifan Group (see Exhibit 1 – Vicinity Map).

The City of Henderson adopted Ordinance No. 1440 (Special Refunding and Sewer Infrastructure) at the October 19, 1993, City Council meeting, which was codified under Henderson Municipal Code ("H.M.C.") 13.18, and now codified under H.M.C. 14.16 (please see Appendix A), a mechanism for refunding costs associated with the design and construction of major backbone water and sewer infrastructure. Staff recommended to Council, and Council determined that this mechanism was necessary to help provide a funding source for the orderly design and construction of infrastructure for large undeveloped areas involving numerous developers. This ordinance allows the City to partner with private developers and participate in the design and construction of facilities at projected ultimate demand. The Ordinance outlines in general terms the conditions and requirements for reimbursement to developers/landowners and/or the City for the construction of water and sewer backbone infrastructure. One condition of the Ordinance requires that each Special Refunding Area have a Refunding Report submitted to the Council by the Director of Utility Services for approval. The Refunding Report must define the boundary of the Special Refunding Area, type and route of backbone structure to be included, methods of cost sharing, refunding amounts, depreciation schedules and any other information required by Council. This ordinance is not an assessment district. The developer/City building the oversized facilities will be eligible for refunding subsequent to City acceptance of the constructed facilities and when additional developers/landowners utilize these facilities.



**PURPOSE**

This Refunding Report will establish the general methodology with which to equitably allocate the refunding costs for the potable water infrastructure for the Special Refunding Area known as "SR-011 Pardee Homes Horizon Ridge/Gibson Water System Improvements." The amounts eligible for refunding will be determined and collected according to the methodology developed by this report. A "Special Refunding Agreement" will be executed between the City and Developer for the projects identified in this Report. The costs included in this Refunding Report are the final eligible costs, as identified in the SR-011 Horizon Ridge/Gibson 2500 & 2370 Zone Potable Water Facilities Audit Report dated October 2018, prepared by Advantage Civil Design Group, LLP.

This Refunding Report will outline the procedures that will enable Pardee Homes to front the costs of building water infrastructure needed to serve the area as projected by the current utility master plan for the 2500 and 2370 water pressure zones at a size and capacity in excess of its needs and sets in motion the mechanism to collect costs from other users of these facilities.

The water infrastructure refunding will generally allocate costs based upon the following concepts:

1. Cost of infrastructure necessary to bring supply to the refunding area will be allocated equally to all potential users based upon an Equivalent Development Unit (EDU) for unit duties and EDU's for Water Resource Planning (See Tables 1 and 2).
2. Cost of infrastructure required for storage within the 2500 and 2370 water pressure zones will be equally distributed to all potential users within the zone based on Equivalent Development Unit (EDU) and EDU's for Water Resource Planning (See Table 1).
3. Refunding area is analyzed and ultimate build out demands estimated. Demand is allocated to the distinct pressure zone and backbone facilities. The zone is then reduced to the number of EDU's of demand within the zone. Property within the zone not included in this report would be charged the refunding amount per EDU at time of approval of final map or improvement drawings, whichever occurs first. Funds collected from these users are refunded back to the developer that

constructed the facility upon City acceptance and final audit of the constructed facilities.

4. The City of Henderson collects the total refunding amount from other developers, as stated above and refunds to Pardee Homes in accordance with the Henderson Municipal Code. The total facility cost will be indexed to reflect inflation. The depreciation schedule will be based on the following replacement schedule for the facilities as listed below:

Pumping Stations	40 years
Reservoirs	40 years
PRV Stations	40 years
Pipelines	40 years

Total facility cost will be grouped into the following three categories:

1. Construction cost (including administration and safety and traffic control measures;
2. Design engineering costs and inspection cost; and
3. Related costs (permits and fees, performance and related bond costs, actual financing costs, and all fees and expenses reasonably incurred concerning the preparation of the special refunding agreement).

As required by the Henderson Municipal Code the design engineering and inspection costs shall not exceed 15% of the allowed construction costs. All projects will be reviewed and approved by the City prior to advertising and awarding a project for construction.

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## SPECIAL REFUNDING AREA

### Site Location

The Special Refunding Area for SR-011 Pardee Homes Horizon Ridge/Gibson 2500 Zone Potable Water Infrastructure is located in the southern section of the City of Henderson, more particularly described as a portion of the South ½ of Sections 22 and 23, Township 22 South, Range 62 East M.D.M., Henderson, Nevada. The Special Refunding Area for is depicted on Exhibit 2.

### Proposed Facilities

The Pardee Homes Horizon Ridge/Gibson 2500 Zone Potable Water Infrastructure consists of the addition of a new pumping station (P-25 Pumping Station) at the existing R-25 Reservoir site, approximately 4,500 feet of 12-inch transmission main, approximately 4,000 feet of 16-inch distribution main, a new above grade prestressed-concrete tank (R-46 Reservoir), and a pressure-reducing station. (See Exhibit 3). The prorated share of each facility for each developer was determined based on the methods established in the previous section of this report. The breakdown of percent share of each developer at build-out condition for the various facilities in the Special Refunding Area is included in Tables 1 and 2.

The major water infrastructure integral to the special refunding area are the following:

1. **P-25 Pumping Station** – The P-25 Pumping Station is sized with a capacity of 990 gpm at a TDH of 278 ft. The facility was sized to meet the maximum day demands for all development in the special refunding area. Of the total required pumping capacity, 16% (148.5 gpm) will be used by Pardee Homes, with the remaining 84% serving other developments in the special refunding area.
2. **R-46 Reservoir** – This reservoir is located approximately 3,150 feet south of the proposed Pardee Homes development. Construction of this reservoir consists of an above-grade 400,000-gallon pre-stressed concrete tank and associated grading and over excavation of the site. The users of the Pardee Homes Horizon Ridge/Gibson 2500 Zone Potable Water Infrastructure will share the cost of this facility. Of the total required storage capacity, 16% will be used by Pardee Homes, with the remaining 84% serving other developments in the special refunding area. All related cost to the construction of this reservoir will be included in the Special Refunding Agreement.
3. **12-inch and 16-inch Pipelines, Access Drive** – These pipelines will be utilized for transmission from the P-25 Pumping Station to the R-46 Reservoir and back

to the distribution system. Construction of these pipelines will consist of approximately 4,500 linear feet of 12-inch ductile iron pipe (DIP) with restrained joints (cement lined and polyethylene wrapped), approximately 4,000 feet of 16-inch ductile iron pipe (DIP) with restrained joints (cement lined and polyethylene wrapped) and approximately 3,100 feet of access drive for the reservoir (12-foot wide paved section, 5-foot wide DG trail). Included costs reflect the costs for the associated grading, access drive improvements, and culvert crossings necessary for the construction of the pipelines and access drive. Of the total requirement, 16% will be used by Pardee Homes, with the remaining 84% serving other developments in the special refunding area.

4. **Pressure-reducing Station**– The pressure-reducing station will be utilized to transfer water, reduce pressure and measure flow from the 2500 Zone to the 2370 Zone. Included costs reflect the costs for the associated grading, site improvements, and electrical/instrumentation improvements necessary for the construction of the pressure-reducing station. Please note that the capacity share of this facility includes 2370 Zone development, only. Of the total requirement, 21% will be used by Pardee Homes, with the remaining 79% serving other developments in the special refunding area.

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## REFUNDING PROGRAM

The refunding program for calculating the percent of the cost to be refunded back to Pardee Homes is determine based on the Equivalent Dwelling Units (EDU's) being served by the system in each development. Refunding and cost sharing will be based on the percent contribution each development has to the total demand in the system (see Tables 1 and 2).

These values will be used to allocate costs for the facilities discussed in the previous section for the potable water system. To calculate the proportionate share, the total number of EDU's must be allocated to the entire contribution area. Pardee Homes and the City have determined that water system infrastructure cost allocations would be equitable based on the following:

- Reservoirs - The ratio of the user's number of EDU's to the total number of EDU's being supplied by the reservoir. See Table 1.
- Pumping Station – The ratio of the user's number of EDU's (or maximum day demands) to the total number of EDU's (or maximum day demands) for which the Pumping Station was designed. See Table 1.
- Transmission Pipeline – The ratio of the user's number of EDU's (or maximum day demands) to the total number of EDU's (or maximum day demands) for which the Transmission Pipeline was designed. See Table 1.
- Pressure-reducing Station – The ratio of the user's number of EDU's (or maximum day demands) to the total number of EDU's (or maximum day demands) for which the Pressure-reducing Station was designed (2370 Zone, only). See Table 2.

Table 3 illustrates the capital costs for the proposed facilities in this Refunding Report using the approved audit values from the October 2018 Audit Report for SR-011 by Advantage Civil Design Group. Table 4 addresses the cost attributable to each development based on the percent usage. Table 5 summarizes the proportionate cost share per EDU for proposed users of these facilities.

## **SUMMARY OF REFUND**

The City collects fees from other developers. Funds collected from other developers are refunded to Pardee Homes, who installed the facilities in accordance with the Henderson Municipal Code. Additionally, all costs are indexed and facilities depreciated in accordance with the Henderson Municipal Code.

These costs would be in addition to any system development fees and other connection charges levied by the City in the course of normal development. There may also be additional refunding charges collected by other parties who have constructed localized water and/or sewer lines if connection is made to those lines to complete a developer's system.

**TABLE 1**  
**SLATER HANIFAN GROUP**  
**SR-011 REFUNDING REPORT**

<b>CAPACITY SHARE FOR P-25, R-46, PIPELINES AND ACCESS DRIVE (PRORATA BY EDU)</b>
---

Developer	Zoning	Dwelling Units	EDU Factor	Total EDUs	Prorated Share by EDU
Pardee Homes HR/Gibson	RS-6	123	1.00	123.0	16%
Others	Varies	611 [1,2]	Varies	661.0	84%
178-22-603-011					
178-22-604-008					
178-22-701-002					
178-22-701-003					
178-22-701-007					
178-22-701-008					
178-22-701-009					
178-22-701-014					
178-22-701-015					
178-22-701-016					
178-22-701-017					
178-22-701-018					
178-22-701-019					
178-22-701-020					
178-22-701-021					
178-22-701-022					
178-22-701-023					
178-22-701-025					
178-22-701-026					
178-22-701-027					
178-22-701-028					
178-22-702-001					
178-22-710-005					
178-22-710-006					
178-22-710-007					
178-22-710-008					
178-22-710-009					
178-22-710-010					
178-22-710-011					
178-22-712-003					
178-22-713-003					
178-22-713-004					
178-22-713-005					
178-22-713-006					
178-22-713-007					

**TABLE 1**  
**SLATER HANIFAN GROUP**  
**SR-011 REFUNDING REPORT**

<b>CAPACITY SHARE FOR P-25, R-46, PIPELINES AND ACCESS DRIVE (PRORATA BY EDU)</b>
---

<b>Developer</b>	<b>Zoning</b>	<b>Dwelling Units</b>	<b>EDU Factor</b>	<b>Total EDUs</b>	<b>Prorated Share by EDU</b>
178-22-713-008					
178-22-713-009					
178-22-713-010					
178-22-713-011					
178-22-713-012					
178-22-713-013					
178-22-713-014					
178-22-713-020					
178-22-713-021					
178-22-713-028					
178-22-713-029					
178-22-801-001					
178-22-801-002					
178-22-801-003					
178-22-801-004					
178-22-801-005					
178-22-801-006					
178-22-801-011					
178-22-801-012					
178-22-802-001					
178-22-802-002					
178-22-802-003					
178-22-802-004					
178-22-802-005					
178-22-802-006					
178-22-802-007					
178-22-802-008					
178-22-802-009					
178-22-802-010					
178-22-802-011					
178-22-814-015					
178-23-301-001					
178-23-301-002					
178-23-301-003					
178-23-301-004					
178-23-301-005					
178-23-301-006					
178-23-301-009					
178-23-301-010					
178-23-301-013					
178-23-301-014					
178-23-301-016					
178-23-301-018					
178-23-301-019					
178-23-301-022					
178-23-310-108					
178-23-310-109					
178-23-310-110					



**TABLE 1**  
**SLATER HANIFAN GROUP**  
**SR-011 REFUNDING REPORT**

<b>CAPACITY SHARE FOR P-25, R-46, PIPELINES AND ACCESS DRIVE (PRORATA BY EDU)</b>
---

Developer	Zoning	Dwelling Units	EDU Factor	Total EDUs	Prorated Share by EDU
178-23-310-111					
178-23-310-112					
178-23-310-113					
178-23-310-116					
178-23-310-121					
178-23-313-001					
178-23-313-002					
178-23-313-003					
178-23-313-004					
178-23-313-005					
178-23-313-006					
178-23-313-007					
178-23-313-008					
178-23-313-009					
178-23-313-010					
178-23-313-011					
178-23-313-012					
178-23-313-013					
178-23-313-014					
178-23-313-015					
178-23-313-017					
178-23-313-018					
178-23-313-019					
178-23-313-020					
178-23-313-021					
178-23-313-022					
178-23-313-023					
178-23-313-024					
178-23-313-025					
178-23-313-026					
178-23-313-027					
178-23-313-028					
178-23-313-029					
178-23-313-030					
178-23-313-031					
178-23-313-032					
178-23-313-033					
178-23-313-034					
178-23-313-035					
178-23-313-036					
178-23-313-037					
178-23-313-038					
178-23-401-001					
178-23-401-002					
178-23-401-004					
178-23-401-007					
178-23-401-008					
178-23-401-009					

**TABLE 1**  
**SLATER HANIFAN GROUP**  
**SR-011 REFUNDING REPORT**

<b>CAPACITY SHARE FOR P-25, R-46, PIPELINES AND ACCESS DRIVE (PRORATA BY EDU)</b>
---

Developer	Zoning	Dwelling Units	EDU Factor	Total EDUs	Prorated Share by EDU
178-23-401-010					
178-23-401-011					
178-23-401-012					
178-23-401-013					
178-23-401-014					
178-23-401-015					
178-23-401-016					
178-23-401-017					
178-23-401-018					
178-23-401-019					
178-23-401-020					
178-23-401-021					
178-23-401-022					
178-23-401-023					
178-23-401-024					
178-23-410-017					
178-23-411-001					
178-23-411-002					
178-23-411-003					
178-23-411-004					
178-23-411-005					
178-23-411-006					
178-23-411-007					
178-23-411-008					
178-23-411-009					
178-23-411-010					
178-23-411-011					
178-23-411-012					
178-23-411-013					
178-23-411-014					
178-23-411-015					
178-23-610-004					
178-23-701-002					
178-26-000-001					
				<b>784.0</b>	<b>100%</b>

**TABLE 2**  
**SLATER HANIFAN GROUP**  
**SR-011 REFUNDING REPORT**

<b>CAPACITY SHARE FOR PRESSURE-REDUCING STATION (PRORATA BY EDU)</b>					
<b>Developer</b>	<b>Zoning</b>	<b>Dwelling Units</b>	<b>EDU Factor</b>	<b>Total EDUs</b>	<b>Share by EDU</b>
Pardee Homes HR/Gibson	RS-6	123	1.00	123.0	21%
Others (2370 Zone, only)	Varies	440 [1,2]	Varies	467.5	79%
				<b>590.5</b>	<b>100%</b>

[1] Estimated (see Pardee Homes 2370/2500 Zones Water Master Plan - South of Horizon Ridge Pkwy at Gibson Rd.)

[2] Unicorn Hills connected to the P6/R13 system; excluded from the Special Refunding Agreement.

**TABLE 3  
SLATER HANIFAN GROUP  
SR-011 REFUNDING REPORT**

TOTAL CAPITAL COSTS		
Item No.	Description	Approved Audit Cost (1)
1	P-25 Pumping Station, R-46 Reservoir, 12-inch and 16-inch Pipelines, Access Drive	\$8,323,371
2	PRV Station	\$245,798
<b>TOTAL</b>		<b>\$8,569,169</b>

[1] Capital cost based on SR-011 Audit Report by Advantage Civil Design Group dated October 2018

**TABLE 4  
SLATER HANIFAN GROUP  
SR-011 REFUNDING REPORT**

<b>ESTIMATED COST SHARE BASED ON PERCENT USAGE 2370/2500 PRESSURE ZONES</b>
---

Facility	Total Cost	Pardee Homes [1]		Others	
		Prorata Share %	Prorata Share \$	Prorata Share %	Prorata Share \$
P-25 Pumping Station, R-46 Reservoir, 12-inch and 16-inch Pipelines, Access Drive	\$8,323,371	16%	\$1,331,739	84%	\$6,991,632
<b>Total</b>	<b>\$8,323,371</b>		<b>\$1,331,739</b>		<b>\$6,991,632</b>

<b>ESTIMATED COST SHARE BASED ON PERCENT USAGE 2370 PRESSURE ZONE ONLY</b>
--

Facility	Total Cost	Pardee Homes [1]		Others	
		Prorata Share %	Prorata Share \$	Prorata Share %	Prorata Share \$
PRV Station	\$245,798	21%	\$51,618	79%	\$194,180
<b>Total</b>	<b>\$245,798</b>		<b>\$51,618</b>		<b>\$194,180</b>
<b>Grand Total</b>	<b>\$8,569,169</b>		<b>\$1,383,357</b>		<b>\$7,185,812</b>

[1] Includes prorata share of Pelican Development Corporation

**TABLE 5  
SLATER HANIFAN GROUP  
SR-011 REFUNDING REPORT**

<b>COST PER EDU SUMMARY 2370/2500 PRESSURE ZONES P-25 PUMPING STATION, R-46 RESERVOIR, PIPELINES AND ACCESS DRIVE</b>
---

Development	Total EDUs	Total Cost	Cost per EDU
Pardee Homes	123.0		
Others	661.0		
<b>Total</b>	<b>784.0</b>	<b>\$8,323,371</b>	<b>\$10,617</b>

<b>COST PER EDU SUMMARY 2370 PRESSURE ZONE ONLY PRV STATION</b>
---

Development	Total EDUs	Total Cost	Cost per EDU
Pardee Homes	123.0		
Others	467.5		
<b>Total</b>	<b>590.5</b>	<b>\$245,798</b>	<b>\$416</b>

<b>CHARGE TO 2370 ZONE:</b>	<b>\$10,617 + \$416</b>	<b>=</b>	<b>\$11,033</b>
<b>CHARGE TO 2500 ZONE:</b>		<b>=</b>	<b>\$10,617</b>

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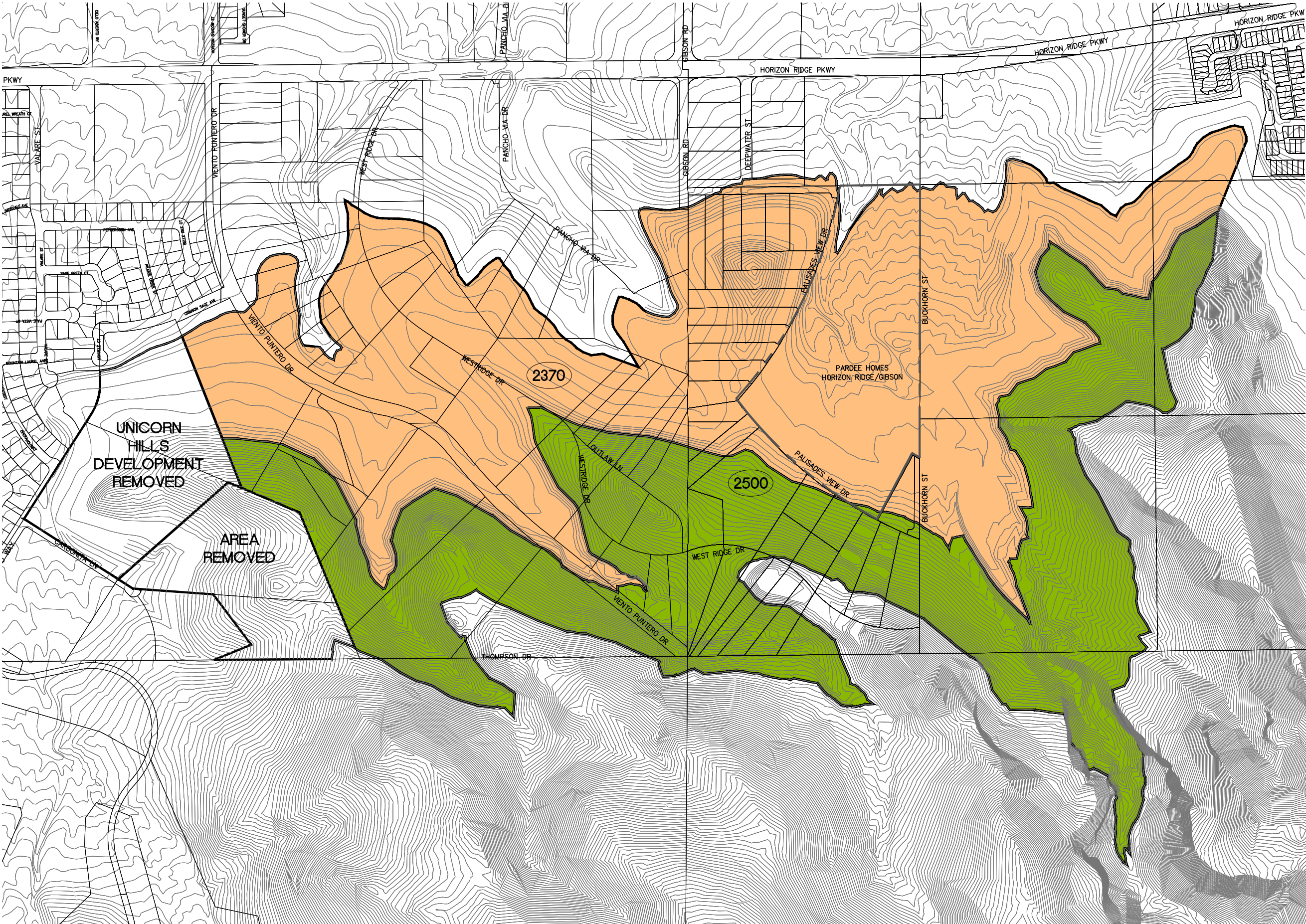


**SLATER  
HANIFAN  
GROUP**  
CONSULTING ENGINEERS & PLANNERS  
5740 S. ARVILLE STREET #216, LAS VEGAS, NV 89118  
PHONE (702) 284-5300 FAX (702) 284-5399

PARDEE HOMES	
HR/GIBSON	
VICINITY MAP	

DATE: 9/19/2014	PROJECT NO.
DRAFTER: NA	PAR1309-000
DESIGNER: NA	EXHIBIT 1
CHECKED: BC	SHEET 1 OF 1





NOT TO SCALE

NO.	DESCRIPTION	DATE	BY	APP.

PARDEE HOMES OF NEVADA
HORIZON RIDGE/GIBSON
SPECIAL REFUNDING AREA

DATE: 5/8/2014
DRAFTER: BLC
DESIGNER: BLC
CHECKED: BLC
PROJECT NO. PAR0501.0020

--





PARDEE HOMES OF NEVADA

P-25 PUMPING STATION, R-46 RESERVOIR AND ASSOCIATED FACILITIES

PROJECT LAYOUT

## **Appendix A**

Henderson Municipal Code 14.16

Henderson, Nevada, Code of Ordinances >> Title 14 - UTILITY SERVICES >> **Chapter 14.16 REFUNDING REGULATIONS >>**

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**Chapter 14.16 REFUNDING REGULATIONS**

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**Sections:**

[14.16.010 General provisions.](#)

[14.16.020 Cost for infrastructure.](#)

[14.16.030 Construction specifications.](#)

[14.16.040 Standard refunding.](#)

[14.16.050 Special refunding.](#)

[14.16.060 Violations.](#)

**14.16.010 General provisions.**

- A. *Purpose and policy.* This chapter sets forth responsibility, authority, and provisions to provide a mechanism for the orderly development of the utility system through refunding of costs associated with the design and construction of utility infrastructure.
- B. *Scope.* The provisions of this chapter shall apply to all residents of the city, a responsible party operating, maintaining, repairing, relocating, removing, and/or disconnecting the public water system and/or publicly owned treatment works, and/or users of city-provided utilities.
- C. *Administration.* Except as otherwise provided herein, the director shall administer, implement, and enforce the provisions of this chapter. Any powers granted or duties imposed upon the director may be delegated by the director to persons acting in the beneficial interest of the city.
- D. *Compliance.* All provisions of this chapter are subject to compliance procedures as outlined in this title and the department service rules.

*(Ord. 2676, § 11 (part), 2008; Ord. 2536, § 84, 2006)*

**14.16.020 Cost for infrastructure.**

The cost to design and construct any water, sewer, and/or reclaimed infrastructure required in connection with the extension of the public utility system to serve the customer shall be advanced by the customer requesting such service.

*(Ord. 2536, § 85, 2006)*

**14.16.030 Construction specifications.**

All utility extensions, facilities and/or infrastructure to be constructed by the customer shall conform to adopted standards.

*(Ord. 2536, § 86, 2006)*

**14.16.040 Standard refunding.**

- A. *Standard refunding agreements.*
  - 1. The city may enter into an agreement which provides for repayment of a portion of the

cost of the main extension lying between the original point of supply and the customer's property from main frontage fees collected from other properties frontage to the main extension covered by such agreement during the term provided in the agreement or until the amount advanced by the customer has been satisfied, as determined in accordance with the provisions of this title and/or the department's service rules.

2. The following items may be eligible for standard refunding:
  - a. Water, sewer, and reclaimed water main extensions to a project;
  - b. Water, sewer, and reclaimed water main extensions adjacent to a project; and/or
  - c. Water, sewer, and reclaimed water mains replacing existing mains.
3. The period during which refunds are due shall be 20 years, commencing on the date when the infrastructure covered by the agreement is completed, tested, and accepted by the city.
4. Construction shall be deemed to be complete when the utility infrastructure is constructed according to the approved plans and satisfies all applicable testing and acceptance criteria.
5. The city council shall grant the director the authority to enter into and execute any standard refunding agreement in which the city is not a participant. Should the city be a participant in a standard refunding agreement, such agreement must be approved according to city standard operating procedures and policies.

**B. *Standard refunding conditions.***

1. Application for standard refunding agreement shall be submitted to the department in writing accompanied by documentation as required by the city from customer(s) constructing such infrastructure covered by the agreement. This application shall be submitted within 90 days of date of acceptance by the city of the infrastructure to be covered by such agreement.
2. All customers entering into any refunding agreement with the city shall pay all fees as outlined in this title and/or the department service rules. These fees are due and payable at the time of the execution of the agreement.
3. Customers may be eligible for a refund of main frontage fees collected by the city from other properties in accordance with this title.
4. All standard refunding calculations shall be rounded to the nearest foot and shall be assessed based on the frontage of the applicant's property, as indicated by the most current data in the Clark County assessor office records, adjacent to the right-of-way or easement where the existing water, sewer, or reclaimed water main is located in accordance with this title and/or the department's service rules.
5. After execution of a valid standard refunding agreement, all main frontage fees collected in accordance with this title and/or department service rules shall be paid within 60 days from the date of collection.
6. In the event any expense is incurred by the city within a period of one year after acceptance of the infrastructure installed by the customer covered by a standard refunding agreement due to defective materials or workmanship the amount of such expense shall be deducted from any refund(s) that may become due to the customer thereafter.

*(Ord. 2536, § 87, 2006)*

## **14.16.050 Special refunding.**

**A. *Special refunding agreements.***

1. The city may enter into a special refunding agreement which provides for repayment of a portion of the cost of that backbone infrastructure lying between the original point of supply and the customer's property from special refunding fees to be collected by the city from other customers obtaining direct or indirect service from the backbone infrastructure during the term provided in the special refunding agreement, pursuant to this title, or until the proportional cost of design and construction advanced by the customer has been repaid, whichever is earlier.
2. Any special refunding agreement entered into by the city must be based upon a refunding report completed in accordance with the department service rules and adopted by the city council.
3. The term of any special refunding agreement shall be 20 years, which will commence on the date the infrastructure covered by the special refunding agreement is completed, tested and accepted by the city.
4. Application for special refunding agreement shall be submitted to the director in writing accompanied by documentation as required by the city within 90 days of the date of acceptance of the pre-design report by the city for the infrastructure to be covered by such agreement. All final costs are subject to verification by the city.
5. The amount subject to repayment under a special refunding agreement shall be the amount of the actual cost of the work as verified by the city. The final cost of the work shall be the basis for the determination and calculation of refunds under the special refunding agreement. Final costs that are eligible for inclusion in the special refunding agreement are:
  - a. Actual construction costs (including administration and safety and traffic control measures);
  - b. Design engineering costs and inspection costs not to exceed an aggregate 15 percent of item 5 of this section;
  - c. Permits and fees;
  - d. Performance and related bond costs to the extent not included in item 5 of this section;
  - e. Actual financing costs related to subsections (A)(5)(a) through (A)(5)(d) of this section. Said financing costs shall be computed through the date of final acceptance of the backbone infrastructure by the city; and
  - f. All fees and expenses reasonably incurred concerning the preparation of the special refunding agreement shall be added to the refunding amount.
6. Construction shall be deemed to be complete when the utility infrastructure is constructed according to the approved plans and satisfies all applicable testing and approval criteria.

B. *Special refunding conditions.*

1. Customers entering into any special refunding agreement with the city shall pay all fees as outlined in this title and/or the department service rules. These fees are due and payable upon execution of the agreement.
2. After execution of a valid special refunding agreement, special refunding fees collected in accordance with this title and/or department service rules shall be paid to the customer within 30 days from the last business day of the quarter in which such fees were collected and will be issued in accordance to the procedures outlined in the department service rules.
3. Special refunding fees collected by the city shall be computed as follows:
  - a. As to the portion of cost attributable to the holder of the special refunding

agreement, advances shall be accrued quarterly with interest equal to one-fourth the prime rate plus two percentage points with a maximum of ten percent per year. The prime rate that is published in the Wall Street Journal or a similar publication approved by the city's finance director for utilization in the refunding report and being the prime rate published at the last business day of each calendar quarter for the subsequent quarter.

- b. As to the portion of cost attributable to city, advances shall be accrued quarterly with interest equal to one-fourth the Merrill Lynch Bond Index for tax-exempt 30-year A-rated revenue bonds as printed in the Wall Street Journal or a similar publication approved by the city's finance director for utilization in the refunding report with a maximum of ten percent per year. The rate shall be based upon the index rate published the last business day of each calendar quarter for the subsequent quarter.
- c. The amount that makes up the actual final cost of work shall be depreciated annually over 40 years using the straight-line method of depreciation or such time line as recommended and approved in the refunding report. The net book value of the infrastructure shall become the base for purposes of calculating amounts to be refunded and of computing the addition of accrued interest.
4. Special refunding fees, as allocated in the refunding report to a customer, will only be made for utility infrastructure that service areas not only of the customers but areas designated in the approved refunding report.
5. Special refunding fees will be made from fees collected from other customers or the city whose properties are served by the backbone infrastructure and paid prior to final issuance of a certificate of occupancy.
6. In the event two or more customers have designed the same backbone infrastructure, those eligible costs, or an applicable portion thereof, paid by the customer who has submitted a performance bond to the city for construction of the relevant system or facility and has completed said construction shall be refunded.
7. In the event any expense is incurred by the city within a period of one year after acceptance of the infrastructure installed by the customer covered by a special refunding agreement due to defective materials or workmanship on, the amount of such expense shall be deducted from any refund(s) that may become due to the customer thereafter.

*(Ord. 2676, § 11 (part), 2008; Ord. 2536, § 88, 2006)*

#### **14.16.060 Violations.**

Any person who fails or refuses to comply with any provision of this chapter or department's service rules or who provides false information to the city shall be deemed to be in violation of this title and shall be subject to discontinuance of service; subject to any penalties and charges assessed in accordance with this title and/or department's service rules; and subject to all compliance procedures as prescribed within this title.

*(Ord. 2536, § 89, 2006)*

**Appendix B**

Unit Duty and EDU Table

**CITY OF HENDERSON**  
**WATER CALCULATION GUIDELINES**  
*Updated: October 12, 2006*

Quantity	Type of Development	Calculation Factor	Total EDUs
	Single Family – VLD ( <i>net acreage</i> $\geq$ ½ acre/lot)	1.5 EDU/lot	
	Single Family – LD ( <i>net acreage</i> < ½ acre/lot)	1.0 EDU/lot	
	Multi-Family – MD ( <i>Density</i> $\leq$ RM16)	0.81 EDU/unit	
	Multi-Family – HD ( <i>Density</i> $\geq$ RM18)	0.51 EDU/unit	
	Commercial	7.65 EDU/acre	
	School	1.2 EDU/acre	
	Park/Common Element/Irrigated Turf	14.4 EDU/acre	
	Hotel/Motel	7.65 EDU/acre	
	Industrial (case by case)	Attach Calculations	
<b>TOTALS:</b>			

*Water Commitment shall be determined as outlined in this table. However, the City reserves the sole and exclusive right to project water usage for any and all projects, taking into account the existing density and uses of such land allowed under the City's development code.*

*Parent maps, or other large land division maps intended for the creation of development parcels, shall receive a Water Commitment equivalent to 1 Equivalent Dwelling Unit (EDU) per development parcel.*

*1 equivalent development unit (EDU) equals 0.75 acre feet per year (AFY), which is the estimated annual average water use. The Average Day Demand (gallons per minute) equals 0.62 times the annual average water use (AFY). Peaking factors: Maximum Day Demand = Average Day X 2.0, Peak Hour Demand = Maximum Day X 1.7. The Calculation factors are based on density, not zoning. Acres are based on gross acreages.*

**Demand Factor Calculation:**

Type of Development	Total # of Units or Acres	Total # EDUs, (units or acres x EDU factor)	Annual Average Water Use, AFY (# EDU x 0.75 AFY)	Average Day Demand, gpm (AFY x 0.62)	Maximum Day Demand, gpm (ADD x 2.0)	Peak Hour Demand, gpm (MDD x 1.7)
<b>TOTALS:</b>						



**Appendix C**

Sample Depreciation & Appreciation Table

PUMP STATION

APPRECIATION/DEPRECIATION SAMPLE CALCULATION

Refunding Amount

\$1,252,003.00

Facility Service Life

25

Number of EDU's (estimated)

2754

Ann. Depri.

\$

50,080.12

Final Audit Date

3/05/2019

Start Qtr Date

10/1/2020

Year	Quarter	Straight Line Depreciation	Prime Rate	*Quarterly Interest Rate	Index	Refunding Amount	EDU Amount	EDU Basis
	Eng. Report						\$ 372.00	2754
0	10/1/2020	\$ 1,252,003.00	9.50	2.88	1.0000	\$ 1,252,003.00	\$ 455.00	2754
	1/1/2021	\$ 1,239,482.97	9.50	2.88	1.0288	\$ 1,275,118.11	\$ 463.00	2754
	4/1/2021	\$ 1,226,962.94	8.00	2.50	1.0545	\$ 1,293,794.08	\$ 470.00	2754
	7/1/2021	\$ 1,214,442.91	6.75	1.75	1.0729	\$ 1,303,002.46	\$ 473.00	2754
1	10/1/2021	\$ 1,201,922.88	6.00	2.00	1.0944	\$ 1,315,360.83	\$ 478.00	2754
	1/1/2022	\$ 1,189,402.85	4.75	1.69	1.1128	\$ 1,323,624.66	\$ 481.00	2754
	4/1/2022	\$ 1,176,882.82	4.75	1.69	1.1316	\$ 1,331,792.81	\$ 484.00	2754
	7/1/2022	\$ 1,164,362.79	4.75	1.69	1.1507	\$ 1,339,859.72	\$ 487.00	2754
2	10/1/2022	\$ 1,151,842.76	4.75	1.69	1.1701	\$ 1,347,819.64	\$ 489.00	2754
	1/1/2023	\$ 1,139,322.73	4.25	1.56	1.1884	\$ 1,354,000.20	\$ 492.00	2754
	4/1/2023	\$ 1,126,802.70	4.25	1.56	1.2070	\$ 1,360,044.84	\$ 494.00	2754
	7/1/2023	\$ 1,114,282.67	4.00	1.50	1.2251	\$ 1,365,107.23	\$ 496.00	2754
3	10/1/2023	\$ 1,101,762.64	4.00	1.50	1.2435	\$ 1,370,015.48	\$ 497.00	2754
	1/1/2024	\$ 1,089,242.61	4.00	1.50	1.2621	\$ 1,374,763.83	\$ 499.00	2754
	4/1/2024	\$ 1,076,722.58	4.00	1.50	1.2811	\$ 1,379,346.38	\$ 501.00	2754
	7/1/2024	\$ 1,064,202.55	4.25	1.56	1.3011	\$ 1,384,609.15	\$ 503.00	2754
4	10/1/2024	\$ 1,051,682.52	4.75	1.69	1.3230	\$ 1,391,410.02	\$ 505.00	2754
	1/1/2025	\$ 1,039,162.49	5.25	1.81	1.3470	\$ 1,399,764.69	\$ 508.00	2754
	4/1/2025	\$ 1,026,642.46	5.75	1.94	1.3731	\$ 1,409,693.75	\$ 512.00	2754
	7/1/2025	\$ 1,014,122.43	6.25	2.06	1.4014	\$ 1,421,222.72	\$ 516.00	2754
5	10/1/2025	\$ 1,001,602.40	6.75	2.19	1.4321	\$ 1,434,382.19	\$ 521.00	2754
	1/1/2026	\$ 989,082.37	7.25	2.31	1.4652	\$ 1,449,207.88	\$ 526.00	2754
	4/1/2026	\$ 976,562.34	7.75	2.44	1.5009	\$ 1,465,740.77	\$ 532.00	2754
	7/1/2026	\$ 964,042.31	8.25	2.56	1.5394	\$ 1,484,027.30	\$ 539.00	2754
6	10/1/2026	\$ 951,522.28	8.25	2.56	1.5788	\$ 1,502,288.54	\$ 545.00	2754
	1/1/2027	\$ 939,002.25	8.25	2.56	1.6193	\$ 1,520,511.20	\$ 552.00	2754
	4/1/2027	\$ 926,482.22	8.25	2.56	1.6608	\$ 1,538,681.31	\$ 559.00	2754
	7/1/2027	\$ 913,962.19	8.25	2.31	1.6992	\$ 1,552,989.49	\$ 564.00	2754
7	10/1/2027	\$ 901,442.16	7.75	2.44	1.7406	\$ 1,569,051.23	\$ 570.00	2754
	1/1/2028	\$ 888,922.13	7.25	2.31	1.7809	\$ 1,583,039.21	\$ 575.00	2754
	4/1/2028	\$ 876,402.10	5.25	1.81	1.8131	\$ 1,589,031.35	\$ 577.00	2754
	7/1/2028	\$ 863,882.07	5.00	1.75	1.8449	\$ 1,593,741.69	\$ 579.00	2754
8	10/1/2028	\$ 851,362.04	5.00	1.75	1.8771	\$ 1,598,130.26	\$ 580.00	2754
	1/1/2029	\$ 838,842.01	3.25	1.31	1.9018	\$ 1,595,295.34	\$ 579.00	2754
	4/1/2029	\$ 826,321.98	3.25	1.31	1.9267	\$ 1,592,110.70	\$ 578.00	2754
	7/1/2029	\$ 813,801.95	3.25	1.31	1.9520	\$ 1,588,567.65	\$ 577.00	2754
9	10/1/2029	\$ 801,281.92	3.25	1.31	1.9777	\$ 1,584,657.33	\$ 575.00	2754
	1/1/2030	\$ 788,761.89	3.25	1.31	2.0036	\$ 1,580,370.71	\$ 574.00	2754
	4/1/2030	\$ 776,241.86	3.25	1.31	2.0299	\$ 1,575,698.58	\$ 572.00	2754
	7/1/2030	\$ 763,721.83	3.25	1.31	2.0565	\$ 1,570,631.56	\$ 570.00	2754
10	10/1/2030	\$ 751,201.80	3.25	1.31	2.0835	\$ 1,565,160.10	\$ 568.00	2754
	1/1/2031	\$ 738,681.77	3.25	1.31	2.1109	\$ 1,559,274.45	\$ 566.00	2754
	4/1/2031	\$ 726,161.74	3.25	1.31	2.1386	\$ 1,552,964.67	\$ 564.00	2754
	7/1/2031	\$ 713,641.71	3.25	1.31	2.1667	\$ 1,546,220.66	\$ 561.00	2754
11	10/1/2031	\$ 701,121.68	3.25	1.31	2.1951	\$ 1,539,032.09	\$ 559.00	2754
	1/1/2032	\$ 688,601.65	3.25	1.31	2.2239	\$ 1,531,388.46	\$ 556.00	2754
	4/1/2032	\$ 676,081.62	3.25	1.31	2.2531	\$ 1,523,279.06	\$ 553.00	2754
	7/1/2032	\$ 663,561.59	3.25	1.31	2.2827	\$ 1,514,692.98	\$ 550.00	2754
12	10/1/2032	\$ 651,041.56	3.25	1.31	2.3126	\$ 1,505,619.11	\$ 547.00	2754
	1/1/2033	\$ 638,521.53	3.25	1.31	2.3430	\$ 1,496,046.13	\$ 543.00	2754
	4/1/2033	\$ 626,001.50	3.25	1.31	2.3737	\$ 1,485,962.48	\$ 540.00	2754
	7/1/2033	\$ 613,481.47	3.25	1.31	2.4049	\$ 1,475,356.43	\$ 536.00	2754
13	10/1/2033	\$ 600,961.44	3.25	1.31	2.4365	\$ 1,464,215.98	\$ 532.00	2754
	1/1/2034	\$ 588,441.41	3.25	1.31	2.4684	\$ 1,452,528.94	\$ 527.00	2754
	4/1/2034	\$ 575,921.38	3.25	1.31	2.5008	\$ 1,440,282.89	\$ 523.00	2754
	7/1/2034	\$ 563,401.35	3.25	1.31	2.5337	\$ 1,427,465.15	\$ 518.00	2754
14	10/1/2034	\$ 550,881.32	3.25	1.31	2.5669	\$ 1,414,062.84	\$ 513.00	2754
	1/1/2035	\$ 538,361.29	3.25	1.31	2.6006	\$ 1,400,062.82	\$ 508.00	2754
	4/1/2035	\$ 525,841.26	3.25	1.31	2.6347	\$ 1,385,451.69	\$ 503.00	2754
	7/1/2035	\$ 513,321.23	3.25	1.31	2.6693	\$ 1,370,215.85	\$ 498.00	2754
15	10/1/2035	\$ 500,801.20	3.25	1.31	2.7043	\$ 1,354,341.40	\$ 492.00	2754
	1/1/2036	\$ 488,281.17	3.25	1.31	2.7398	\$ 1,337,814.20	\$ 486.00	2754
	4/1/2036	\$ 475,761.14	3.25	1.31	2.7758	\$ 1,320,619.86	\$ 480.00	2754
	7/1/2036	\$ 463,241.11	3.25	1.31	2.8122	\$ 1,302,743.70	\$ 473.00	2754
16	10/1/2036	\$ 450,721.08	3.25	1.31	2.8491	\$ 1,284,170.80	\$ 466.00	2754
	1/1/2037	\$ 438,201.05	3.25	1.31	2.8865	\$ 1,264,885.95	\$ 459.00	2754
	4/1/2037	\$ 425,681.02	3.25	1.31	2.9244	\$ 1,244,873.64	\$ 452.00	2754
	7/1/2037	\$ 413,160.99	3.25	1.31	2.9628	\$ 1,224,118.12	\$ 444.00	2754

Appreciation/Depreciation are shown to start immediately however are not effective until year one

## SPECIAL REFUNDING AGREEMENT

### Exhibit C

#### HMC 14.01.010 - DEFINITIONS HMC CHAPTER 14.03 - WATER REGULATIONS HMC CHAPTER 14.16 - REFUNDING REGULATIONS

##### **14.01.010 - Definitions.**

For the purpose of administering this title, the words and terms set forth in this chapter shall be defined as follows:

*Acceptance* means a formal process by which the City of Henderson assumes responsibility for operation and maintenance of the asset and/or infrastructure.

*Actual cost* means all costs to include, but not limited to costs of time, labor, overhead and benefits, rental or city-owned vehicles, materials, and use of outside resources or services necessary to administer, monitor, repair, replace, remove and/or install city facilities as needed.

*Adopted standards* means procedures, policies, rules, and regulations which may include utility design and construction standards and City of Henderson adopted amendments, city and/or department standard operating procedures, approved material lists, adopted plumbing codes, etc.

*Approved backflow testing laboratory* means: (1) The Foundation for Cross-Connection Control and Hydraulic Research of the University of Southern California; (2) any other person or entity that the health authority determines is: (a) competent and possesses the necessary facilities to investigate and evaluate assemblies for the prevention of backflow; (b) adheres to the procedures for testing and certification set forth in the American Water Works Association Standards and; (c) is independent of any manufacturers of assemblies for the prevention of backflow.

*Appurtenances* means equipment, machinery, appliances, structures, attachments, and other parts of a main structure that are necessary to allow it to operate as intended.

*Baseline monitoring report (BMR)* means a report submitted by categorical industrial users indicating the industrial user's compliance status with the Federal Categorical Standards, 40 CFR 403.12(b).

*Basic service charge* means a monthly fee for city accounting services, taxes, billing, account collection, collection and treatment of storm water inflow and groundwater infiltration, salinity control and pretreatment.

*Best management practice (BMP)* means an innovative and progressive operational strategy that reflects a higher level of responsibility by a user. The primary objective of the operational strategy is to reduce or eliminate potential hazards or effluent pollutant volumes, therefore reduce or eliminate potential hazards or effluent pollutant volumes, therefore reducing the impact of the facility on the POTW.

*Billing period* means the period of time for which a customer is billed for services provided by the utility.

*Biochemical oxygen demand (BOD)* means the relative oxygen requirement of wastewater.

*Building permit* means a permit for the erection, construction, enlargement, alterations, repair, improvements, conversion or demolition of any building or structure regulated by the City of Henderson Municipal Code (HMC).

## SPECIAL REFUNDING AGREEMENT

*Bypassing* means to reroute existing wastewater flow to allow for new installation, repair or replacement of a wastewater line.

*Categorical industrial user (CIU)* or *categorical standards* means an existing or new industrial user in specific industrial sub-categories that have been established by the Federal Environmental Protection Agency under appropriate subparts of 40 CFR and the standards passed by the United States Congress to control water pollution by specific industries.

*Citation* means a formal written document given to a non-compliant user, wherein monetary fines, specific corrective actions, or a combination of both monetary fines and specific corrective actions are imposed against the non-compliant user.

*City or City of Henderson* means the City of Henderson (COH), a municipal corporation and political subdivision of the State of Nevada.

*Community use recreational turf* means any multi-purpose recreational area of turf at least two acres, but not less than 100 feet wide in any dimension, at any private or public park, school, or government facility.

*Compliance response plan* means a plan which provides guidance to City of Henderson personnel for enforcement actions necessary to remedy users in non-compliance.

*Connection charge* means the sum of the various fees charged for utility service including the system development charge, refunding fees, system development charge, main connection charge and lateral connection fee.

*Council* means the duly elected mayor and city council acting as a government body.

*Customer* means any person, owner, occupant, manager, developer, entity, or user of real property who is or has been a recipient of utility services.

*Days* means actual calendar days.

*Dedication* means a formal process by which the City of Henderson has been officially given all ownership rights to said property, facilities and/or premises.

*Delinquent* means being overdue in payment.

*Department* means City of Henderson department of utility services.

*Developer* means any person engaged in or proposing development of property, which shall include subdividers.

*Direct discharge or discharge* means the addition of any pollutant, directly or indirectly, into the publicly owned treatment works (POTW) or state waterways.

*Director or director of utility services* means the director of utility services for the City of Henderson or any of his duly authorized representatives.

*Disabled person* is a person meeting the following criteria: (1) a person who is the head of household; and (2) has been determined by a competent and licensed physician to be totally and permanently disabled.

*Discontinuance of service* means formal enforcement action taken against a non-compliant user, wherein the non-compliant user's water and/or wastewater service is shutdown or otherwise discontinued.

## SPECIAL REFUNDING AGREEMENT

*Drought* means a combination of many complex factors acting and interacting with the environment resulting in water supplies not being replenished normally. In simple terms, a drought occurs when existing water supplies cannot meet established demands for a period of time.

*Drought alert, drought critical, drought watch, no drought* are references to drought alerts identified in the City of Henderson's adopted Southern Nevada Water Authority (SNWA) Drought Response Plan.

*Easement* means an acquired legal right to the use of land owned by others.

*Effluent pH excursion* means wastewater or other liquid, partially or completely treated, flowing from a basin, treatment process or treatment plant into the publicly owned treatment works (POTW) or state waterways: (1) the total time during which the pH value is outside the required range of the pH value shall not exceed two hours in any calendar month; and (2) no individual excursion from the required range of pH values shall exceed 15 minutes.

*Equivalent dwelling unit (EDU)* means a measure of water demand equivalent to the amount of water generated per annually by an average single-family residential dwelling unit. One EDU is equivalent to 0.75 acre-feet of water per year.

*Equivalent residential unit (ERU)* means a measure of wastewater equivalent to the amount of wastewater generated per day by an average single-family residential dwelling unit. One ERU is equivalent to 250 gallons per day.

*Exemption* means a determination by the city, or its designee, that a project is not subject to the rules and regulations of a particular section of this Code.

*Fire service or fire service connection* means a water service connection exclusively for fire suppression.

*Fixture* means a plumbing device or appliance that is connected to the water supply system and is also connected to the wastewater collection system of the city either directly or indirectly. Devices and appliance expressly excluded from this definition include, but are not limited to: air conditioner, boiler, coffee urn, disposal units, drinking fountain, glass filler, ice machine, refrigerator, soft drink machine, water softener and X-ray machine.

*Grease interceptor* means a plumbing appurtenance or appliance that is installed in a sanitary drainage system to intercept non-petroleum fats, oils and greases (FOG) from a wastewater discharge.

*Hand-watering* means the sporadic use or application of water outside any dwelling, building, or structure for any purpose by a customer or any person through a hose connected to a piping system while such hose is held by an individual.

*Industrial* means a distinct group of productive enterprises, primarily dealing with manufacturing activity.

*Industrial waste* means all water-carried waste by-products and wastewater excluding domestic wastewater and uncontaminated water from any manufacturing, processing, institutional, commercial, agricultural or other operation where the wastewater has significant quantities of non-human pollutants.

*Industry* means a recipient of city utility services not classified as residential or commercial.

## SPECIAL REFUNDING AGREEMENT

*Interceptor* means a sewer main which is 15 inches or greater in diameter.

*Interference* means a discharge which alone or in conjunction with discharge(s) from other sources, either: (1) inhibits or disrupts the publicly owned treatment works (POTW) with its treatment processes or operations, or its sludge process, use or disposal; and causes a violation of any requirements of the city's National Pollutant Discharge Elimination System (NPDES) permit; or (2) discharges a daily pollutant load in excess of that permitted by the city or by federal, state or local law.

*Manifolding or meter banking* means more than one meter and service connection within close proximity of each other, configured and connected to a single service line supplying water to the property.

*Maximum day demand* means the maximum daily water demand as allowed by the director of utility services.

*Pass-through* means a discharge to the city's publicly owned treatment works (POTW) in quantities causing a violation of the city's National Pollutant Discharge Elimination System (NPDES) permit.

*Pollutant* means a substance that alters the chemical, physical or biological properties of receiving waters.

*Positive shut-off nozzle* means a device that automatically shuts off the flow of water through a hose or other item to which it is attached unless pressure is maintained on a trigger or other mechanism forming part of the device (also known as a trigger nozzle).

*Premises* means a structure or group of adjacent structures belonging to an individual or a group of individuals, receiving utility services.

*Property* means a tract of land, with or without structures, belonging to an individual or a group of individuals, receiving utility services.

*Public water system* means city-owned infrastructure, facilities, piping, and appurtenances used to treat and deliver water.

*Publicly owned treatment works (POTW)* means city-owned wastewater infrastructure, facilities, piping, and appurtenances used to collect, treat and discharge wastewater.

*Raw water* means source water that has not been processed for the removal of pollutants.

*Reclaimed water* means municipal wastewater processed to meet all applicable federal, state and local standards for use in applications approved by the director of utility services.

*Refunding* means a program established by the department of utility services which provides a mechanism for the city to enter into an agreement with a customer fronting the cost and building of utility infrastructure. The agreement provides for the repayment of a portion of such costs related to the design and construction of such infrastructure by other customers obtaining benefit from it.

*Refunding report* means a final report submitted to the city council by the director of utility services identifying the boundary of the special refunding area, the type and route of backbone infrastructure to be included, the service demands when the special refunding area is fully developed, methods of cost sharing, refunding amounts, depreciation times or any other information required to assist council in deciding on a special refunding area.

## SPECIAL REFUNDING AGREEMENT

*Resort hotel* means any building or group of buildings that is maintained as and held out to the public to be a hotel where sleeping accommodations are furnished to the transient public and that has more than 200 rooms available for sleeping accommodations and meets at least two of the following criteria: (1) at least one bar with permanent seating capacity for more than 30 patrons that serves alcoholic beverages ordered by the drink for consumption on the premises; (2) at least one restaurant with permanent seating capacity for more than 60 patrons that is open to the public 24 hours each day and seven days each week; or (3) a gaming area within the building or group of buildings.

*Responsible party* means the individual, entity, company, contractor and/or developer that has signed the permit (also known as the permittee), and/or that is financially responsible.

*Safe Drinking Water Act (SDWA)* refers to Public Law 93-523 as amended that protects public health by regulating the nation's public drinking water supply. Under SDWA, the Environmental Protection Agency (EPA) sets standards for drinking water quality and oversees the states, localities, and water suppliers who implement those standards.

*Senior citizen* is a person meeting all of the following criteria: (1) a person who is the head of household; and (2) attained the age of 62; and (3) qualifies for the Clark County assessor senior citizen's property tax/rent relief program.

*Service connection—dedicated residential or commercial fire service* means the point of connection between a public water system and the customer water system, and defined as the downstream end of the valve connection at the public main.

*Service connection—large meter (three inches or greater)* means the point of connection between a public water system and the customer's water system, defined as the point where the piping exits the meter vault downstream of the meter on the exterior of the meter vault.

*Service connection—small meter (less than three inches) and combined domestic fire service* means the point of connection between a public water system and the customer water system, defined as the downstream end of the meter at the discharge point of the connected fitting or at the discharge point of the second angle meter stop.

*Service connection—wastewater* means the point of connection between a public collection system main and the wastewater service line or service lateral.

*Service line—water or service lateral—water* means the pipe from the city's water distribution main up to and including the meter and attached fittings.

*Service line—wastewater or service lateral—wastewater* means the pipe and all appurtenances located between a collection system main and the place where a customer of the public collection system discharges to the main.

*Department service rules* means reference to the document which contains, but is not limited to, the department of utility services' rates, fees, charges and procedures.

*Sewer lateral access port* means a structure or device designed to provide sewer access for the purpose of removing deposited or accumulated materials in the customer's sewer lateral.

*Show cause hearing* means a formal meeting held between the city and a non-compliant user that has failed to come into compliance, as a result of previous enforcement actions, wherein the non-compliant user is afforded an opportunity to "show cause" why the violations occurred.

## SPECIAL REFUNDING AGREEMENT

*Significant industrial user (SIU)* means all categorical industrial users and any non-categorical industrial user that: (a) discharges 25,000 gallons per day or more of process wastewater; or (b) contributes a process waste stream which makes up five percent or more of the average dry weather hydraulic or organic capacity of the city's treatment plant; or (c) defined as a significant industrial user in 40 CFR 403.12(a) on the basis that the industrial user has a reasonable potential to adversely affect the city's treatment plant, pass-through of pollutants, sludge contamination or endangerment of POTW workers.

*Slug load* means discharges at volumes or concentrations more than those prescribed in the numeric local limits or for all chemicals not addressed by local limits.

*Southern Nevada Water Authority (SNWA)* means the organization by that name that has been formed by cooperative agreement among local agencies to address southern Nevada's water needs on a regional basis.

*Standard refunding agreement* means an agreement between the city and a customer that establishes the amount to be collected and refunded to participating parties as their prorated share, advanced for the construction of non-backbone infrastructure.

*Special refunding agreement* means an agreement between the city and a customer that establishes the final cost of work to be collected and refunded to participating parties as their prorated share, advanced for the cost of backbone infrastructure.

*Surcharge* means an additional charge to users who dispose of wastes which exceed standard wastewater strengths.

*Suspended solids* means material that is not dissolved in water or wastewater.

*System development charge (SDC)* means that portion of the connection charge determined to be the customer's proportionate share of the cost to provide utility service within the distribution and collection system.

*Tamper or tampering* means to introduce a contaminant into a public water system with the intention of harming persons; or to otherwise interfere with the operation of a public water system with the intention of harming persons.

*Temporary service* means an approved request for service under conditions approved by the city. This service provides no permanent right to water service and has a low priority. Service is approved at the sole discretion of the city.

*Turf* means a top layer of earth containing grass with its roots (also known as sod or lawn).

*Upset* means an exceptional incident in which there is unintentional and temporary non-compliance with the categorical pretreatment standards because of factors beyond the reasonable control of the industrial user. An upset does not include non-compliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless, improper operation (40CFR402(a)).

*User* means a recipient of city utility services.

*Utility, utilities, or utility services* means a public water, wastewater, reclaimed and/or raw water services provided by the City of Henderson which includes equipment to provide such service.



## SPECIAL REFUNDING AGREEMENT

*Wastewater backbone infrastructure* means infrastructure such as lift stations and all connecting pipelines, generally 15 inches or larger in diameter, or as otherwise determined by the director, used to collect and transport wastewater from users or other facilities.

*Water backbone infrastructure* means infrastructure such as pump stations, reservoirs and all connecting pipelines or as otherwise determined by the director, used to transmit and distribute water to users or other facilities.

*Water commitment—conditional and final* means a final commitment to provide water service, conditioned upon completion of the requirements outlined in this title and the department service rules; or as otherwise determined by the director. Conditional means a commitment of water shall be deemed conditional, pending issuance of a certificate of occupancy. At no time shall a water commitment be considered a vested right until at a minimum, all fees relative to the provision of water service has been fully satisfied and service established in accordance with this title and the department service rules.

*Water facilities* means water transmission lines, water treatment facilities, reservoirs, pumping stations, distribution lines and appurtenances.

### Chapter 14.0 - WATER REGULATIONS

#### 14.03.010 - General provisions.

- A. *Purpose and policy.* This chapter sets forth responsibility, authority, and provisions to ensure compliance with all federal, state, and local requirements for the protection of public health, safety and welfare.
- B. *Scope.* The provisions of this chapter shall apply to all residents of the city, a responsible party operating, maintaining, repairing, relocating, removing, and/or disconnecting the public water system and/or publicly owned treatment works, and/or users of city-provided utilities.
- C. *Administration.* Except as otherwise provided herein, the director shall administer, implement, and enforce the provisions of this chapter. Any powers granted or duties imposed upon the director may be delegated by the director to persons acting in the beneficial interest of the city.
- D. *Compliance.* All provisions of this chapter are subject to compliance procedures as outlined in this title and the department service rules.

#### 14.03.020 - Conditions of service.

- A. The city may, subject to the approval of the director, authorize the taking of water from a service line in accordance with this title and the department service rules. Where water is required for construction purposes or any other temporary use, the city may, subject to the approval of the director, authorize the taking of water from a temporary service line in accordance with this title and the department service rules.
- B. Applicants requesting service shall pay applicable fees and charges in accordance with this title and department service rules.

## **SPECIAL REFUNDING AGREEMENT**

- C. The city reserves the right to specify or restrict the location, time, and rate of water use to avoid interference with service to other customers.
- D. The customer is responsible for all plumbing, piping, and appurtenances from the service connection to the point of use.
- E. Service lines shall be installed in accordance with adopted standards. The director reserves the right to determine the service size, service line material, meter size, location, installation configuration, and service connection.
- F. The customer shall furnish all necessary equipment to convey the water from the service connection to the customer point of use. In the case of mixed use developments, service connections shall be established and billed in accordance with the adopted standards and department service rules. Those units that are a combined commercial-residential unit shall be billed as commercial.
- G. Temporary water service will cease when a permanent demand for potable water has been established, including but not limited to fire service, domestic supply and landscape irrigation.
- H. The customer shall not operate the service in a manner which may create an adverse condition such as, but not limited to, low pressure, pressure surges, reduction of flow, or compromised water quality within the city's public water system.
- I. The city will endeavor to provide its customers with a continuous and adequate supply of water within reasonable maximum and minimum pressures. However, varying pressures will normally prevail throughout the distribution system due to changes in elevation, use, and other factors.
- J. Where prevailing water pressures fall outside of prescribed operating limits, applicants for service shall be responsible for installation of pressure regulators, storage tanks, pumps, or other devices as the director may require.
- K. Unless otherwise approved by the director, all privately owned systems shall remain privately owned and maintained.
- L. Unless otherwise approved by the director, all properties shall be provided domestic service through a single service connection. Where multiple services to a single property are allowed, said services shall be established in accordance with this title, the department service rules, and adopted standards.
- M. The city reserves the right to authorize use of facilities prior to final acceptance. Exercising such right does not infer acceptance or release of responsibility for compliance with any and/or all requirements of this title, adopted standards, and/or the department service rules.

## SPECIAL REFUNDING AGREEMENT

### 14.03.030 - Service line requirements.

#### A. *Meters.*

1. A city-approved meter per adopted standards shall be installed on each service line to measure water usage.
2. The meter location shall be within the public right-of-way directly adjacent to the parcel being served. If street right-of-way is not available, the director may approve installation within an easement or alley adjacent to or on the parcel to be served. All meters shall be located where access by city personnel for operation and maintenance will not be restricted. The meter shall be located outside of travel lanes and driveways and shall be protected from vehicular traffic, unless otherwise approved by the director.
3. Any single family residential combination fire and domestic water system installed after February 1, 2009, shall have a minimum one inch residential fire meter installed.

#### B. *Valves.*

1. For services with a three-inch meter or larger where the service has been discontinued or it becomes necessary to shut off a service connection for repair of piping on the customer's property, a valve as required by adopted standards shall be installed prior to restoration of the service with all costs to be borne by the customer. Should the customer fail to make such repairs or corrections to the service conditions and the city has performed its due diligence to notify the customer to make such repairs or corrections, the director may authorize the city to make the necessary corrections, with the customer being responsible for reimbursement to the city for all costs incurred in addition to any penalties in accordance with this title and the department service rules.
2. Private property shutdowns conducted at the property owner's request shall be billed using the department's actual costs, with such costs being the responsibility of the property owner.

#### C. *Fire service connections.* Fire service connections shall only be used for fire suppression. Should any unauthorized connection be made, the city reserves the right to shut off the service or install a meter at the customer's expense and charge for it at regular domestic rates.

#### D. *Corrective actions.* When, in the opinion of the director, an existing service line becomes inadequate and/or a customer/owner has not complied with adopted standards, the city may choose to install, upgrade, and/or repair the service line with prior notification and at the customer/owner's expense. This expense shall be billed using the department's actual costs.

### 14.03.040 - Mains and main extensions.

#### A. Unless otherwise approved by the director, all service connections shall be made to a main that is located immediately adjacent to the property requiring service. The director reserves the right to determine the main to which connection shall be made.

#### B. Applicants requesting service to a property where no city main exists contiguous to the property must first arrange for a main extension in accordance with this title and department service rules. Where such main exists but does not extend across the full extent of the property frontage, the city may require the applicant to extend the main to such extent prior to obtaining utility service.

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- C. All public mains shall be placed within a dedicated public street. Where no public street is available and upon approval by the director, a public main may be installed within a dedicated municipal utility easement. Said easement shall not be less than 20 feet in width and shall be contained within a single parcel of land. The easement shall increase by ten feet in width for each utility main added to the easement beyond a single main. All mains shall be centered in the available easement space. Unless otherwise allowed by the city, all utility easements in a subdivision, not within a public or private street, shall be within a common element. The easement width required may increase with a main deeper than standard. In such instance, the easement shall be perpetual in nature and unless otherwise approved by the director, shall be exclusive to the city. Proper access by city personnel to all areas within the easement must be provided. No building, structures, fences, trees, shrubs, or other improvements that interfere with its use by the city, can be placed within the easement. The city reserves the right to operate, maintain, repair, replace and/or change the size and/or number of mains and appurtenances within such easement. All such easements shall be granted to the city in a form and manner that is acceptable to the city.
- D. Unless otherwise approved by the director, it shall be unlawful for a property to operate a private well when such property lies within 400 feet of the city's water system. If deemed in the best interest of the city, the director may require the owner of such property to abandon all private wells in accordance with applicable federal, state, and local requirements, perform a main extension and establish water service from the city in accordance with the city's requirements.
- E. Unless otherwise approved by the director, water service must be obtained from the city whenever an undeveloped property initiates development through the city and such property lies within 400 feet of the city's water system. In such instance, a main extension shall be required and must be made in accordance with the city's requirements.
- F. In such instance where a parcel map is being proposed and offsite improvements are required as a condition of approval of such map, a main extension shall be required whenever the city's water system lies within the resulting calculation of 400 feet multiplied by the total number of lots created by recordation of such map, of such parcel of land. However, final determination, including application of this requirement, shall be made by the director.
- G. In such instance where a tentative map or planned unit development is being proposed and no city main exists contiguous to the property, a main extension shall be required and must be made in accordance with the city's requirements.
- H. Unless otherwise approved by the director, not more than one lot or other parcel of subdivided land shall be served by a single service connection. A single customer shall be responsible for payment of water bills for each such service. Additionally, where the city provides water and sewer service to a single lot or other parcel of subdivided land, the same customer shall be responsible for payment of both the water and sewer bill.
1. Exception: In the case of a commercial subdivision whereby a single service line or service lines provide service to multiple lots or other parcels of subdivided land, a single customer shall exist in the form of a property owner's association. Said property owner's association shall be responsible for payment of all water and sewer bills associated with such service(s). Additionally, the subdivision shall record a declaration of covenants, conditions and restrictions (CC&Rs) in the office of the Clark County recorder, which

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designates that all of the lot owners in the subdivision own an undivided interest in the private water facilities, and that all of the lot owners must participate in the cost of the operation and maintenance of such private systems.

- I. Where multiple services are provided to a single lot or other parcel of subdivided land, a single customer shall be responsible for payment of water and/or sewer bills for all such services.
- J. When a main extension is required, the director reserves the right to dictate the size, length and capacity of such main. The applicant may apply for partial cost reimbursement through the establishment of a refunding agreement, as outlined in this title and department service rules.
- K. When a connection is made to any main, the main frontage fee is assessed in accordance with this title and the service rules. A minimum charge shall apply to any parcel having less than 60 feet of chargeable frontage.
- L. All mains and main extensions must be designed and constructed in accordance with the city's adopted standards.
- M. Before a main, service line, or connection is allowed to be placed into service, it shall be tested to the satisfaction of the city.
- N. The granting of a certificate of occupancy does not relieve the developer of its obligations relative to the construction of the main extension; nor does it imply that the mains have been properly constructed or accepted by the city.
- O. Upon completion of a main extension by a customer or subdivider, the customer or subdivider shall furnish the department a valid bill of sale conveying title to the city for such main and appurtenances, to include service lines, rights-of-way, and/or easements. Upon transfer of such title, the city reserves the right to provide direct or indirect service to any customer through the use of such mains and appurtenances.
- P. The developer is responsible to correct any defects or failures that occur relative to the design and construction of the main extension, within a period of one year from the date of acceptance of the work by the city. The developer shall, at the developer's own expense, make good such defects and failures and make all replacements and adjustments required, in accordance with the city's requirements. All repairs shall be subject to the approval of the city. Furthermore, developer is at no time relieved of any obligation or responsibility it may have by law, including but not limited to damages for latent deficiencies, injury to real or personal property or injury to or wrongful death of a person.
- Q. The developer shall indemnify, defend and hold harmless the city, its officers, agents, volunteers, and employees, against and from any and all liability, loss, damage, claims, fines, demands, causes of action, costs, expenses, and judgments of whatsoever nature, including but not limited to reasonable costs of investigation, reasonable attorneys' fees and expenses, all reasonable expert witness fees and expenses, and all court or arbitration or other alternative dispute resolution costs which result from injury to or death of any persons whomsoever, and/or against and from damage to or loss or destruction of property whatsoever when such injury, death, loss, destruction or damage is due to or arises in connection with or as a result of any work done by the developer, its contractors, agents and subcontractors in connection with the construction of the main and/or arises out of or in connection with developer's, or its

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contractors' and subcontractors' performance or failure to comply with the requirements of this title or the department's service rules.

### 14.03.050 - Backbone infrastructure.

#### A. *Extensions of backbone infrastructure.*

1. Unless otherwise approved by the director, construction and/or extensions of backbone infrastructure to support service to proposed developments, including all costs associated with such construction and/or extensions shall be the responsibility of the customer. Additionally, the design of such infrastructure, including the preparation of all applicable design reports shall be the responsibility of the customer, and shall be prepared in accordance with the city's requirements. By proceeding with the proposed development and associated backbone infrastructure required to support service to it, the customer acknowledges that they have gained a complete understanding of the city's requirements, and agree to comply with them accordingly.
2. Where the director determines it is in the city's best interest for the city to assume the responsibility for the construction and/or extensions of backbone infrastructure to support service to developments, or to participate in a cost-sharing with the customer responsible for such construction and/or extensions, the director reserves the right to establish a special refunding agreement in order to establish a means of receiving proportional cost reimbursement from customers that benefit from the construction of such infrastructure. Said special refunding agreement shall be established in accordance with the requirements outlined in this title and the department's service rules.
3. The granting of a certificate of occupancy does not relieve the customer of its obligations relative to the construction of the backbone infrastructure; nor does it imply that the backbone infrastructure has been properly constructed or accepted by the city.
4. The customer is responsible to correct any defects or failures that occur relative to the design and construction of the backbone infrastructure, within a period of one year from the date of acceptance of the work by the city. The customer shall, at the customer's own expense, make good such defects and failures and make all replacements and adjustments required, in accordance with the city's requirements. All repairs shall be subject to the approval of the city.
5. The customer, at all times, is not relieved of any obligation or responsibility it may have by law, including but not limited to damages for latent deficiencies, injury to real or personal property or injury to or wrongful death of a person.
6. The customer shall indemnify, defend and hold harmless the city, its officers, agents, volunteers, and employees, against and from any and all liability, loss, damage, claims, fines, demands, causes of action, costs, expenses, and judgments of whatsoever nature, including but not limited to reasonable costs of investigation, reasonable attorneys' fees and expenses, all reasonable expert witness fees and expenses, and all court or arbitration or other alternative dispute resolution costs which result from injury to or death of any persons whomsoever, and/or against and from damage to or loss or destruction of property whatsoever when such injury, death, loss, destruction or damage is due to or arises in connection with or as a result of any work done by the customer, its contractors, agents and subcontractors in connection with the construction of the backbone

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infrastructure, and/or arises out of or in connection with customer's, or its contractors' and subcontractors' performance or failure to comply with the requirements of this title or the department service rules.

- B. *Sizing of backbone infrastructure.* The director reserves the right to determine the size and capacity of the backbone infrastructure proposed for construction, taking into account projected service needs of the areas served and whenever it is deemed to be in the best interest of the city in order to provide for the orderly development of the city's public infrastructure system. Where said size or capacity of such backbone infrastructure is deemed to be in excess of the customer's needs to support their project, it shall be the customer's responsibility to comply with such requirement, with all costs associated with its compliance to be the sole responsibility of the customer. In such situations the customer may apply for a special refunding agreement in order to seek proportional cost reimbursement from other developers and/or landowners that benefit from the construction of such infrastructure. Said special refunding agreement shall be established in accordance with the requirements outlined in this title and the department service rules.

### 14.03.060 - Property access.

City employees or a duly authorized city representative shall have the right to access customer's property or premises at reasonable times for any purpose related to the furnishing of service, protection of water quality and/or for verification of compliance with the provisions of this title. The city will attempt to provide prior notice where possible.

### 14.03.070 - System maintenance and repair.

- A. Upon dedication and/or acceptance of any part of the city's public water system, the city shall be responsible for its maintenance and repair, subject to any agreement covering the installation of such facilities.
- B. Street pavement and sidewalk replacement conducted by the department in association with system repairs are limited to standard asphalt and concrete types. Where a non-standard pavement or sidewalk exists, the city shall not be responsible for the replacement of such non-standard material.

### 14.03.080 - Interruption of service.

- A. The city will endeavor to notify customers in advance of any interruption in service due to repair, maintenance, or other causes. In emergency conditions, when notification is not possible or practical, service may be interrupted for indefinite periods. At no time shall the city be liable for loss and/or damages that may occur due to any interruption in service and/or due to system failure.
- B. In accordance with department service rules, written notification shall be provided to the director whenever persons are engaged in street work and/or onsite repairs, including but not limited to grading, directional boring, filling and trenching, and/or paving that may cause removal, displacement or modifications to any portion of the city's public water system, or any interruption of service to the city's customers. With the exception of emergencies, said work cannot proceed until permission is received from the director to conduct such activities.

### 14.03.090 - Violations.

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Any person who fails or refuses to comply with any of the following provisions shall be deemed to be in violation of this title and shall be subject to discontinuance of service, subject to any penalties and charges assessed in accordance with this title and/or department service rules, and subject to all compliance procedures as prescribed within this title.

- A. Any person who negligently, recklessly or willfully introduces or causes to be introduced into the city's public water system, any pollutant or hazardous substance which such person knew, or with the exercise of reasonable due diligence would have known, could cause personal injury or system damage shall be deemed in violation of this chapter.
- B. Any person who tampers with a public water system is in violation of this chapter and United States Code 42 USC 300i-1.
- C. Any person who, without prior authorization by the city, operates, maintains, repairs, relocates, cuts, changes, removes, disconnects, repairs or interferes in any manner with the city's public water system, is in violation of this chapter.
- D. Any person or party who, with or without authorization by the city, takes actions which result in damage to any portion of the city's public water system, either directly or indirectly, is in violation of this chapter.
- E. Any person who takes water without applying for and receiving approval from the department for a service connection is in violation of this chapter.
- F. With the exception of construction phase meter set up and testing, it is prohibited to utilize spacers for the purpose of providing water service to the property.
- G. Manifolding and/or meter banking multiple meters for the purpose of reducing or avoiding service connection fees is prohibited.
- H. Any entry into city property and/or premises by an unauthorized person is prohibited and subject to enforcement procedures as outlined in this title.

### Chapter 14.16 - REFUNDING REGULATIONS

#### 14.16.010 - General provisions.

- A. *Purpose and policy.* This chapter sets forth responsibility, authority, and provisions to provide a mechanism for the orderly development of the utility system through refunding of costs associated with the design and construction of utility infrastructure.
- B. *Scope.* The provisions of this chapter shall apply to all residents of the city, a responsible party operating, maintaining, repairing, relocating, removing, and/or disconnecting the public water system and/or publicly owned treatment works, and/or users of city-provided utilities.
- C. *Administration.* Except as otherwise provided herein, the director shall administer, implement, and enforce the provisions of this chapter. Any powers granted or duties imposed upon the director may be delegated by the director to persons acting in the beneficial interest of the city.
- D. *Compliance.* All provisions of this chapter are subject to compliance procedures as outlined in this title and the department service rules.



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### **14.16.020 - Cost for infrastructure.**

The cost to design and construct any water, sewer, and/or reclaimed infrastructure required in connection with the extension of the public utility system to serve the customer shall be advanced by the customer requesting such service.

### **14.16.030 - Construction specifications.**

All utility extensions, facilities and/or infrastructure to be constructed by the customer shall conform to adopted standards.

### **14.16.040 - Standard refunding.**

#### **A. *Standard refunding agreements.***

1. The city may enter into an agreement which provides for repayment of a portion of the cost of the main extension lying between the original point of supply and the customer's property from main frontage fees collected from other properties frontage to the main extension covered by such agreement during the term provided in the agreement or until the amount advanced by the customer has been satisfied, as determined in accordance with the provisions of this title and/or the department's service rules.
2. The following items may be eligible for standard refunding:
  - a. Water, sewer, and reclaimed water main extensions to a project;
  - b. Water, sewer, and reclaimed water main extensions adjacent to a project; and/or
  - c. Water, sewer, and reclaimed water mains replacing existing mains.
3. The period during which refunds are due shall be 20 years, commencing on the date when the infrastructure covered by the agreement is completed, tested, and accepted by the city.
4. Construction shall be deemed to be complete when the utility infrastructure is constructed according to the approved plans and satisfies all applicable testing and acceptance criteria.
5. The city council shall grant the director the authority to enter into and execute any standard refunding agreement in which the city is not a participant. Should the city be a participant in a standard refunding agreement, such agreement must be approved according to city standard operating procedures and policies.

#### **B. *Standard refunding conditions.***

1. Application for standard refunding agreement shall be submitted to the department in writing accompanied by documentation as required by the city from customer(s) constructing such infrastructure covered by the agreement. This application shall be submitted within 90 days of date of acceptance by the city of the infrastructure to be covered by such agreement.
2. All customers entering into any refunding agreement with the city shall pay all fees as outlined in this title and/or the department service rules. These fees are due and payable at the time of the execution of the agreement.

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3. Customers may be eligible for a refund of main frontage fees collected by the city from other properties in accordance with this title.
4. All standard refunding calculations shall be rounded to the nearest foot and shall be assessed based on the frontage of the applicant's property, as indicated by the most current data in the Clark County assessor office records, adjacent to the right-of-way or easement where the existing water, sewer, or reclaimed water main is located in accordance with this title and/or the department's service rules.
5. After execution of a valid standard refunding agreement, all main frontage fees collected in accordance with this title and/or department service rules shall be paid within 60 days from the date of collection.
6. In the event any expense is incurred by the city within a period of one year after acceptance of the infrastructure installed by the customer covered by a standard refunding agreement due to defective materials or workmanship the amount of such expense shall be deducted from any refund(s) that may become due to the customer thereafter.

### 14.16.050 - Special refunding.

#### A. *Special refunding agreements.*

1. The city may enter into a special refunding agreement which provides for repayment of a portion of the cost of that backbone infrastructure lying between the original point of supply and the customer's property from special refunding fees to be collected by the city from other customers obtaining direct or indirect service from the backbone infrastructure during the term provided in the special refunding agreement, pursuant to this title, or until the proportional cost of design and construction advanced by the customer has been repaid, whichever is earlier.
2. Any special refunding agreement entered into by the city must be based upon a refunding report completed in accordance with the department service rules and adopted by the city council.
3. The term of any special refunding agreement shall be 20 years, which will commence on the date the infrastructure covered by the special refunding agreement is completed, tested and accepted by the city.
4. Application for special refunding agreement shall be submitted to the director in writing accompanied by documentation as required by the city within 90 days of the date of acceptance of the pre-design report by the city for the infrastructure to be covered by such agreement. All final costs are subject to verification by the city.
5. The amount subject to repayment under a special refunding agreement shall be the amount of the actual cost of the work as verified by the city. The final cost of the work shall be the basis for the determination and calculation of refunds under the special refunding agreement. Final costs that are eligible for inclusion in the special refunding agreement are:
  - a. Actual construction costs (including administration and safety and traffic control measures);
  - b. Design engineering costs and inspection costs not to exceed an aggregate 15 percent of item 5 of this section;

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- c. Permits and fees;
  - d. Performance and related bond costs to the extent not included in item 5 of this section;
  - e. Actual financing costs related to subsections (A)(5)(a) through (A)(5)(d) of this section. Said financing costs shall be computed through the date of final acceptance of the backbone infrastructure by the city; and
  - f. All fees and expenses reasonably incurred concerning the preparation of the special refunding agreement shall be added to the refunding amount.
6. Construction shall be deemed to be complete when the utility infrastructure is constructed according to the approved plans and satisfies all applicable testing and approval criteria.
- B. *Special refunding conditions.*
1. Customers entering into any special refunding agreement with the city shall pay all fees as outlined in this title and/or the department service rules. These fees are due and payable upon execution of the agreement.
  2. After execution of a valid special refunding agreement, special refunding fees collected in accordance with this title and/or department service rules shall be paid to the customer within 30 days from the last business day of the quarter in which such fees were collected and will be issued in accordance to the procedures outlined in the department service rules.
  3. Special refunding fees collected by the city shall be computed as follows:
    - a. As to the portion of cost attributable to the holder of the special refunding agreement, advances shall be accrued quarterly with interest equal to one-fourth the prime rate plus two percentage points with a maximum of ten percent per year. The prime rate that is published in the Wall Street Journal or a similar publication approved by the city's finance director for utilization in the refunding report and being the prime rate published at the last business day of each calendar quarter for the subsequent quarter.
    - b. As to the portion of cost attributable to city, advances shall be accrued quarterly with interest equal to one-fourth the Merrill Lynch Bond Index for tax-exempt 30-year A-rated revenue bonds as printed in the Wall Street Journal or a similar publication approved by the city's finance director for utilization in the refunding report with a maximum of ten percent per year. The rate shall be based upon the index rate published the last business day of each calendar quarter for the subsequent quarter.
    - c. The amount that makes up the actual final cost of work shall be depreciated annually over 40 years using the straight-line method of depreciation or such time line as recommended and approved in the refunding report. The net book value of the infrastructure shall become the base for purposes of calculating amounts to be refunded and of computing the addition of accrued interest.
  4. Special refunding fees, as allocated in the refunding report to a customer, will only be made for utility infrastructure that service areas not only of the customers but areas designated in the approved refunding report.

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5. Special refunding fees will be made from fees collected from other customers or the city whose properties are served by the backbone infrastructure and paid prior to final issuance of a certificate of occupancy.
6. In the event two or more customers have designed the same backbone infrastructure, those eligible costs, or an applicable portion thereof, paid by the customer who has submitted a performance bond to the city for construction of the relevant system or facility and has completed said construction shall be refunded.
7. In the event any expense is incurred by the city within a period of one year after acceptance of the infrastructure installed by the customer covered by a special refunding agreement due to defective materials or workmanship on, the amount of such expense shall be deducted from any refund(s) that may become due to the customer thereafter.

### **14.16.060 - Violations.**

Any person who fails or refuses to comply with any provision of this chapter or department's service rules or who provides false information to the city shall be deemed to be in violation of this title and shall be subject to discontinuance of service; subject to any penalties and charges assessed in accordance with this title and/or department's service rules; and subject to all compliance procedures as prescribed within this title.