MAR 1 2 2014

TIMBERON WATER & SANITATION DISTRICT

FIRST REVISED RULE NO. 17 Cancelling Original Rule No. 17 LINE EXTENSION POLICY

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A. The Timberon Water & Sanitation District was established in 1990 with the purpose and power under New Mexico law to serve a public use which promotes the health, safety, prosperity, security and general welfare of all inhabitants within the boundaries of the District

B. Principal among the reasons for organizing the Timberon Water & Sanitation District was the commitment to supply safe, clean water to all citizens of the District and to promote conservation of the water resource.

C. The District is responsible for providing an adequate supply of safe, clean water, at acceptable pressure to serve the needs of all Timberon. The District will be responsible for the cost of modifications to the existing system, where feasible, to satisfy pressure and supply requirements.

D. The District will support the growth and development of Timberon through improvements to the water source and distribution system as funds for capital improvements become available. These funds will come from grants, low cost loans and special assessments. The District recognizes that limitations upon available water sources limit its ability to supply unlimited water use and grant unlimited water line extension requests. As a result, at the discretion of the District, the District may deny waterline extensions or meter requests in the event that it determines that extension or additional meters pose a threat of limiting or destroying water use of current customers.

E. Water rates, installation charges, and other fees or charges will be uniform throughout the District. The District will publish a list of rates and other charges, and make all such information available to all citizens of the District.

F. When an extension of a District waterline is required to serve an individual applicant or a group of applicants or a commercial enterprise or residential subdivision, with the under standing that reasonably consistent applications will be expected, extension to platted property shall be made under the following terms and conditions:

1. All waterline extensions shall be sized to provide adequate domestic service and, where required, fire protection service including water drops and/or fire hydrants. All such installations must be in compliance with specifications provided by the District. The District will have the right to inspect such new construction to insure compliance at all stages of construction.

2. Individuals or developers who desire water service are responsible for all costs of waterlines and facilities required to connect with the existing water system. Water line extension costs incurred by developers will not be subject to refund by TWSD. Developer costs presumably will be recovered through their land sales.

EFFECTIVE April 12,2014 By Operation of Law

Advice Notice No. 11
Signature/Title
Joseph A Mainello, Chairman

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3. The District shall not under any condition make an extension that would be unprofitable and thereby cause undue financial burden to existing customers as the extension should not cause an increase in rates for service for existing customers which is unduly discriminatory

4. All waterlines shall be installed in existing public roads, alleys or easements. The applicant shall furnish such rights-of-way as required without charge to the District. When the extension is completed and approved by the District, title to all extended lines and easements for all facilities shall be transferred to the District. The District will then connect the extension to the existing system. There after, the District shall be solely responsible for maintenance of the extension and for future service. Any interest in water rights which the developer holds shall be transferred to the District upon connection of the extension to the existing water distribution system.

5. Parties requesting subsequent connections or extensions to waterlines already installed by the District at its expense, may be required to reimburse the District for a <u>pro rata</u> share of the cost of the waterlines at the time connection is completed. This will be based on waterlines and appurtenances sized to serve the new applicant with adequate domestic and fire protection service if required. Total collections by the District under this provision shall not exceed the total cost of the waterlines.

6. In the instance of residential subdivisions, commercial enterprises, or were special circumstances warrant in the case of residential waterline extensions otherwise includable under paragraph 5, a waterline extension may be made under a specific contract provided that all contract terms shall be such that no adverse financial burden will be imposed on existing utility customers. This means that the effect of a specific contract shall not cause an increase in rates for service to existing customers which is unduly discriminatory.

7. Any special or unusual conditions which affect the cost of the furnishing of an adequate or required (i.e. fire protection) supply of water for a waterline extension, such as elevation, terrain, construction conditions which would result in increased cost to the District shall be included in the cost of all waterline extensions. Such special contracts shall ne entered into with District customers otherwise includable under paragraph 5 when the cost of such waterline extensions include such special or unusual conditions.



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8. In addition to the foregoing rules as they apply to individuals requesting line extension for a single family residence the following will also apply:

a. Individual lot owner requesting a water line extension will pay all initial costs necessary to effectuate said extension.

b. As a result of line extension, other lots will be added to the standby water fee roster. When this added fee is collected on new lots it will be reimbursed on an annual basis to lot owner requesting line extension, until total cost is recovered by owner of his/her expense or a period of time not to exceed 15 years. At which time, any deficiency will be absorbed by lot owner requesting said extension as a contribution not subject to refund. If lot owner along the extension subsequently connect to the water line within the refund period, the equivalent annual standby fee amount Will be recovered from water revenue received from the added customer/s and refunded to the initial investor.

c. The annual refund to the individual paying the initial cost for a line extension will be made each year on the anniversary date of the completion date of the extension.

d. In no event may refunds to an individual total more than his/her initial advance for construction.

e. Advances made by an individual shall not be subject to interest.

f. TWSD will not guarantee that the total initial cost incurred by an individual

will be refunded.

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