NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at 6 p.m. on Tuesday, April 25, 2017 in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

A Meet and Greet reception will be held prior to the Board meeting at 5:30 p.m. – all members of the public are invited to attend.

A. PLEDGE OF ALLEGIANCE*

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

C. PUBLIC HEARING (TIME CERTAIN FOR 6 P.M.) – Proposed amendments, that include Utility Rate Increase, to IVGID Sewer Ordinance No. 2, entitled “An ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” and IVGID Water Ordinance No. 4, entitled “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District” – pages 1 - 121

D. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

Public Comment Advisory Statement – A public body has a legitimate interest in conducting orderly meetings. IVGID may adopt and enforce reasonable restrictions on public comment to ensure the orderly conduct of a public meeting and orderly behavior on the part of persons attending the meeting. Public comment, as required by the Nevada Open Meeting Law, is an opportunity for people to publicly speak to the assembled Board of Trustees. Generally, it can be on any topic, whether or not it is included on the meeting agenda. In other cases, it may be limited to the topic at hand before the Board of Trustees. Public comment cannot be limited by point of view. That is, the public has the right to make negative comments as well as positive ones. However, public comment can be limited in duration and place of presentation. While content generally cannot be a limitation, all parties are asked to be polite and respectful in their comments and refrain from personal attacks. Willful disruption of the meeting is not allowed. Equally important is the understanding that this is the time for the public to express their respective views, and is not necessarily a question and answer period. This generally is not a time where the Board of Trustees responds or directs Staff to respond. If the Chair feels there is a question that needs to be responded to, the Chair may direct the General Manager to coordinate any such response at a subsequent time. Finally, please remember that just because something is stated in public comment that does not make the statement accurate, valid, or even appropriate. The law mitigates toward allowing comments, thus even nonsensical and outrageous statements can be made. However, the Chairperson
and/or General Counsel may cut off public comment deemed in their judgment to be slanderous, offensive, inflammatory and/or willfully disruptive. Counsel has advised the Staff and the Board of Trustees not to respond to even the most ridiculous statements. Their non-response should not be seen as acquiescence or agreement just professional behavior on their part. IVGID appreciates the public taking the time to make public comment and will do its best to keep the lines of communication open.

E. APPROVAL OF AGENDA (for possible action)

The Board of Trustees may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.

-OR-

The Board of Trustees may make a motion to accept and follow the agenda as submitted/posted.

F. PRESENTATION

COMMUNITY SERVICES PROGRAM UPDATES (Verbal Report) – Director of Community Services Sharon Heider

G. GENERAL BUSINESS (for possible action)

1. Review, discuss, and possibly adopt Resolution No. 1855: Adoption of the proposed amendments, that include Utility Rate Increase, to IVGID Sewer Ordinance No. 2, entitled “An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” (Requesting Staff Member: Director of Public Works Joe Pomroy); – pages 122 - 174

AND

Review, discuss, and possibly adopt Resolution No. 1856: Adoption of the proposed amendments, that include Utility Rate Increase, to IVGID Water Ordinance No. 4, entitled “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District” (Requesting Staff Member: Director of Public Works Joe Pomroy) – pages 174A - 223
2. Review, discuss, and possibly augment the District’s Operating Budget by adopting Resolution No. 1859 for fiscal 2016-2017 by $720,000, through the use of additional revenue of $2,700,000 for Community Services Special Revenue Fund and by $215,000 in revenue and expense for Internal Services for the current fiscal year, to cover additional expenses incurred providing a higher volume of services and to deal with consequences of extraordinary winter conditions (Requesting Staff Member: District General Manager Steve Pinkerton) – pages 224 - 234

3. Review, discuss, and possibly enter into an Intergovernmental Grant Administration Agreement with South Tahoe Public Utility District (Requesting Staff Member: Director of Asset Management Brad Johnson) – pages 235 - 240

4. Review, discuss and possibly approve the 2017 Red, White and Tahoe Blue (RWTB) Memorandum of Understanding (MOU) for the July 1 – 4, 2017 events (Requesting Staff Member: Director of Parks and Recreation Indra Winquest) – pages 241 - 253

5. Review, discuss, and take possible action on the proposed modification to the 30-year ground lease with Parasol Tahoe Community Foundation (PTCF) AND provide feedback on the D.W. Reynolds Non-Profit Center Feasibility Report dated April 18, 2017 (Requesting Staff Member: General Manager Steve Pinkerton) – pages 254 - 439

H. DISTRICT STAFF UPDATE

1. Diamond Peak Ski Resort General Manager Mike Bandelin – Verbal updated of 2016/2017 Ski Season

I. REPORTS TO THE IVGID BOARD OF TRUSTEES*

1. District General Counsel Jason Guinasso
   a. Update on the 2017 Nevada Legislative Session which is in process
   b. Update on the Aaron L. Katz vs IVGID litigation

J. BOARD OF TRUSTEES UPDATE (NO DISCUSSION OR ACTION) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA*

K. CORRESPONDENCE RECEIVED BY THE DISTRICT* – pages 440 – 442A
L. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

M. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (for possible action) – pages 443 - 445

N. ADJOURNMENT (for possible action)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Thursday, April 20, 2017 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of April 25, 2017) was delivered to the post office addressed to the people who have requested to receive copies of IVGID’s agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne Vorderbruggen Building (Administrative Offices)
2. Incline Village Post Office
3. Crystal Bay Post Office
4. Raley’s Shopping Center
5. Incline Village Branch of Washoe County Library
6. IVGID’s Recreation Center
7. The Chateau at Incline Village

/s/ Susan A. Herron, CMC
Susan A. Herron, CMC
District Clerk (e-mail: sah@ivgid.org/phone # 775-832-1207)

Board of Trustees: Kendra Wong, Chairwoman, Tim Callicrate, Peter Morris, Phil Horan, and Matthew Dent.

Notes: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.

IVGID’S agenda packets are now available at IVGID’s web site, www.yourtahoeplace.com; go to “Board Meetings and Agendas”. A hard copy of the complete agenda packet is also available at IVGID’s Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.

*NRS 241.020(2) and (10): 2. Except in an emergency, written notice of all meetings must be given at least 3 working days before the meeting ...10. As used in this section, “emergency” means an unforeseen circumstance which requires immediate action and includes, but is not limited to: (a) Disasters caused by fire, flood, earthquake or other natural causes; or (b) Any impairment of the health and safety of the public.
MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Susan A. Herron, CMC
District Clerk

SUBJECT: PUBLIC HEARING (TIME CERTAIN FOR 6 P.M.) – Proposed amendments, that include Utility Rate Increase, to IVGID Sewer Ordinance No. 2, entitled “An ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” AND IVGID Water Ordinance No. 4, entitled “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District”

DATE: April 14, 2017

On April 25, 2017, the Board of Trustees will hold a public hearing on the above subject matter. Following is an outline for the public hearing:

1. Chairwoman Wong will ask the Board for a motion and a second to officially open the public hearing.
2. Chairwoman Wong will call for the question and the Board will take a vote to open the public hearing.
3. Once the public hearing is open, Chairwoman Wong will state that the District is holding a public hearing as required by the Nevada Revised Statutes.
4. Chairwoman Wong will then ask Director of Public Works Joe Pomroy, for the record, if the District complied with the required notices.
5. Following confirmation, Director of Public Works Pomroy will then provide an overview of the proposed ordinances and their details.
6. Chairwoman Wong will state the comments made during the public hearing are governed by the Chair and Chairwoman Wong should state the rules she wants to use.
7. Chairwoman Wong will then ask for public comment on the ordinances as included in the Board packet.
8. The duration of the public hearing is at the Board’s discretion.
9. After all public comments have been made, a Board member will need to make a motion to close the public hearing, which will need a second, and then Chairwoman Wong will call for the question and a vote will be taken on this motion. Chairwoman Wong will then move onto the remaining agenda items.
MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Joseph J. Pomroy, P.E.
Director of Public Works

SUBJECT: Conduct the Public Hearing for the Proposed Amendments to
Sewer Ordinance #2 “An Ordinance Establishing Rates, Rules and
Regulations for Sewer Service by the Incline Village
General Improvement District” and Water Ordinance #4 “An
Ordinance Establishing Rates, Rules and Regulations for
Water Service by the Incline Village General Improvement
District” that Includes the Utility Rate Increase

DATE: April 14, 2017

I. RECOMMENDATION

That the Board of Trustees conduct a public hearing for the proposed
amendments to IVGID Sewer Ordinance No. 2, entitled “An Ordinance
Establishing Rates, Rules and Regulations for Sewer Service by the Incline
Village General Improvement District” and IVGID Water Ordinance No. 4, entitled
“An Ordinance Establishing Rates, Rules and Regulations for Water Service by
the Incline Village General Improvement District”.

II. DISTRICT STRATEGIC PLAN

The Utility Rate Study supports Long Range Principle #2, Finance; The District
will ensure fiscal responsibility and sustainability of service capacities by
maintaining effective financial policies for operating budgets, fund balances,
capital improvement and debt management. Under Objectives for 2015-17, it
specifically states, prepare a five-year projection of financial results and
performance measures for operations, capital improvement and debt service as a
part of budget deliberations.
At the February 8, 2017 District Board of Trustees Meeting, Staff conducted a Utility Rate Study presentation that presented the next five years of operating and capital expenses and the projected revenue needs to provide sufficient and stable revenue during that time period. The Utility Rate Study from the February 8, 2017 Board of Trustees Meeting is posted on the IVGID website and the reader can review that document and listen to the presentation. At the February 22, 2017 Board of Trustees meeting the Board authorized April 25, 2017 as the date for the public hearing and directed staff to publish the Ordinance 2 and Ordinance 4 amendments for viewing by the public prior to the Hearing.

The proposed utility rate increase is to raise water rates by 3.6% and sewer rates by 3.3% for a total utility rate increase of 3.4%. The rates are currently scheduled for an average 3.4% increase per year for five years as detailed in the Five Year Utility Rate Study that was presented to the Board on February 8, 2017.

The modified Ordinance 2 and Ordinance 4 are included in the Board agenda packet with track changes. The new water and sewer charges, connection fees and miscellaneous fee schedules are included as new Exhibits A, B and C and the old Exhibits A, B and C are watermarked with an “X”. Ordinance language changes are also being proposed. These can be found in track changes in the Ordinance and are briefly summarize below.

Sewer and Water Ordinance Amendments – Key Changes

- Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential use on a single parcel will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Service that has both residential and commercial use shall be billed as a commercial service if the total square footage of the occupied building space is greater than 50% commercial. Garages, sheds, and other auxiliary spaces are not used for this calculation. Service that has both residential and commercial use shall be billed as a residential service if the total square footage of the occupied building space is greater than 50% residential. Garages, sheds, and other auxiliary spaces are not used for this calculation.
Mixed Use Service: Mixed use parcels may install two separate water services to separate the commercial from the domestic uses and pay appropriate rates and connection fees for domestic and commercial service.

Previously paid connection fees for service are non-refundable in all situations including reversion to acreage.

District Staff published the required notice, a copy of the notice follows this memo, in compliance with NRS 318.199 and have had documents available for viewing by the Public at the Administration Office, at the Public Works Office and posted on the IVGID website. Customers were also notified through the PW News that is made available to every utility account.

IV. FINANCIAL IMPACT AND BUDGET

The proposed utility rate increase is to raise water rates by 3.6% and sewer rates by 3.3% for a total utility rate increase of 3.4%. The rates are currently scheduled for an average 3.4% increase per year for five years as detailed in the Five Year Utility Rate Study that presented to the Board on February 8, 2017. A water and sewer rate summary sheet follows this memo.

In 2016-17, total water and sewer revenues for Public Works are budgeted to be $11.22 million and are proposed to be $11.56 million in 2017-18 under this rate study. This is an increase in revenues of $340,000 from increased commodity sales, additional users and from the rate increase. This increases in revenue is necessary to pay for increases in wages and benefits, services and supplies and other utility operational maintenance and repairs. The operational cost increases were also presented at the February 8, 2017 rate study presentation.

The utility rates are calculated from a rate model that determines the revenue needs to meet operating and capital expenses while maintaining prudent reserves. Once the revenue target is established, the water and sewer rates are adjusted to generate that revenue in the most equitable way possible. The revenue is also balanced among the various rate components to pay for fixed, variable and capital components.

The reserve balance is a critical fund to be managed in Public Works. The amount of the bonding will be adjusted to insure the reserve fund remains at a
prudent balance while also considering the costs of borrowing, the economic conditions in Nevada and the susceptibility of the funds. The contributions to the reserve will be $1.8 million over the next five years.

With the 2012-13 budget year, Public Works began accumulating $2,000,000 per year in savings for the construction of the Effluent Export Project. We expect to have accumulated a total of $9,000,000 at the completion of critical pipeline repairs to be completed in summer 2017. Funds collected for 2017-18 sewer CIP will be utilized for the Effluent Export Storage Pond Lining Project and other sewer projects. No funds will be accumulating for the Export Pipeline project in 2017-18 and the District will resume accumulating funds in future years.

V. **BID RESULTS**

Not applicable.

VI. **ALTERNATIVES**

The Board shall conduct the public hearing. No alternative presented.

VII. **COMMENTS**

The applicable Nevada Revised Statute is as follows.

**NRS 318.199** Rates, tolls and charges for sewerage or water services or products: Schedules; public hearings; adoption of resolution; action to set aside resolution.

1. The board of trustees of any district organized or reorganized under this chapter and authorized to furnish sanitary sewer facilities pursuant to NRS 318.140 or to furnish water facilities pursuant to NRS 318.144 shall establish schedules showing all rates, tolls or charges for services performed or products furnished.

2. Whenever the board of trustees proposes to change any individual or joint rate, toll, charge, service or product, or any individual or joint practice which will affect any rate, toll, charge, service or product, the board of trustees shall hold public hearings after 30 days’ notice has been given to all users of the service or product within the district.
3. Notice shall be given by publication in a newspaper published in the county and if no such newspaper is published, then a newspaper published in this state which has a general circulation in the county. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear and the type used in the headline of such notice shall not be smaller than 18 point.

4. All users of the service or product shall be afforded a reasonable opportunity to submit data, views or arguments orally or in writing at the place, date and time specified in the notice, or at any subsequent place or time to which the hearing may be adjourned.

5. If, after public hearing, the board of trustees determines that the proposed action is required, the board shall adopt a resolution establishing the new or changed rates, tolls, charges, services to be performed or products to be furnished.

6. Within 30 days immediately following the effective date of such resolution, any person who has protested it may commence an action in any court of competent jurisdiction to set aside the resolution.

7. Within 30 days after the effective date of the resolution, the secretary of the district shall file a copy of the new schedules in the office of the district. The schedules shall be made available to any user of the service or product.

(Added to NRS by 1977, 541)

VIII. **BUSINESS IMPACT**

This item is a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, but it does not impose a direct and significant economic burden on a business, or directly restrict the formation, operation or expansion of a business, and therefore does not require a Business Impact Statement.
Are you having a heart attack?

Over 375,000 people die each year from heart attacks, also referred to in the medical world as acute coronary syndromes. These are situations where blood flow is suddenly blocked from getting to the heart muscle. These blockages can be complete or partial and affect a small part of the heart muscle or a big section. Blockages are often blamed on cholesterol, plaque develop when the coronary arteries that supply the heart with blood become thicker and harder from buildup of fat, cholesterol and plaque. This is a major medical emergency and you should recognize the warning signs from the American Heart Association. Below are some warning signs:

- Chest pain or discomfort that may involve one or both arms, the neck, jaw or shoulder - it lasts more than a few minutes or goes away and comes back.
- Pain or discomfort in both arms, your back, neck, jaw or stomach.
- Shortness of breath with or without chest discomfort.
- Breaking out in a cold sweat, nausea or feeling dizzy or light-headed.
- If you are someone who has chest pain or other symptoms, call 911 immediately.

Unfortunately, it is natural to think “it is not happening to me,” which can delay important time-sensitive treatment. Chest pain, which is usually a discomfort that goes away by moving the body, may indicate chest pain.

Dr. Bill Selvin, Chief of Cardiology, states below are some warning signs and prevention tips:

Staff report

Diamond Peak Ski Resort on Friday announced it is extending its 2016-2017 ski season to April 22. “With all of the snow we have on the slopes and the enthusiasm we’re seeing from our customers — and notably our season pass holders — we’re happy to extend the season another week so that folks can enjoy these great conditions for a little bit longer,” Michael Ray, Diamond Peak general manager, said in a statement.

Diamond Peak announced that 2017-18 season passes are now on sale at early-bird rates through April 20. All 2017-18 passes include spring access for the remainder of the current season. Visit DiamondPeak.com to learn more about season pass prices and costs.

Summer art workshops at Sierra Nevada College

Registration is open to the public for Sierra Nevada College’s 31st annual Summer Visual Arts Workshops, a chance to learn from some of the best in the region. The workshops will be held on campus in the studio in the Holman Arts and Media Center. Students ages 16 and up can take workshops for personal enrichment or college credit. Tuition includes all materials, meals, lodging, and parking.

Deputies see spike in vehicle burglaries

Below are recent incidents from the Washoe County Sheriff’s Office involving the Incline Village/Crystal Bay area for March 11-21.

The Bonanza publishes crime details that they are provided by WCSO. People arrested are considered as in rem until proven guilty or court.

March 18

VEHICLE BURGLARY: In the 100 block of Country Club Dr., Deputies filed a report for theft.

VEHICLE BURGLARY: In the 300 block of Driver Way, a report was filed for theft.

VEHICLE BURGLARY: In the 400 block of Fairview Drive, a report was filed for theft.

NOTICE OF PUBLIC HEARING

WGC is proposing a sewer and water rate hike by 4%, with an increase of sewer rates of 3.6% and water rates of 3.3% for a total average utility bill increase of 4%. As well as amendments to the Sewer and Water Ordinances (WGC Ordinance 2 and 4, respectively), including:

- The only change to the Sewer Ordinance 2 and Water Ordinances 4 is to increase the rates by 4%.

- Effective on May 1, 2017, all properties going through a building permit that changes the square footage of the commercial and residential use is on a single parcel will be reimbursed all commercial or domestic services and all connection fees and water and sewer use for 12 months. However, the cost for the service connection fee will be added to the cost of the proposal and will be prorated for the number of months the service was used, and any applicable fees for the connection fees for domestic and commercial services.

- Property owners will be able to receive a connection fee refund for any service they are not entitled to, including the service.

- All connection fees paid by property owners will be added to the construction costs of the new building and will be prorated for the number of months the service was used.

- The new rates will be in effect starting on May 1, 2017.

The public hearing will be held:

Tuesday, April 25, 2017 at 6:00 PM and as soon thereafter as practicable

At the Chappell, 955 Furry Way, Incline Village, Nevada

The new rates will be in effect starting on May 1, 2017.

If you have any comments about the proposed changes to the Sewer or Water Ordinances, please contact the City Manager at (775) 833-1600.
### SERVICE RATES

**AS PROPOSED to take effect 5-19-17**

<table>
<thead>
<tr>
<th>Residential &amp; 3/4&quot; service rates</th>
<th>1&quot; service rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>water base</td>
<td>$10.65</td>
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<tr>
<td>water cap improv</td>
<td>$14.47</td>
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<tr>
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<td>sewer cap improv</td>
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<tr>
<td>admin fees</td>
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<tr>
<td>defensible space</td>
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<tr>
<td><strong>3/4&quot; base monthly invoice</strong></td>
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<tr>
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</tr>
<tr>
<td>water use</td>
<td>$1.45/1000</td>
</tr>
<tr>
<td>excess water tier 1</td>
<td>$0.95/1000</td>
</tr>
<tr>
<td>excess water tier 2</td>
<td>$1.26/1000</td>
</tr>
<tr>
<td>*use in excess of 20,000 gal</td>
<td>no cap</td>
</tr>
<tr>
<td>**use in excess of 60,000 gal</td>
<td>no cap</td>
</tr>
</tbody>
</table>

| 1" base monthly invoice          | **$130.13**      |
| sewer use                        | $3.00/1000       |
| water use                        | $1.45/1000       |
| excess water tier 1              | $0.95/1000       |
| excess water tier 2              | $1.26/1000       |
| *use in excess of 33,400 gal     | no cap           |
| **use in excess of 100,200 gal   | no cap           |

<table>
<thead>
<tr>
<th>1.5&quot; service rates</th>
<th>2&quot; service rates</th>
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<tbody>
<tr>
<td>water base</td>
<td>$35.46</td>
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<tr>
<td>water cap improv</td>
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<td><strong>1.5&quot; base monthly invoice</strong></td>
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<td>sewer use</td>
<td>$3.00/1000</td>
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<tr>
<td>water use</td>
<td>$1.45/1000</td>
</tr>
<tr>
<td>excess water tier 1</td>
<td>$0.95/1000</td>
</tr>
<tr>
<td>excess water tier 2</td>
<td>$1.26/1000</td>
</tr>
<tr>
<td>*use in excess of 66,600 gal</td>
<td>no cap</td>
</tr>
<tr>
<td>**use in excess of 199,800 gal</td>
<td>no cap</td>
</tr>
</tbody>
</table>

| 2" base monthly invoice          | **$397.01**      |
| sewer use                        | $3.00/1000       |
| water use                        | $1.45/1000       |
| excess water tier 1              | $0.95/1000       |
| excess water tier 2              | $1.26/1000       |
| *use in excess of 106,600 gal    | no cap           |
| **use in excess of 319,800 gal   | no cap           |

**Notes:**
- $1.45 billed on all water use
- in addition to the $1.45 charge, tier 1 begins billing at the minimum indicated with no cap
- in addition to the $1.45 charge and tier 1, tier 2 begins billing at the minimum indicated with no cap
- Summer residential sewer use charges will be capped at avg monthly winter use (Nov-Mar).
- No residential sewer cap will be lower than 3000 gallons per month, per user.
- Admin fees are: $3.65 water & $3.65 for sewer = $7.30 total
## SERVICE RATES

**Rates Effective 5/19/15, Adopted on 4/29/15**

### 3" service rates

<table>
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<tr>
<th>Service</th>
<th>Rate</th>
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<tr>
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<td><strong>3&quot; base monthly invoice</strong></td>
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### 4" service rates

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<td>admin fees</td>
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<td><strong>4&quot; base monthly invoice</strong></td>
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### 6" service rates

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<th>Rate</th>
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<tbody>
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<td>water base</td>
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<td>admin fees</td>
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<tr>
<td><strong>6&quot; base monthly invoice</strong></td>
<td><strong>$2,438.77</strong></td>
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### 8" service rates

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<tbody>
<tr>
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<td>sewer base</td>
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<td>sewer cap improv</td>
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<tr>
<td><strong>8&quot; base monthly invoice</strong></td>
<td><strong>$3,897.17</strong></td>
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**Notes:**
- $1.45 billed on all water use in addition to the $1.45 charge, tier 1 begins billing at the minimum indicated with no cap.
- $1.45 charge and tier 1, tier 2 begins billing at the minimum indicated with no cap.
- Summer residential sewer use charges will be capped at avg monthly winter use (Nov-Mar).
- No residential sewer cap will be lower than 3000 gallons per month, per user.
- Admin fees are: $3.65 water & $3.65 for sewer = $7.30 total
ORDINANCE NO. 2

SEWER ORDINANCE

AN ORDINANCE ESTABLISHING RATES, RULES AND REGULATIONS FOR SEWER SERVICE BY THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

As Proposed for Adoption on April 25, 2017
Resolution No. ___
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<td>Limitations on the Use of Garbage Grinders</td>
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<td>Preliminary Treatment of Wastes</td>
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<td>Measurements and Tests</td>
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<td>Swimming Pools</td>
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ARTICLE 1 - GENERAL PROVISIONS

1.01 Short Title

This ordinance may be cited as "Incline Village General Improvement District Sewer Ordinance" and is hereinafter referred to as "Ordinance."

1.02 Enabling Statutes

This ordinance is adopted pursuant to NRS 318.170, 318.197, and 318.205, together with NRS 318.100 through 318.101, 318.116 (10), 318.140, 318.145, 318.175, and 319.199.

1.03 Words and Phrases

For the purpose of this ordinance, all words used herein in the present tense shall include the future; all words in the plural number shall include the singular number; and all words in the singular number shall include the plural number.

1.04 Sewer System

The District will furnish a system, plant, works and undertaking used for and useful in the collection, treatment and disposal of domestic wastewater and industrial waste for the District, including all parts of the enterprise, all appurtenances thereto, and lands, easements, rights in land, contract rights and franchises.

1.05 Separability

If any section, subsection, sentence, clause or phrase of this ordinance or the application thereof to any person or circumstances is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance or the application of such provision to other persons or circumstances. The Board hereby declares that it would have passed this ordinance or any section, subsection, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared to be unconstitutional.

1.06 Posting

The adoption of this Ordinance shall be entered in the minutes of the Board and certified copies hereof shall be posted in accordance with the State of Nevada open meeting law, NRS 241, Section 020, pertaining to posting requirements.

1.07 Relief on Application

When any person, by reason of special circumstances, is of the opinion that any provision of this ordinance is unjust or inequitable as applied to his premises, he may make written application to the Board stating the special circumstances, citing the provision complained of, and requesting suspension or modification of that provision as applied to his premises. If such application be approved, the Board may, by resolution, suspend or modify the provision complained of, as applied to such premises, to be effective as of the date of the application and continuing during the period of the special circumstances.
1.08 **Relief on Own Motion**

The Board may, on its own motion, find that by reason of special circumstances any provision of this regulation and ordinance should be suspended or modified as applied to a particular premises during the period of such special circumstances or any part thereof.

1.09 **Violations and Penalties**

A. **Violations.** It shall be unlawful for any person, firm or corporation to erect, construct, enlarge, alter, repair, move, improve, remove, convert, demolish, equip, use, or maintain any plumbing or permit the same to be done in violation of this code.

B. **Penalties.** Any person, firm, or corporation violating any provision of this code shall be penalized in accordance with the provisions of the applicable law. Each separate day or any portion thereof during which any violation of this code occurs or continues shall be deemed to constitute a separate offense.

1.10 **Ruling Final**

All rulings of Board shall be final. All rulings of the General Manager shall be final unless appealed in writing to the Board within fourteen (14) days. All rulings of the Director of Public Works shall be final unless appealed in writing to the General Manager within fourteen (14) days.

**ARTICLE 2 - DEFINITIONS**

2.01 **Additional Definitions**

For the purpose of this ordinance, additional terms not specifically defined herein shall have the meaning indicated in Chapter 1 of the most recently adopted edition of the plumbing code entitled "Uniform Plumbing Code", (UPC) compiled by the International Association of Plumbing and Mechanical Officials, copies of which are on file with the District.

2.02 **Administrative / Customer Service Account Charge**

Portion of monthly billing assessed to each sewer account for administrative and customer service costs.

2.03 **Agent**

A person or firm, corporation, partnership or association duly authorized with supporting documentation to complete requirements and performances of this ordinance.

2.04 **Applicant**

The person making application for a permit for a sewer or plumbing installation and shall be the record owner of premises to be served by the sewer for which a permit is requested or his authorized agent.

2.05 **Application**

A written request for sewer service as distinguished from an inquiry as to the availability or charges for such services.
2.06 Average Month
Shall mean thirty (30) days.

2.07 Billing Period
The regular billing period will be monthly, or at the discretion of the District.

2.08 Board
The Board of Trustees of the District.

2.09 Building
A structure built, erected, and framed of component structural parts designed for the housing, shelter, enclosure, or support of persons, animals, or property of any kind.

2.10 Capacity Adjustment Factor
The relative flow of each water service size as compared to that of a 3/4" service.

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<th>Capacity Adjustment Factor (CAF)</th>
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<tr>
<td>1.5&quot;</td>
<td>3.33</td>
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<td>5.33</td>
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<td>10&quot;</td>
<td>76.65</td>
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2.11 Capital Improvement Charge
That portion of the monthly billing used to pay for capital costs of service. Commercial customers will be billed this rate multiplied by the appropriate capacity adjustment factor for their Service Size for Billing Purposes.

2.12 Combined Sewer
A sewer receiving both surface runoff and wastewater.

2.13 Communal Sewer
A sewer serving any multi-unit property and is considered a private sewer delivery system and not property controlled by or under the jurisdiction of the District.

2.14 Contractor
An individual, firm, corporation, partnership or association duly licensed by the State of Nevada to perform the type of work to be done under the permit.
2.15 County

The County of Washoe, Nevada.

2.16 Customer

The person in whose name service is rendered as evidenced by the signature on the application or contract for that service, or in the absence of a signed instrument, by the receipt and payment of bills regularly issued in his name regardless of the identity of the actual user of the service. In the case of single family or individually metered multiple family residences, the customer shall be the owner of the property served, but the billing for service may be sent to the owner in care of his agent with signed authorization from the owner.

2.17 Customer Building Sewer

That part of the horizontal piping of a drainage system which extends three (3) feet outside the foundation from the end of the building drain and which receives the discharge of the building drain and conveys it to a public sewer, private sewer delivery system, or other point of disposal.

2.18 Date of Presentation

The date upon which a bill or notice is postmarked or hand delivered to the Customer of the District.

2.19 Director of Public Works

The person appointed to perform the duties of Director of Public Works.

2.20 District

The Incline Village General Improvement District (IVGID).

2.21 District Engineer

The Engineer appointed and acting for the District and shall be a Registered Civil Engineer in the State of Nevada.

2.22 Fixed Charge

Portion of monthly billing to pay for fixed costs of service. Commercial customers will be billed this rate multiplied by the appropriate capacity adjustment factor for their Service Size for Billing Purposes.

2.23 Fixture Unit

Any sink, tub, shower, water closet or other facility as defined by UPC connected by building drain to the building sewer.

2.24 General Manager

The General Manager of the District.
2.25 **Inspector**

That person so designated by the District Engineer to perform inspections, tests, fixture unit counts and related work in determining compliance with IVGID construction specifications, standards and ordinances.

2.26 **Law**

Any statute, rule, ordinance, bylaw or regulation established by Federal, State, County or Municipal authorities.

2.27 **Main Extension/Capacity Enhancement**

Shall mean the extension or replacement of sewer collection mains and necessary facilities in accordance with the provisions of this ordinance applicable to main extensions and/or capacity enhancements.

2.28 **Metered Service**

A service for which charges are computed on the basis of measured quantities of water, wastewater or liquid wastes.

2.29 **Outside Sewer**

A sanitary sewer beyond the limits of the District not subject to the control or jurisdiction of the District.

2.30 **Owner**

The person owning the property, or the person in whose name the legal title to the property appears, by deed duly recorded in the County Recorder's Office, or the person in possession of the property or building under claim of, or exercising acts of ownership over same for himself, or as executor, administrator, guardian or trustee of the Owner.

2.31 **Permanent Service**

A service which, in the opinion of the District is of a permanent and established character. The use of the sewer may be continuous, intermittent or seasonal in nature.

2.32 **Permit**

Any written authorization required pursuant to this or any other regulation of the District for the installation of any treatment works.

2.33 **Person**

Any human being, individual, firm, company, partnership, association, or private or public or municipal corporation, the United States of America, the State of Nevada, a district, any political subdivision, governmental agency and mandatory thereof, or any other legal entity.
2.34 **Premises**

All that real property of a single integrated operation under one name which operation may involve one or more buildings, locations or services, provided: (a) such buildings, locations, or services are to a single unit of property; or (b) such buildings, locations or services are on two or more units of property immediately adjoining, except for intervening public highways, streets, alleys, or waterways.

2.35 **Private Sewer**

A building sewer which receives the discharge from one (1) or more building drain and conveys it to a public sewer, private sewer disposal system, or other point of disposal.

2.36 **Private Sewer Delivery System**

That portion of any sewer beginning at the plumbing or drainage outlet of any building or industrial facility and running to and including the point of connection to the public sewer or to a private sewer disposal system. The Private Sewer Delivery System shall be installed and constructed of materials in compliance with the current adopted version of the Uniform Plumbing Code, IVGID Requirements to Construct for Water and Sewer Services, and IVGID Requirements to Construct Public and Communal Water and Sewer Utility Systems, as approved by the Director of Public Works.

2.37 **Publicly Owned Wastewater Treatment Plant/Treatment Plant**

Any arrangement of devices and structures used for treating wastewater. The treatment plant and related works shall be designed and operated in compliance with pertinent State of Nevada statutes, rules, regulations and permits.

2.38 **Sanitary Sewer**

A sewer which carries wastewater and to which storm, surface and ground waters are intentionally excluded.

2.39 **Service Classifications**

Shall be defined as follows:

A. **Commercial Service**: Service to Customers engaged in selling, warehousing, or distributing a commodity, in some business activity, or in a profession, or in some form of economic or social activity (offices, stores, clubs, schools, hotels, etc.) and for purposes that do not come directly under another classification of service. Service that has both residential and commercial use shall be billed as a commercial service.

Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential use on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a commercial service if the total square footage of the occupied building space is greater than 50% commercial. Garages, sheds, and other auxiliary spaces are not used for this calculation.

B. **Domestic Service**: Service to a residential Customer.

Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential service on the premise will be
evaluated as either commercial or domestic service and billed connection fees and water and
sewer rates accordingly. Premises that have both residential and commercial use shall be
billed as a residential service if the total square footage of the occupied building space is
greater than 50% residential. Garages, sheds, and other auxiliary spaces are not used for this
calculation.

B-C. Mixed Use Service: Mixed use service has commercial and residential services. Mixed use
premises may install two separate water and sewer services to separate the commercial from
the domestic uses and pay appropriate rates and connection fees for domestic and
commercial service.

C-D. Industrial Service: Service to Customers engaged in a process which creates or changes raw
or unfinished materials into another form or product (factories, mills, machine shops,
pumping plants, etc., i.e., in extractive fabrication or processing activities).

D-E. Single Family Residential Unit: A single family residential unit shall mean a single family
dwelling that is designed for residential occupancy by one or more persons for sleeping,
eating, cooking and sanitation purposes.

This service classification can include a family operated business within or part of the family
residence, and the supporting services to the family residence, and the supporting services to
the family residential customer on the same un-subdivided premises as the family residential
unit. The fixture unit count for these services shall be added to the single-family unit in
determining connection charges.

E. Multi-Family Residential Unit: The place of residence of a single family dwelling within a
multi-unit complex, Common Interest Community, mixed use service with greater than 50% 
square footage of residential area or Condominium Hotel. The single family dwelling
premises and the service thereto, whether a separate building, a multiple building, a
townhouse, an apartment, a mobile home, a condominium or any other type of living unit
that is designed for residential occupancy by one or more persons for sleeping, eating,
cooking and sanitation purposes. Clubhouses, poolhouses, restaurants and similar facilities
that are part of a multi-unit complex, Common Interest Community, or Condominium Hotel
will be counted as additional units for billing purposes in determining base rates.

2.40 Service Connection

The point of connection is where the customer's building sewer connects with the District's sewer
main, including all components to make the connection to the District's sewer main. The District's
sewer main may be located in an easement or public right-of-way. The customer owns the sewer
service connection.

2.41 Service Size for Billing Purpose

Sewer service size for billing purposes shall be based on the water service size for billing purposes as
established in Ordinance 4, Water Ordinance, Section 2.42.

2.42 Sewer Main

A pipe or conduit for carrying wastewater.

2.43 Storm Sewer

Ordinance 2 - Sewer
As Proposed for Adoption on April 25, 2017
A sewer which carries storm surface, ground, and clear water.

2.44 **Storm Water**

Water or rainfall or other precipitation which drains from the ground or other catch basin during or following a storm.

2.45 **Variable Cost**

That portion of the monthly billing used to pay for the variable costs of service. Variable cost is calculated based on water use.

2.46 **Waste**

The solid, liquid, or vapor components of wastewater that may be discharged into the sewer system.

2.47 **Wastewater**

The spent water of a community. From the standpoint of source, it may be a combination of the liquid and water-carried wastes from residences, commercial buildings, industrial plants, and institutions, together with any ground water, surface water, and storm water that may be present.

**ARTICLE 3 - GENERAL RULES**

3.01 **Rules and Regulations**

The following rules and regulations respecting sewer construction, disposal of wastewater, and connection to the treatment works of the District, are hereby adopted, and all work in respect thereto shall be performed as herein required and not otherwise.

3.02 **Purpose**

This ordinance is intended to provide rules and regulations for the use and construction of sanitary sewer facilities hereafter installed, altered or repaired within the District.

3.03 **Violation Unlawful**

Following the effective date of this ordinance it shall be unlawful for any person to connect to, construct or install or provide, maintain or use any other means of wastewater disposal from any building in the District except by connection to a public sewer in the manner as in this ordinance provided, except as herein otherwise provided.

3.04 **Protection from Damage**

No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance or equipment which is a part of the District treatment works. Any person violating this provision shall be subject to the penalties provided by law, and shall be responsible for the cost of repair.

3.05 **Violation**
Any person found to be violating any provision of this or any other ordinance, rule or regulation of the District, except Article 3.08 hereof, shall be served by the Inspector or other authorized person with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. Said time limit shall be ten (10) working days. The offender shall, within the period of time stated in such notice, permanently cease all violations. All persons shall be held strictly responsible for any and all acts of agents or employees done under the provisions of this or any other ordinance, rule or regulation of the District. Upon being notified by the Inspector of any defect arising in any sewer or of any violation of this ordinance, the person or persons having charge of said work shall immediately correct the same.

A. **Amounts.** Violations of these Regulations shall be subject to civil monetary penalties established a) by applicable Nevada law, b) by applicable rules and regulations of the Nevada Department of Environmental Protection and the District and c) by such penalty schedules as may from time to time be adopted by the District and appended to these Regulations.

B. **Continuing Violations.** For purposes of the computation of penalties, each day of a continuing violation of these Regulations shall be deemed to be a separate violation.

3.06 **Notices to Customers**

Notice from the District to a Customer will normally be given in writing, and either delivered by hand, electronically or mailed to him at his last known address. Where conditions warrant and in emergencies, the District may resort to notification either by telephone or messenger.

3.07 **Notices from Customers**

Notice from the Customer to the District may be given by him or his authorized representative in writing to the District's office.

3.08 **Public Nuisance**

Continued habitation of any building or continued operation of any industrial facility in violation of the provisions of this or any other ordinance, rule or regulation of the District is hereby declared to be a public nuisance. The District may cause proceedings to be brought for the abatement of the occupancy of the building or industrial facility during the period of such violation.

3.09 **Disconnection**

As an alternative method of enforcing the provisions of this or any other ordinance, rule or regulation of the District, the Director of Public Works shall have the power to disconnect the user from the sewer mains or water mains, or both, of the District. Upon disconnection, the Inspector shall estimate the cost of disconnection from and reconnection to the system and such user shall deposit the cost, as estimated, of disconnection and reconnection before such user is reconnected to the system. The Inspector shall refund any part of the deposit remaining after payment of all costs of disconnection and reconnection.

3.10 **Means of Enforcement Only**

The District hereby declares that the foregoing procedures are established as a means of enforcement of the terms and conditions of its ordinances, rules and regulations, and not as a penalty.
3.11 Liability for Violation

Any person violating any of the provisions of the ordinances, rules or regulations done under the provisions of the District shall become liable to the District for any expense, loss or other damage occasioned by the District by reason of such violation.

3.12 Permits and Fees

No public sewer, private sewer delivery system or other sewerage facility connected or to be connected to the treatment works of the District shall be installed, altered or repaired within the District until a permit for the work has been obtained and all fees paid in accordance with the requirements of Article 12 of this ordinance.

3.13 Responsibility for Loss or Damage

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

B. The person will be held responsible for damage to the District's facilities and other property resulting from the use or operation of appliances and facilities on customer's premises, including damage caused by steam, hot water, chemicals, electrical connections, grease sewer overflow or back-ups, etc.

C. Contractors, Owners' agents, or other persons responsible for damage to District property shall be required to pay for repair, replacement, or other compensation resulting from such damages.

D. The District assumes no responsibility for loss or damage due to sewage backup or overflow. The District merely agrees to furnish such capacity in its general collection system as required by Nevada NRS rules and regulations. The District will endeavor to give reasonable notice to customers before curtailment of services; however, the District shall not be liable for shutdown or variations to the system that occurs without prior notice by the District.

3.14 Uniform Plumbing Code/ IAPMO

The following Uniform Plumbing Code provisions are made part of this ordinance.

A. By this Ordinance revision all reference to and use of the current adopted version of the Uniform Plumbing Code and the International Association of Plumbing and Mechanical Officials (IAPMO) Installation Standards as approved by the Director of Public Works and all other ordinances or parts of ordinances in conflict with the hereafter adopted new ordinance revision are herewith and hereby repealed.

B. District Ordinances 2 and 4, as accepted and amended, supersede any UPC requirements and definitions which differ.

ARTICLE 4 - SEWER DEPARTMENT

4.01 Creation

Ordinance 2 - Sewer
As Proposed for Adoption on April 25, 2017
A sewer department is hereby created comprised of the Board, General Manager, and the Director of Public Works.

4.02 General Manager

The General Manager shall have full charge and control of the maintenance, operation and construction of the sewer works and system. He shall have full power and authority to employ and discharge all employees and assistants. He shall prescribe the duties of employees and assistants. He shall fix and alter the compensation of employees and assistants subject to approval by the Board. He shall have charge of all employees and assistants. He shall perform such other duties as are imposed from time to time by the Board, and shall report to it in accordance with the rules and regulations adopted by it.

4.03 Director of Public Works

The position of Director of Public Works is hereby created. He shall have charge of the Utilities of the District. This shall include all maintenance, operation and construction of the sewer works, and billing for and collecting of service and connection charges. He shall perform such other duties as shall be determined by the General Manager.

A. Duties.

(1) The Director of Public Works shall compute, prepare and mail bills as hereinafter prescribed; make and deposit collections, maintain proper books of account, collect, account for and refund deposits, do whatever else is necessary or directed by the Auditor of the District to set up and maintain an efficient and economic bookkeeping system and perform any other duties now or hereafter prescribed by the Board.

(2) He shall regularly inspect all facilities related to the District sewer system, to see that they are in good repair and proper working order, and to note violations of any sewer regulations. He shall also perform the duties of sewer inspector.

(3) He shall set the design criteria for and provide approval of public and communal sewer systems and maintain compliance with all of the provisions of the ordinance, rules and regulations of the District.

B. Violation, Repairs. He shall report any violations or disrepair promptly to the General Manager. If the work required is in the nature of an emergency, he shall take whatever steps are necessary to maintain service to users pending action by the General Manager.

C. Supervision. He shall supervise all repair or construction work authorized by the Board or General Manager, and perform any other duties prescribed elsewhere in the ordinance or which shall be hereafter prescribed by the Board or General Manager.

4.04 Inspections

The District shall perform inspections on all utility and residential construction within the District to assure compliance with IVGID standards and specifications. All existing residential, commercial and industrial establishments are subject to inspection for proper operation of grease traps, pre-treatment devices and etc. Inspection of existing devices shall be scheduled in accordance with District policy with the property owner or property agent. If the property owner or property agent refuses access, Article 4.07 of this ordinance shall apply.

Ordinance 2 - Sewer
As Proposed for Adoption on April 25, 2017
4.05 **Performance of Duties**

The foregoing duties of the Director of Public Works may be performed by the General Manager or by a designated employee(s), as the General Manager may direct, so long as those decisions or actions that require professional engineering judgment are performed by a registered Professional Engineer.

4.06 **Consolidations**

Any of the foregoing offices may be consolidated, one with the other, or with other offices of the District.

4.07 **Consequences of Denial of Entry or Access**

Where an owner or user, after having received reasonable notice from the District, refuses to permit properly identified District personnel to enter or have access to premises or facilities in accordance with Article 4.4, above, the District may forthwith give written notice of its intent to terminate water, sewer and trash service to such user. Such notice shall be given in accordance with Article 14, Billing and Collection and Article 15, Discontinuance of Service. Termination based on these sections shall be treated as a termination for refusal of access under said Article 4.

4.08 **Violation**

Any person found to be violating any provision of this or any Ordinance, rule or regulation of the District, shall be served by the Inspector or other authorized person with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. Said time limit shall be ten (10) business days. The offender shall, within the period of time stated in such notice, permanently cease all violations. All persons shall be held strictly responsible for any and all acts of their agents or employees done under the provisions of this or any other Ordinance, rule or regulation of the District. Upon being notified by the Inspector of any violation of this Ordinance, the person or persons having charge of said work shall immediately correct the same.

A. **Amounts.** Violations of these Regulations shall be subject to civil monetary penalties established by a) applicable Nevada statutes or administrative code, b) Nevada Environmental Protection Division and the District and c) by such penalty schedules as may from time to time be adopted by the District and appended to these Regulations.

B. **Continuing Violations.** For purposes of the computation of penalties, each day of a continuing violation of these Regulations shall be deemed to be a separate violation.

**ARTICLE 5 - USE OF PUBLIC SEWERS REQUIRED**

5.01 **Disposal of Wastes**

It shall be unlawful for any person to place, deposit, or permit to be deposited upon public or private property within the District, or in any area under the jurisdiction of the District, any human or animal excrement, garbage or other objectionable waste.

5.02 **Treatment of Wastes Required**

It shall be unlawful to discharge into any stream or watercourse any sawdust, pulp, oils, rubbish, filth, industrial waste or poisonous or deleterious substances which affect the health of persons, fish or livestock, or render such waters unpalatable or distasteful, or other polluted waters, except where suitable treatment has been provided in accordance with the provisions of this ordinance.
5.03 Unlawful Disposal

Except as herein provided, it shall be unlawful to construct or maintain any privy, privy vault, septic tank, cesspool, seepage pit or other facility intended or used for the disposal of wastewater.

5.04 Occupancy Prohibited

No building, industrial facility or other structure shall be occupied until the Owner of the premises has complied with all rules and regulations of the District.

5.05 Sewer Required

The Owner of any building or structure to be inhabited by humans, situated within the District, is hereby required at his expense to connect said building directly with the public sewer of the District, in accordance with the provisions of this ordinance.

A. Manner of Connection and Service. Prior to any connection to the public sewer, an approved permit for such connection shall be obtained and all fees paid in full for such connection.

(1) A condition for obtaining a permit shall be the approval of plans and specifications for the works to be served and conformance with the District’s requirement for construction of utilities for single family dwellings and small commercial projects.

(2) No two buildings on separate parcels shall be permitted to join in the use of the same private sewer delivery system. One or more buildings located on a lot or parcel belonging to the same owner may be served with the same private sewer delivery system during the period of said ownership. Upon the subsequent subdivision of said ownership thereof, the portion not directly connected with a public sewer shall sever the connection to the jointly used private sewer delivery system and connect directly to the public sewer. Exceptions may be made for those presenting to the District a consensual recorded easement between the owners of record. This does not apply to Multi-Family Homeowner Associations.

(3) In all buildings in which the plumbing system is too low for gravity flow to the public sewer, wastewater carried by the building drain shall be lifted by pump or other means approved by the District and discharged to the Public Sewer at the expense of the Owner.

(4) Buildings served by private sewer delivery systems with the lateral connection below the manhole rim of the immediate upstream manhole of the public sewer shall provide at the Owner’s expense such protective devices as an approved backwater valve in the private sewer delivery system as may be necessary to protect Owner against flooding. The District shall not be responsible for any damages from flood or damages caused by flow to Owner’s buildings or property regardless of whether such facilities are located below the hydraulic grade line of the Public Sewer.

B. Protection of Excavation. All excavations for sewer installations shall be adequately guarded with barricades or lights to protect the public from hazard. Streets, sidewalks, parkways, easements and other property disturbed in the course of the work shall be restored in a manner satisfactory to the District and the County or other person or agency having jurisdiction.
C. **Approval of Private Sewer Delivery System.** Prior to any service, a representative of the District shall inspect the connection to the public sewer system, and prior to covering the private sewer delivery system shall determine compliance with approved plans and District specifications before authorizing any service. Noncompliance with plans or specifications shall be corrected prior to any service by the District.

**ARTICLE 6 - APPLICATION FOR REGULAR SEWER SERVICE**

6.01 **Application**

A. Each Applicant for service shall be required to sign, on a form provided by the District, an application which will set forth:

(1) Date and place of application.

(2) Location of premises to be served. Size, location, the number and kinds of fixtures, the quantity and wastewater characteristics to be served.

(3) Date Applicant will be ready for service.

(4) Whether the premises have been heretofore provided with sewer service by the District.

(5) Purpose for which service is requested.

(6) Name and address to which bills are to be mailed or delivered.

(7) Whether Applicant Signatory is record owner of the premises to be served or his authorized agent.

(8) Rate schedule to be applied (where optional rates are in effect).

(9) Other such information as the District may reasonably require.

(10) Proof of approved sewer testing, as required.

B. The application or the depositing of any sum of money by the Applicant shall not require the District to render service until the expiration of such time as may be reasonably required by the District to determine if Applicant has complied with the provisions of these Rules and Regulations and as may reasonably be required by the District to install the required service facilities.

6.02 **Forms of Application**

A property owner or his agent shall make an application for regular sewer service on the form provided for its intended use.

6.03 **Undertaking of Applicant**

Such application will signify the Customer's willingness and intention to comply with this and other ordinances or regulations relating to the regular sewer service and to make payment for sewer service required.

6.04 **Individual Liability for Joint Service**

Two or more persons owning the same property who join in one application for service shall be jointly and separately liable for payment of bills and shall be billed by means of single periodic bills.
6.05 **Change in Customer's Equipment or Operations**

Before a customer makes any material change in size, or operation resulting in significant increase in volumes or wastewater characteristics, or extent of the equipment or operations for which the District's service is utilized shall immediately file with the District a new application for additional service.

6.06 **Special Cases**

The District will require a written contract with special guarantee from Applicants whose unusual characteristics of load would require excessive or special investment in facilities or whose requirements for service are of a special nature.

6.07 **Payment for Previous Service, Special Assessments, Ad Valorem Taxes, Recreational Revenue Charges and Assessments**

An application will not be honored unless payment in full has been made for sewer and other services previously rendered to the Applicant by the District, and unless all special assessments, ad valorem taxes, recreational revenue charges, and assessments on the parcel of land to be served are paid current.

6.08 **Establishment of Credit**

Each Applicant applying for service may be required to establish credit, which will be deemed established upon qualifying under any one of the following:

A. Applicant owns the premises for which service is requested.

B. Applicant makes the deposit prescribed in Article 6.09.

C. Applicant arranges a guarantor satisfactory to the District for the payment of Applicant's bills for service.

D. Applicant has been a Customer of the District and during the last twelve (12) consecutive months of that prior service has paid all bills for service without having been posted for or disconnected for nonpayment thereof.

6.09 **Re-establishment of Credit**

In the event an Applicant was previously a Customer of the District and the District discontinued service during the last twelve (12) consecutive months of that prior service for nonpayment of bills, the Applicant shall be required to pay any unpaid balance due the District for the premises previously served and may be required to reestablish credit by making the deposit prescribed in Article 6.10.

6.10 **Amount to Establish or Reestablish Credit**

The amount of the deposit shall be at the discretion of the District and is subject to change if found to be insufficient, but will not be required to be greater than three months estimated bill.

6.11 **Applicability to Unpaid Accounts**

The District shall first apply all deposits, toward the satisfaction of the unpaid bill(s) of the Applicant.
6.12 **Return of Deposits**

Upon discontinuance of service, the District will refund the balance of the Customer's deposit in excess of unpaid bills for that service for which the deposit was made.

6.13 **Connection to System Required Within 540 Days of Application**

Any application that has been accepted by the District may be considered vacated if the Applicant fails to commence construction and connection to the District's sewer system within 540 days of such acceptance. The fees collected for such application shall be returned to the Applicant upon written request, and a new application and payment of fees will be required before service will be provided. No fees will be refunded after connection.

6.14 **Changes in Use or Uses of Served Property**

Any changes in the use or uses of properties served by regular sewer service which may affect the service classification under which it is served or the number of fixture units served must have the prior approval of the District. Examples of such changes would be adding plumbing fixtures not previously approved in applying for service, modifying a residence to accommodate more single family units than were approved or such other changes that would similarly change the character of the building. Such changes in use shall be subject to the Connection Charges, Sewer Capital Improvement Charges and Sewer Service Charges, as contained in Articles 6, 13 and 14 of this ordinance and payment of such charges shall be made upon application for such change. If such change is made without application, it shall be subject to the corrective measures contained in Article 15.2 of this ordinance.

Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential use on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a commercial service if the total square footage of the occupied building space is greater than 50% commercial. Premises that have both residential and commercial use shall be billed as a residential service if the total square footage of the occupied building space is greater than 50% residential. Garages, sheds, and other auxiliary spaces are not used for this calculation.

6.15 **Connection Charges**

The following charges are hereby established and shall be collected at the time of issuing the permit for a sewer connection. Connection fees shall be charged at the rate in effect on the day of application for a Washoe County Building Permit. Connection(s) not made within 540 days will be subject to the current rates in effect at the time of connection. Previously paid connection fees shall be credited to the new connection fee rate. Previously paid connection fees for service are non-refundable in all situations including reversion to acreage. Payment of connection fees constitutes acceptance of a new service connection application by the District.

A. **Units Inside of District.** Sewer connection fees are based on water service size for billing purposes and shall be charged as shown in Exhibit B. Each dwelling of multiple dwellings on a single parcel shall constitute a separate unit. Mixed use service that has been determined to be billed as residential will be billed one connection charge for each residential unit and each equivalent residential unit per 39 fixture units of commercial service. Fractions will be rounded to nearest whole number, example: 58 fixture units = 1.49 and rounded to...
1.0 units.  .59 fixture units = 1.51 and rounded to 2.0 units. The minimum equivalent residential unit amount shall be 1.0, (one).

B. Units Outside of District. Persons desiring connection of property located outside the District to the sanitary sewer system of the District shall pay to the District a connection charge at the rate of one and one-half (1-1/2) times the charge for a District customer. Nothing in this ordinance shall require the District to serve properties located outside the District.

C. Remodeling Connection Charges. If remodeling necessitates upgrade of the water meter sewer connection fees shall be charged equal to the fee for the upgraded meter size as described in Item A above minus the sewer connection fees for the existing water meter size. All existing residential connections are deemed ¾ inch unless a connection fee has been paid to the District for an upgrade.

D. Plan Check Fee. Any person requiring approval of plans by the District, or desiring plan checking, shall pay to the District a plan checking fee as shown in Exhibit C. Each plan revision requiring rechecking shall necessitate the charge of an additional plan check fee. Plan checking is performed for water, sewer, trash and irrigation concurrently. A plan check fee may be changed from time to time at the discretion of the Director of Public Works.

ARTICLE 7 - APPLICATION FOR REGULAR SEWER SERVICE WHEN MAIN EXTENSION OR CAPACITY ENHANCEMENT REQUIRED

7.01 Application

Any Owner of one or more lots or parcels, or subdivider of a tract of land, desiring the extension of one or more mains to serve such property, and/or for any capacity enhancement of existing facilities shall make a written application therefore to the District, such application to contain the legal description of the property to be served and tract number thereof, and any additional information which may be required by District, and be accompanied by a map showing the location of the proposed connection. Costs of surveys or engineering services to determine location of lines or the costs of extensions and/or capacity enhancement shall be borne by the Applicant.

7.02 Investigation

Upon receipt of an application for a main extension, the District Engineer shall make an investigation and survey of the proposed extension and/or capacity enhancement and shall report his findings to the Board, including the estimated cost thereof.

7.03 Ruling

The Board shall thereupon consider the application for main extension and the report thereon and after such consideration reject or approve it.

7.04 District Lines

All sewer main extensions and/or capacity enhancement shall be in accordance with the Incline Village General Improvement District Sewer Regulations Ordinance, and shall be and remain the property of the District.

7.05 District Extension

Ordinance 2 - Sewer
As Proposed for Adoption on April 25, 2017
The District will direct all main extensions and/or capacity enhancement authorized by it.

7.06 **Determination**

The cost of such extension shall be borne by the Applicant, subject to the refund agreement provided in Article 7.7, following, unless the Board determines it is in the best interest of the District to advance such costs.

7.07 **Refund Agreement**

In the event that the Applicant is required to bear the cost of the main extension, the District shall require any record owner who subsequently applies for a permit to connect to said main extension during the first ten (10) years of its existence to pay his pro rata share of the costs of its construction, as determined by the District Engineer. The amount so advanced to the District by the above-referenced record owner shall be paid by the District to the original applicant.

7.08 **Extension by Customer**

In special cases where extension of the District's mains to a point adjacent to Customer's premises is not feasible, in the opinion of the District, Customer may lay service pipe, at his own expense, from point of use to point of connection where a tap can be made directly to the District's then existing main.

7.09 **Point of Connection**

In such cases, the District shall be obligated to provide service at the point of connection to its collection lines only, and Customer shall assume all responsibility and cost for maintenance, operation and replacement of his service line and all components to make the connection and the flow therein.

7.10 **Additional Components Required**

If additional components, including but not limited to a sewer pump, should be required in Customer's service line to provide adequate Customer service, beyond that normally provided by the District at point of connection of Customer's service line to the District's main, Customer shall provide, operate, maintain and replace such components, all at his own expense.

7.11 **No Obligation by District**

The District shall at no time in the future be required to lay additional public sewer beyond the original point of delivery to provide service to said Customer or others supplied through said Customer's service.

7.12 **All Costs to be Borne by Customer**

Original Customer shall pay all charges for service provided through his service connection, at the point of connection to the public sewer.

**ARTICLE 8 - PUBLIC SEWER**

8.01 **Extensions**
The District shall make extensions along streets, alleys, lanes, roads, common areas, and easements cut by established grades, and/or make alterations in its existing facilities in accordance with these rules and regulations, provided such extensions are located within the service area of the Incline Village General Improvement District.

A. Extensions of collection lines and appurtenances to provide service to an Applicant will be made at Applicant’s expense.

B. The cost of the extension and appurtenances will be based on the size of collection lines consistent with the service requirement specified by the District.

C. The size, type, quality of materials, and their location will be specified by the District. Construction will be by the District or other authorized agency or contractor.

D. All costs and expenses incident to the installation and connection of any sewer or other work for which a permit has been issued shall be borne by the Applicant. The Owner shall indemnify the District from any loss or damage that may directly or indirectly be occasioned by the work.

E. Extensions and/or capacity upgrade financed by the Applicant shall be prorated to the number of possible users along the extension, and when any connection is made for which an advance has been made by an Applicant, then that portion used by another shall be refunded to the Applicant making the advance.

F. Refunds shall not be made to any Applicant exceeding the amount of the original advance. Upon termination of a ten (10) year period, any balance remaining of the advance shall become the property of the District.

G. All main extensions will become the property of the District immediately upon completion of construction and verification by the District of compliance with all rules, regulations and specifications required by the District and be operated and maintained by the District at its own expense.

H. Acceptance criteria shall include, but not be limited to the following:

(1) Submittal to the District of a written application by record owner, or duly authorized agent acting on behalf of the owner, requesting a main line extension. This application shall contain the legal property description, Assessor’s Parcel Number, map or plan showing proposed extension and connection, easements or rights of way to be granted or procured,

(2) Completion of the form established for the purpose intended for the extension of main lines,

(3) Submittal of proposed plans, profiles and specifications, prepared and stamped by a registered Nevada Engineer,

(4) Submittal of an as-built plan and profile stamped as above upon completion of the main line extension,

(5) Completion of all required testing to the satisfaction of the District, and
(6) Completion of all appropriate legal documentation incidental to the transfer of ownership to the District;

I. All expenses incurred and incidental to the line extension and/or capacity enhancement shall be borne by the Applicant.

J. District approval shall be based on compliance with all District ordinance rules, regulations and policies.

K. No extension contract, or any rights thereunder, granted under this provision may be assigned without written notification to the District by the registered holder of the contract.

ARTICLE 9 - BUILDING SEWERS, PRIVATE SEWER DELIVERY SYSTEMS, AND CONNECTIONS

9.01 Permit Required

No unauthorized person shall uncover, make any connection with or opening into, use, alter, or disturb any public sewer, building drain or building sewer; and appurtenances thereto or perform any work on any lateral or building sewer without first obtaining a written permit from the District. Any new construction, addition, remodel or demolition requiring issuance of a Washoe County building permit shall require written approval and final acceptance by a District Inspector.

9.02 Construction Requirements

Construction of building sewers and private sewer delivery systems shall be in accordance with the requirements hereof.

9.03 Size and Slope

Size and slope shall be in conformance with the District specifications and the currently adopted version of the Uniform Plumbing Code sections.

9.04 Separate Sewers

No two buildings on separate parcels shall be permitted to join in the use of the same private sewer delivery system. One or more buildings located on a lot or parcel belonging to the same owner may be served with the same private sewer delivery system during the period of said ownership. Upon the subsequent subdivision of said ownership thereof, the portion not directly connected with a public sewer shall sever the connection to the jointly used private sewer delivery system and connect directly to the public sewer. Exceptions may be made for those presenting to the District a consensual recorded easement between the owners of record. This does not apply to Multi-Family Homeowner Associations.

9.05 Old Building Sewers

Old building sewers may be used in connection with new buildings only when they are found to meet all requirements of the District. The Inspector must approve their use.

9.06 Cleanouts

Cleanouts shall be provided and maintained in the building sewer at a location three feet outside the foundation wall of the building. They shall also be provided and maintained at any change of
direction of 90° or aggregate thereof, and where the building sewer crosses the property line. All cleanouts shall be maintained water tight, with a plug enclosure constructed entirely of plastic or nylon, no makeup of this plug shall be constructed of metal materials. The cleanout shall be covered by a concrete box with a steel lid marked sewer set to finished grade. Additional cleanouts may be required at the discretion of the District.

9.07 Individual Sewage Pump Stations

In all buildings in which the plumbing system is too low to permit gravity flow to the public sewer, domestic wastewater carried by the building sewer shall be lifted by artificial means, approved by the Inspector, and discharged to the Public Sewer at the expense of the owner. A ball check or other backwater device shall be installed and maintained by the customer in building sewers serving fixtures at a lower elevation than the overflow of the sewer to which it discharges. The District reserves the right to have sewer pump stations inspected and tested when deemed by the Director of Public Works to be a potential hazard to public health or the environment. The District shall determine the inspection and testing frequency.

9.08 Service Connections

A. The District will authorize Customer to extend and connect Customer's private sewer disposal system to the District's main or wye branch at Customer's expense.

B. Building sewer connection to private sewer disposal system shall be made in accordance with IVGID requirements to construct water and sewer and private communal utility systems.

C. Building sewers shall not be constructed prior to District verification of existing connection to public sewer.

D. The costs incurred for the construction of the above connection shall be the responsibility of the record owner requesting such and the connection shall be at the location specified by the District.

E. All water and sewer testing is required to comply with Federal, State and local regulations, laws or ordinances and shall be at the expense of the Applicant.

F. When in the opinion of the Director of Public Works there is danger of sewer backup from the public sewer, similar backwater devices must be installed and maintained at the owner's expense.

9.09 Backflow Prevention Devices

The District may refuse or discontinue service to any premises where a cross-connection to a source of water supply exists. Until a backflow prevention device is installed in compliance with provisions of Ordinance Number 4, Article 16, the District shall not be required to begin or continue service.

9.10 Maintenance

The District will not be responsible for the installation and maintenance of the sewer or waste lines beyond the point of connection of the private sewer delivery system to the public sewer (reference Article 9.11, below). It shall be the owner's and/or customer's responsibility to verify that fixtures and piping conform to the requirements of all State, County or Municipal ordinances, laws and regulations and be properly maintained.
9.11 Connection to Public Sewer

A. **Connection point.** The connection of the Building Sewer and private sewer delivery system into the Public Sewer shall be made at a point where the Building Sewer intersects the property line if such Building Sewer is at a location acceptable to the District. All building sewers, in service or abandoned, are the responsibility of the property owner up to the point where the building sewer meets the main in any street or easement, including the connection point and all components. Abandoned sewer laterals shall be capped or removed so that they are no longer hydraulically connected to the sewer main.

B. **Location:** The location of all sewer connection points shall be approved by the District.

C. **Installation Standards:** The connection to Public Sewer shall be installed in accordance with all rules, regulations and standards of the District’s Requirements to Construct Sewer and Water Service Lines.

D. **Connection Point:** All building sewers are the responsibility of the property owner to the connection at the main sewer in any public way or easement, including all components to make the connection.

9.12 Protection of Excavation

All excavations for sewer installations shall be adequately guarded with barricades and/or lights so as to protect the public from hazard. Streets, sidewalks, parkways and other property disturbed in the course of the work shall be restored in a manner satisfactory to the District and the County or any other person having jurisdiction thereunder.

9.13 Maintenance of Building Sewer

A. Building Sewers to and including the point of connection to Public Sewer shall be maintained by the record owner served by that Building Sewer.

B. It is unlawful for any record owner of a house, building or property connected to a public sewer to maintain the private sewer delivery system or building sewer in a condition that is incapable of passing a test as specified in Section 9.14. Sewers are to be maintained free of defects that could potentially result in reduction of flow capacity, increase potential of overflows, or allow the infiltration of ground and/or surface waters into the sewer.

C. All private sewer delivery systems and building sewers, including lines serving residential, multiple residential and commercial connected to a public sewer shall be cleaned and tested as specified in Section 9.14 prior to completion of the following events:

1. Remodel or addition to a house, building or property served.
2. Installation or deletion of additional plumbing fixtures, building or property served.
3. Change of use of a house, building or property served from residential to business or commercial, or from non-restaurant commercial to restaurant commercial.
4. Repair or replacement of all or part of the building sewer or private sewer delivery system.
5. Determination by the Director of Public Works that the cleaning and testing is required for the protection of the public health, safety or welfare.
D. The record owner of any house, building or property shall conduct all cleaning and testing required at his sole expense and shall notify the District in accordance with District policy for the inspection of the testing and cleaning. If conducted without such notice it shall not satisfy the requirements of this section. The Customer shall be liable for damages if lateral cleaning causes a sewage backup downstream as a result of materials dislodged by the cleaning operation. An inspector of the District shall be required to be on-site.

E. The Director of Public Works shall have the authority to waive the cleaning and testing requirements if testing was performed within a prior ten year period and the Director of Public Works determines that such testing is not necessary.

F. In the event that cleaning, testing, repair or replacement is required at a time when weather conditions or excavation restrictions prohibit such repairs, the Director of Public Works may defer completion of the requirements until such date as agreed upon between the record owner and the District. If the test is deferred, the record owner shall post a performance bond with the District in an amount equal to one hundred twenty-five percent (125%) of the District's estimate of the cost of replacing the building sewer or private sewer delivery system. In such an event, the testing requirements shall be completed by June 15 of the following year.

G. If the property is being sold and weather conditions or excavation restrictions prohibit testing, the record owner shall escrow funds in the amount equal to one hundred twenty-five percent (125%) of the District's estimate of the cost of replacing the private sewer delivery system. Funds held in escrow will not be released without written notice by the District to the title company holding such funds. If the testing requirements are not completed by the time set by the ordinance, the funds held in escrow shall be released to the District. The funds shall be used by the District for physical disconnection, testing, repair or replacement of the private sewer delivery system. Should such costs exceed the amount held in escrow, the difference shall be billed to the record owner.

H. In the event a private sewer delivery system or building sewer does not meet the standards set forth in Article 9.11, Subsection D and Article 9.14, the record owner shall complete corrective work and testing shall be performed within thirty days from the date of the original test.

I. A State of Nevada licensed contractor shall be responsible for the performance of all work connected with the cleaning and testing of private sewer delivery systems. If the record owner chooses to perform the cleaning and testing, he may do so by obtaining authorization from the District and by posting a bond in the amount specified in Exhibit C. Contractors and owners must post a certificate of insurance with the District showing property damage and public liability in an amount satisfactory to the District.

9.14 Testing

Testing shall be conducted in accordance with the most current adopted edition of the Uniform Plumbing Code, Washoe County ORANGE BOOK, and/or IVGID REQUIREMENTS TO CONSTRUCT WATER AND SEWER AND PRIVATE COMMUNAL UTILITY SYSTEMS and IVGID REQUIREMENTS TO CONSTRUCT WATER AND SEWER SERVICE LINES. In the case of conflicting requirements, the District requirements shall prevail.

9.15 Modification of Time-Frame

Ordinance 2 - Sewer
As Proposed for Adoption on April 25, 2017
Modifications of the time-frames in Article 9.13 shall be at the discretion of the Director of Public Works.

ARTICLE 10 - PUBLIC AND PRIVATE COMMUNAL SEWER SYSTEM CONSTRUCTION

10.01 Permit Required

No person shall construct, extend or connect to any Public Sewer without first obtaining a written permit from the District and paying all fees and connection charges and furnishing bonds as required. The provision of this section requiring permits shall not be construed to apply to contractors constructing sewers and appurtenances under contracts awarded and entered into by the District except as provided in this ordinance.

10.02 Plans, Profiles and Specifications Required

The application for a permit for Public Sewer construction shall be accompanied by complete plans, profiles and specifications, complying with all applicable ordinances, rules and regulations of the District, prepared by a Registered Nevada Civil Engineer, showing all details of the proposed work based on an accurate survey of the ground. The application, together with the plans, profiles and specifications, shall be examined by the District Engineer who shall approve them as filed or require them to be modified as he deems necessary for proper installation.

10.03 Easements or Rights-of-Way

A. In the event that an easement is required for the extension of the Public Sewer or the making of connections, the Applicant shall procure and have accepted by the Board a proper easement or grant of right-of-way sufficient in law to allow the laying and maintenance of such extension or connection. Easements or rights-of-way are reserved for the servicing of utilities, and no structure or building shall be placed within or over easements or rights-of-way, nor shall these areas be occupied or used in any manner as to restrict or deny access for repairs or maintenance, and all costs of removing, repairing or replacing land surfaces, paving, landscaping or other occupancies shall be charged to the property record owner.

B. In order to preserve the health, safety and welfare of the residents of the District, and in order to comply with the Environmental Protection Agency's Safe Drinking Water Act/Surface Water Treatment Rule and the Clean Water Act and the intents and specifications thereof, the District requires and shall be allowed open and continuous access by its personnel over, across, through, and under all easement locations for normal and emergency operation of the District-wide infrastructure.

C. Types of obstructions restricted within easement areas include:

(1) Residential site improvements, such as landscaping, lawn, flower beds, gardens, irrigation systems, outbuildings, secondary residences, fences, walls, gazebos, paving, and other site improvements and ancillary improvements associated therewith.

(2) Primary residence, multi-family, commercial, industrial, public, special use buildings and lands and such ancillary improvements associated therewith, such as decks, carports, pools, gazebos, spas, parking and paved accesses, carpports and garages, fences and detached outbuildings.

D. All natural and constructed obstructions in aforementioned rights of way shall be subject to the provisions set forth herein.
E. All new construction remodeling, restoration and further development on any parcel shall incorporate the provisions as set forth herein.

10.04 Mitigation of Encroachments onto Easements and Rights of Way

The District may accommodate, by means of direct negotiations leading to the execution of an encroachment agreement, extenuating circumstances where conditions of clear necessity or historical occupation or use are present. Absent explicit language to the contrary, by entering into any encroachment agreement, the District does not surrender a claim to title nor control of operations; furthermore, absent explicit language in the encroachment agreement to the contrary, the District shall not incur any additional cost by reason of existing or constructed privately owned improvements.

10.05 Persons Authorized to Perform Work

Only properly licensed contractors shall be authorized to perform the work of Public Sewer construction within the District. The District will not accept dedication of any public sewer construction, or portions thereof, unless the construction has been performed by the holder of a Class A contractor's license issued by the Nevada State Contractor's Board. All terms and conditions of the permit issued by the District to the Applicant shall be binding on the Contractor. The requirements of this section shall apply to building sewers and private sewer delivery systems installed concurrently with Public Sewer construction.

10.06 Grade Stakes

Grade and line stakes shall be set by a licensed State of Nevada Land Surveyor prior to the start of work on any Public Sewer construction. The Contractor shall be responsible for accurately transferring grades to grade bars and sewer invert.

10.07 Compliance with Local Regulations

Any person constructing a Sewer within a street shall comply with all State, County or city laws, ordinances, rules and regulations pertaining to the cutting of pavement, opening, barricading, lighting and protecting of trenches, back filling and repaving thereof, and shall obtain all permits and pay all fees required by the department having jurisdiction prior to the issuance of a permit by the District.

10.08 Protection of Excavation

The Applicant shall maintain such barriers, lights and signs as are necessary to give warning to the public at all times that a Sewer is under construction and of each dangerous condition to be encountered as a result thereof. He shall also likewise protect the public in the use of the sidewalk against any such conditions in connection with the construction of the Sewer. Streets, sidewalks, parkways and other property disturbed in the course of the work shall be reinstalled in manner satisfactory to the District and the County or any other person or entity having jurisdiction thereunder.

10.09 Design and Construction Standard

A. Minimum standards for the design and construction of Sewers within the District shall be in accordance with IVGID’s SPECIFICATION TO CONSTRUCT WATER AND SEWER AND PRIVATE COMMUNAL UTILITY SYSTEMS and ordinance rules and policies heretofore or hereafter as amended by the District, copies of which are on file in the District office. The District Engineer may permit modifications or may require higher standards where unusual conditions are encountered.
B. Record, "as-built" drawings showing the actual location of all mains, structures, wyes and building sewers or private sewer delivery systems shall be filed with the District before final acceptance of the work.

10.10 Completion of Sewer Required

Before any acceptance of any sewer line by the District and prior to the admission of any wastewater into the system, the sewer line shall be tested and shall be complete in full compliance with all requirements of the most recently adopted edition of the Uniform Plumbing Code, Washoe County Orange Book, and/or I VGID Requirements to Construct Water and Sewer and Private Communal Utility Systems, IVGID Requirements to Construct Water and Sewer Service Lines, the Specifications for Sewer Construction, and to the satisfaction of the District Engineer.

ARTICLE 11 - USE OF PUBLIC SEWERS

11.01 Drainage into Sanitary Sewers Prohibited

No leaders from roofs, no surface drains for rainwater, or no underdrains for foundations or paved surfaces shall be connected to any sanitary sewer. No surface or storm water, seepage, cooling water, groundwater or unpolluted industrial process waters shall be permitted to enter any sanitary sewer by any device or method whatsoever.

11.02 Combined Sewers

No combined sewer or storm sewer shall be connected to the District’s treatment works. All storm waters, cooling waters and unpolluted industrial process waters shall be disposed of as directed by the Director of Public Works.

11.03 Required Use of Grease Traps and Interceptors

All waste discharged from commercial establishments which may generate grease shall install and maintain a grease interceptor. Sizing specifications for grease traps and interceptors shall be according to the Uniform Plumbing Code. The design, operation and sizing of all grease traps and interceptors shall be performed by a licensed engineer and approved by the District.

A. Capacity: Grease traps, interceptors and sand/oil separators shall be constructed to prevent any bypass of matter prohibited in the wastewater system. Grease traps and sand/oil separators shall be a minimum capacity as specified in the Uniform Plumbing Code.

1. Grease, oil, and sand interceptors shall be provided when and where necessary for the removal of grease, oil, sand or other waste components not present in normal residential wastewater. No such device shall be required for residential service. Grease traps and interceptors shall be cleaned regularly to ensure proper operation.

B. Service Log: The owner or operator of the establishment or business conducted on the premises where the grease trap or interceptor and/or sand/oil separators are located shall maintain a log describing the date and type of all service and maintenance performed in connection with the grease trap or interceptor and/or sand/oil separator, the identity of the person who performed the service or maintenance, the amount of residue removed from the grease trap or interceptor and/or sand/oil separator on each date, the method of disposal of the residue, and copies of the receipts for service. The log entries shall be maintained for twelve months, along with photocopies of receipts for service, and shall be made available.
for inspection and copying by the District representative. The schedule for service and maintenance of a grease trap or interceptor and/or sand/oil separator shall be subject to approval by the District.

C. **Prohibitions:** The introduction of emulsifiers, bacteria, enzymes or any other product into the grease trap or interceptor is prohibited.

D. **Inspections:** The District may determine frequency of inspections. If upon inspection, it is determined that the prescribed maintenance/cleaning has not been performed, a District representative shall be scheduled in advance by the owner/agent to inspect the subsequent maintenance/cleaning. Inspections may be billed in accordance with Exhibit C.

11.04 **Limitations on the Use of Garbage Grinders**

Waste from garbage grinders shall not be discharged into District wastewater facilities except when the wastes are generated in preparation of food normally consumed on the premises and the grinders shred the waste to a degree that all particles will be carried freely under normal flow conditions prevailing in the wastewater facilities, and to a size not to exceed one-half inch in any dimension. Garbage grinders shall not be used for grinding plastic, paper products, inert materials or garden refuse. No garbage grinders shall discharge into a grease trap.

11.05 **Maintenance of Pretreatment Facilities**

All devices shall be so located as to be readily and easily accessible for cleaning and inspection. All grease, oil and sand interceptors shall be maintained by the Owner, at their expense, in continuously efficient operation at all times. Any maintenance costs incurred by the District to remove grease, sand, oil, or other non-approved waste from mains may be billed to the Owner.

11.06 **Preliminary Treatment of Wastes**

The admission into the public sewers of any waste containing any quantity of substance having characteristics described in Articles 11.08 and 11.09 hereof, shall be subject to special rates and such conditions as public sewer system requires to treat and dispose of the special waste discharge. Where necessary, this may include increase in rate from that for normal residential waste, or such treatment as necessary prior to discharge into the sewer system and the complete exclusion of certain wastes inimical to the treatment process.

A. Plans, specifications and any other pertinent information relating to proposed preliminary treatment facilities shall be submitted for the approval of the District and no construction of such facilities shall be commenced until said approvals are obtained in writing.

11.07 **Measurements and Tests**

All measurements, tests and analysis of the characteristics of wastes shall conform to accepted practice, and be performed according to Standard Methods for Wastewater Examination. An acceptable sampling point, apparatus, and control manhole may be required to determine waste characteristics. All tests and sampling shall be at the expense of the Applicant. The manhole, if required, shall be installed by the Owner at his expense, and shall be maintained by him so as to be safe and accessible at all times. In the event that no special manhole is required, the control manhole shall be considered to be the nearest downstream manhole in the public sewer to the point at which the building sewer is connected.
11.08 **Types of Wastes Prohibited**

Except as hereinafter provided, no person shall discharge or cause to be discharged any of the following described waters or wastes to any public sewer:

A. Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas.

B. Any garbage that has not been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-half inch in any dimension.

C. Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, woods, paunch manure, or any other solid or viscous substances capable of causing obstruction to the flow in sewers or other interference with proper operation of the treatment works.

D. Any waters or wastes having any other corrosive property capable of causing damage or hazard to structures, equipment and personnel of the treatment works.

E. Any waters or wastes containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any wastewater treatment process, constituting a hazard to humans or animals, or creating any hazard in the receiving waters of the wastewater treatment plant.

F. Any waters or wastes containing suspended solids of such character and quantity that unusual attention or expense is required to handle such materials at the wastewater treatment plant.

G. Any noxious or malodorous gas or substance capable of creating a public nuisance.

H. Any septic tank sludge.

I. Any commercial detergent or cleansing material that is not readily biologically degradable or which contains substances of a cationic nature that cannot be removed from water except by dehydration or electrolytic process.

11.09 **Limitations on Wastewater Strength**

No person shall discharge wastewater containing constituents in excess of:
### Pesticides/Herbicides

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<td>Methoxychlor</td>
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<tr>
<td>2,4,5T</td>
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<tr>
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<td>Malathion</td>
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<td>Guthion</td>
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### Constituent

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### 11.10 Swimming Pools

It shall be unlawful for any person to discharge the contents of a swimming pool into a sanitary sewer except in the manner specified herein. If the water is discharged by pumping, the rate of flow shall not exceed a discharge flow rate approved by the District. Each swimming pool discharging to a sanitary sewer shall be equipped with an approved air gap to preclude any possibility of a backflow of wastewater into the swimming pool or piping system. No discharge of the contents of a swimming pool into a sanitary sewer shall be made until a permit therefore has been obtained from the District. Such discharge shall be made only at the time and in the manner specified by the District or its authorized representatives and subject to the rules and/or regulations of the District on a case by case basis.

### 11.11 Limitations on Point of Discharge

No person shall discharge any substances directly into a manhole or other opening in a community sewer other than through an approved building sewer unless he has been issued a permit by the Director of Public Works. If a permit is issued for such direct discharge, the user shall pay the applicable charges and fees and shall meet such other conditions as required by the Director of Public Works.

### 11.12 Cleaning of sewers within Common Interest, Commercial and Multi-Unit Developments

No person shall discharge to the public sewer by means of sewer line cleaning equipment as a scheduled maintenance operation or under emergency conditions without first contacting the District Utilities Department. In all cases a means of extracting solid material from the District mains at a manhole shall be required. Acceptable means of extraction shall be by trapping, vacuum equipment or other appropriate means, as approved by the District Engineer. Notification shall be provided in accordance with District policy, of any cleaning activity for an onsite inspection by the District.
ARTICLE 12 - PERMITS AND FEES

12.01 Permit Required

No unauthorized person shall uncover, make any connection with or opening into, use, alter, or disturb any public sewer or appurtenances or perform any work on any building sewer without first obtaining a written permit from the District.

12.02 Application for Permit

A. Any person legally entitled to apply for and receive a permit shall make such application on forms provided by the Washoe County Building Department for that purpose. He shall give a description of the character of work proposed to be done and the location, ownership, occupancy and use of the premises in connection therewith. The Inspector may require plans, specifications or drawings and such other information as he may deem necessary.

B. If the District determines that the plans, specifications, drawings, description or information furnished by the Applicant is in compliance with the ordinances, rules and regulations of the District, the Washoe County Building Department shall issue the permit applied for upon payment in full of the required fees to the District as hereinafter fixed.

12.03 Compliance with Permit

After approval of the application, evidenced by the issuance of a permit, no change shall be made in the location of the sewer, the grade, materials or other details from those described in the permit or as shown on the plans and specifications for which the permit was issued, except with written permission from the District, the Inspector or other authorized representative of the District.

12.04 Agreement

The Applicant's signature on an application for any permit shall constitute an agreement to comply with all of the provisions, terms and requirements of this and other ordinances, rules and regulations of the District, and with the plans and specifications he has filed with his application, if any, together with such corrections or modifications as may be made or permitted by the District, if any. Such agreement shall be binding upon the Applicant and may be altered only by the District upon the written request for the alteration from the Applicant.

12.05 All Work to be Inspected

All sewer construction work, building sewers, plumbing and drainage systems shall be inspected by an Inspector acting for the District to insure compliance with all requirements of the District. No sewer shall be covered at any point until it has been inspected and passed for acceptance. No sewer shall be connected to the District's public sewer until the work covered by the permit has been completed, inspected and approved by the Inspector. If the test proves satisfactory, and all construction work is in compliance with all applicable rules and regulations of the District, and the sewer has been cleaned of all debris accumulated from construction operations, the Inspector shall issue a certificate of satisfactory completion.

12.06 Notification

It shall be the duty of the person doing the work authorized by permit to notify the office of the District, in writing, that said work is ready for inspection. Such notification shall be given in accordance with District policy before the work is to be inspected. It shall be the duty of the person
doing the work to make sure that the work will stand the tests required by the District before giving the above notification.

12.07 Correction of Work

When any work has been inspected and the requirements are not met, the District shall deliver a written correction notice to that effect to the record owner of the premises or his authorized agent, instructing the record owner to repair the sewer or other work authorized by the permit in accordance with the ordinances, rules and regulations of the District.

12.08 All Costs Paid by Owner

All costs and expenses incident to the installation and connection of any sewer or other work for which a permit has been issued shall be borne by the Owner and shall be in addition to all fees and service charges provided for in the Sewer Ordinance of the District. The Owner shall indemnify the District against any loss or damage that may directly or indirectly be occasioned by the work.

12.09 Outside Sewers

Permission shall not be granted to connect any lot or parcel of land outside the District to any public sewer in or under the jurisdiction of the District unless a permit therefore is obtained. The Applicant or other person recognized by the District shall first enter into a contract, in writing, whereby he shall bind himself, his heirs, successors and assigns to abide by all ordinances, rules and regulations in regard to the manner in which such sewer shall be used, the manner of connecting therewith, and the plumbing and drainage in connection therewith and also shall agree to pay all fees required for securing the permit and monthly fee in the amount set by the District for the privilege of using such sewer.

12.10 Permit Optional

The granting of such permission for an outside sewer in any event shall be at the sole discretion of the Board.

12.11 Special Outside Agreements

Where special conditions exist relating to an outside sewer, they shall be the subject of a special contract between the Applicant and the District.

12.12 Street Excavation Permit

A separate permit must be secured from, the County, or the State, or any other person having jurisdiction thereunder by the Owners or Contractors intending to excavate in a public street for the purpose of installing sewers or making sewer connections.

12.13 Liability

The District and its officers, agents and employees shall not be answerable for any liability or injury or death to any person or damage to any property arising from the performance of any work by any such Applicant. The Applicant shall be answerable for, and shall save the District and its officers, agents and employees harmless from, any liability imposed by law upon the District or its officers, agents or employees, including all costs, expenses, fees and interest incurred in defending same or in seeking to enforce this provision. As between the Applicant and the District, Applicant shall be solely
liable for any defects in the performance of his work or work performed on his behalf or any failure which may develop therewith.

12.14 Final Inspection

Final inspection shall be performed and shall constitute the completion of the permitted project in accordance with District Ordinances, rules, regulations and policies.

ARTICLE 13 - SEWER CAPITAL IMPROVEMENT CHARGE

13.01 Capital Improvement Charge

A sewer capital improvement charge shall be billed to each residential, industrial and commercial sewer service as shown in Exhibit A.

13.02 Sewer System Repair Fund

The capital improvement charge represents each customer's contribution to the overall capital improvement of the total sewer utility infrastructure for replacement and upgrade. Annually, the long term capital improvement costs are adjusted in the Capital Improvement Plan to meet the needed utility replacements and upgrades. The capital improvement charge may be adjusted annually, by the Board of Trustees during the review and approval of the annual Capital Improvement Plan and Annual Budget.

13.03 Unimproved Parcels

Retroactive Sewer Capital Improvement Charge will also apply to undeveloped parcels. The charge shall be due when an application for connection to the system of the District is made. The total retroactive Capital Improvement Charge is shown in Exhibit B and shall not increase monthly. Larger services will be adjusted higher by the capacity ratio. After the date of sewer connection approval, Capital Improvement Charges shall be billed to the Customer in their normal billing cycle.

ARTICLE 14 - BILLING AND COLLECTION

14.01 Billing

The regular billing period will be at the discretion of the District.

14.02 New Connections

Upon connection to the District's water distribution system, the applicable sewer service charges shall begin on the first day of the next billing period following installation of the water meter.

14.03 Disconnection

When requested by Customer, sewer service charges shall be discontinued only upon physical disconnection from the distribution system as defined by Article 15 of this Ordinance.
14.04 **Transfer of Ownership**

Services are not discontinued upon transfer of ownership. District will not prorate charges on account upon transfer of ownership. Upon notification of pending sale or transfer of a property, District will obtain final water meter consumption reading on the date specified by the title company. If notification is not received from the title company for a final read the current property owner is liable for the previous charges on the account.

14.05 **Person Responsible for Payment**

All charges, fees and amounts due and payable shall be billed to the owner of the premises, whether or not the owner is also the occupant. For the purposes of the Ordinance, determination of lot or parcel ownership shall be based upon the latest records of the Assessor’s Office of Washoe County.

14.06 **Billing Time**

Bills for sewer service shall be rendered at the beginning of each billing period and are payable upon presentation. Charges for customer consumption are billed in arrears.

14.07 **Penalties**

All charges shall become due and payable upon presentation. Payments not received or postmarked by the U. S. Post Office on the envelope in which the payment was mailed by the last day of the billed cycle will become delinquent on the first day of the next billing cycle. All charges which become delinquent shall be subject to a penalty of ten percent (10%) for the first month delinquent. Customers’ payments shall be applied to their oldest balances first, including penalties.

14.08 **Represents Lien on Property**

Until paid, all rates, tolls and charges provided in this ordinance constitute a perpetual lien on and against the property served and may be foreclosed upon as provided by law.

14.09 **Collection by Suit**

As an alternative to any of the other procedures herein provided, District may bring an action against the person or persons who occupied or owned the premises when the service was rendered for the collection of the amount of the delinquent rate and all penalties and costs of collection including a reasonable attorney’s fee.

14.10 **Collection with Utility Charges of District**

Where the person charged is a user of another utility owned and operated by the District, or through a franchise agreement, the charges may be collected together with and not separately from the charges for the other utility service(s) rendered by it. They may be billed upon the same bill and collected as one item at the discretion of the District.

14.11 **Discontinuance of Service upon Delinquency**

Upon delinquency, the other utility service shall be discontinued until full payment of the dual charges and penalties thereon and the charges for reinstatement of service. Full charges will apply during the period of “Discontinuance of Service upon Delinquency.”
14.12 Checks and Electronic Funds Transfers (EFT) not Honored by Bank

Checks and electronic funds transfers presented in payment of bills which are returned by a bank shall be treated as though no payment had been made, and an administrative charge as shown in Exhibit C will be levied by the District, plus any additional charges levied by the bank. Redemption of returned checks may be required to be by cash or equivalent. The customer must reimburse the District for any returned check/electronic funds transfer fees charged by a bank to the District. Accounts with returned EFTs may no longer be eligible for the EFT payment option. Discontinuance of the EFT payment option shall be at the discretion of the Director of Public Works.

14.13 Service Charges

Any user of the District's sewage facilities shall pay to the District a sewer service charge in accordance with the schedule attached as Exhibit A. Monthly sewer charges shall begin as determined by the Director of Public Works. The Board of Trustees shall set the sewer service charges when approving the annual Capital Improvement Plan and Operating Budget.

14.14 Outside Users

Charges applicable to users outside the District when authorized to discharge sewage into District sewers shall be in an amount determined by the agreement between the District and the Outside User.

14.15 Multi-Unit Residential Accounts

The base charge for multi-unit residential accounts using common meters shall be determined by multiplying the number of units by the fixed and capital improvement base charge for a residential service—plus the administrative customer service account charge plus the variable charges in accordance with Exhibit A. Mixed use service that has been determined to be billed as residential will be billed one base charge for each residential unit and each equivalent residential unit per 39 fixture units of commercial service. Fractions will be rounded to nearest whole number, example: 58 fixture units = 1.49 and rounded to 1.0 units, 59 fixture units = 1.51 and rounded to 2.0 units. The minimum equivalent residential unit amount shall be 1.0, (one).

14.16 Call-Out Service Charges

A customer requesting District assistance with owner-related sewer issues (i.e., blockage or backup on owner's sewer service line, sewer line tracing, etc.) may be charged for actual costs and labor and/or in accordance with Exhibit C. The District has the right to correct and repair owner related issues that puts public health and safety in imminent danger.
14.17 **Disputed Bills**

(1) In the case of a dispute between a Customer and the District as to the correct amount of any bill rendered by the District for sewer service furnished to the Customer, the Customer will deposit with the District the amount claimed by the District to be due.

(2) **Failure to Make Deposit.** Failure on the part of the Customer to make such deposit within fifteen (15) days after written notice by the District that such deposit be made or service may be discontinued, shall warrant the District in discontinuing the service to the Customer without further notice.

(3) **Resolution of Dispute.** In the event of dispute between the Customer and the District respecting any bill, charge or service, the District shall forthwith make such investigation as shall be required by the particular case, and report the result thereof to the Customer. In the event that the complaint cannot be satisfactorily adjusted, the District or the Customer may make application to the Board of Trustees for adjustment of the complaint, and the District shall notify the Customer in writing or otherwise that he has the privilege of appeal to the Board.

Any such appeal shall be made in writing within thirty (30) days of the District's written denial of relief, shall be signed by Customer or his duly designated agent, stating the reason for the dispute, and shall be addressed to the Director of Public Works. Said thirty (30) day period shall commence to run on the date that the written notice of denial of relief is mailed to Customer.

14.18 **Policy for Appeal for Relief from Excessive Sewer Charges**

A. Customers are responsible for equipment as defined in this Ordinance. When customers, through no fault of their own, have incurred excessively high water bills due to breaking of water lines from freezing during the winter, natural disaster or construction activities not under contract by the property owner and the detection and correction of such a break could not have reasonably been accomplished in time to avoid the excessive water usage, the following policy shall apply.

B. An IVDG water customer who has an uncontrollable loss of water may apply to the District for relief under this policy once every five years. The Director of Public Works will review the matter and determine if the high usage was a result of an undetectable condition and was not a direct result of negligence or inattention of the property owner. Upon such a determination, the District will make an adjustment or credit the utility bill an amount equal to 75% of the water Tier 1 and Tier 2 consumption caused by the leak that exceeds the seasonal monthly average when the leak occurred. If the water did not reach the sewer system then an adjustment will be made equal to 75% of the sewer consumption caused by the leak that exceeds the seasonal monthly average. When calculating the residential variable sewer consumption for non-irrigation months the monthly usage for the billing period(s) where relief is given will be excluded. This is the usage that is used to cap the residential customer’s summer sewer rate.

C. In order to apply to the District for relief under this policy repairs must conform to Uniform Plumbing Code and IVDG Specifications.

D. Requests must be submitted in writing stating: address of property where leak occurred, was property occupied at the time of the leak, cause of leak, date leak was discovered, date leak was repaired, copies of repair invoices and receipts, letter of explanation if repairs made by customer, photographs and other information that may be required by the District. Written requests must be submitted within 30 days of the billing date. The maximum period of time
allowable for relief is two consecutive months' of consumption.

E. Typical leaks that may be eligible for credit of Tier 1, Tier 2 and Sewer Use charges include underground or unseen, unknown leaks occurring in underground piping between the meter and the structure and pipes under the structure that can be accessed through a crawl space, leaks that are part of an irrigation system, broken irrigation backflow devices caused by freezing, broken hose bibs and garden hoses, faulty humidifiers or boilers, faulty fill valves on pools and water features, plumbing damaged by construction related to the property, plumbing or fixture failures due to pressure fluctuations, faulty backflow preventers, or other issues that do not drain into the sewer system. These leaks are typically continuous in nature.

F. Typical leaks that may be eligible for credit of Tier 1 and Tier 2 charges but not Sewer Use charges include leaking toilets, leaking faucets or other issues that drain into the sewer system.

G. Excess water use or leaks resulting from accidental water use, the continuous use of water to prevent pipes from freezing, or any other type of normal use are not eligible for reimbursement.

**ARTICLE 15 - DISCONTINUANCE OF SERVICE**

**15.01 Customer’s Request for Discontinuance of Service**

A Customer’s water and sewer service shall only be discontinued under a Washoe County demolition permit. All water and sewer charges will be discontinued when the conditions of the demolition permit have been met for discontinuation of service up to and including the removal of the water meter and the capping of the sewer line.

**15.02 Customers Request for Shut Off and Turn On of Service**

A Customer may have their water service shut off by giving not less than five (5) days advanced notice in writing to the District. There will be no reduction in the monthly water or sewer charges during the shut off of service. The shut off and turn on will be charged a total of one (1) service call if the water meter is accessible and the work is performed during business hours. If the shut off and turn on is requested after business hours, then the Customer will be charged the service call rate in Exhibit C for the shut off and turn on each. If the water meter is inaccessible, the Customer will be billed additional labor and equipment charges for making the meter accessible for shut off and turn on.

**15.03 For Nonpayment of Bills**

A Customer's service may be discontinued for non-payment of a bill for service furnished if the account becomes delinquent, provided the District has given the Customer at least five (5) days prior written notice of such intention. During the discontinuance for non-payment, full monthly charges will apply. Written notice postings may be billed a posting service charge, in accordance with Exhibit C.

Premises to which charges have become delinquent may be disconnected, and in the instance of sewer charges only being delinquent, water service may be disconnected. If sewer service is disconnected, charges for costs, labor and materials of discontinuing and resuming service as determined by the Director of Public Works.
15.04 **Liability for Bills**

Failure to receive bill does not relieve Consumer of liability. Any amount due shall be deemed a debt to the District, and any person, firm, or corporation failing, neglecting or refusing to pay said indebtedness shall be liable to an action in the name of the District in any court or competent jurisdiction for the amount thereof.

15.05 **For Noncompliance with Rules**

The District may discontinue service to any Customer for violation of these rules after it has given the Customer at least five (5) days written notice of such intention.

15.06 **For Infiltration or Illegal Connections**

Where negligence, infiltration, illegal connection or discharge of harmful wastes into the collection system, on or from a Customer's premises, occurs, the District may make such corrections as may be indicated at Customer's expense, if such practices are not remedied within five (5) days after it has given the Customer written notice to such effect.

15.07 **For Unsafe Apparatus or Where Service is Detrimental or Damaging to the District or its Customers**

If any unsafe or hazardous condition is found to exist on the Customer's premises, or if the sewage or waste there-from, by apparatus or illegal or prohibited connections, apparatus, equipment or otherwise, is found to be detrimental or damaging to the District or its Customers, or where safety of water supply is endangered, or discharge to the sewer is dangerous to public safety, the service may be discontinued without notice. The District will notify the Customer immediately of the reasons for the discontinuance and the corrective action to be taken by the Customer before service can be restored. Corrective action will be required to occur within a time frame set forth by the District.

15.08 **For Fraudulent Use of Service**

When the District has discovered that a Customer has obtained service by fraudulent means, or has altered the sewer service for unauthorized use, the service to that Customer may be discontinued without notice. The District will not restore service to such Customer until that Customer has complied with all filed rules and reasonable requirements of the District and the District has been reimbursed for the full amount of the service rendered and the actual cost of the District incurred by reason of the fraudulent use.

15.09 **Restoration of Service**

A. **During Regular Business Hours.** The District will endeavor to restore service during regular business hours on the day of the request, if conditions permit; otherwise, the District will endeavor to make the reconnection on the next business day following the day the request is made.

B. **Other Than Regular Business Hours.** When a Customer has requested the reconnection at a time outside of regular business hours, the District will reasonably endeavor to so make the reconnection if practicable under the circumstances, but will be under no obligation to do so, unless an emergency exists. A charge based on costs, including overtime rates, shall be billed to the customer for services rendered outside of regular business hours.
15.10 **Refusal to Serve**

A. **Conditions for Refusal.** The District may refuse an Applicant for service under the following conditions:

1. If the Applicant for service is not within the boundaries of the Incline Village General Improvement District.
2. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing Customers.
3. If the Applicant fails to comply with any of the rules as approved by the Board of Trustees.
4. If, in the judgment of the District, the Applicant's installation for utilizing the service is unsafe or hazardous or subject to freezing, or flooding, or of such nature that satisfactory service cannot be rendered.
5. Where service has been discontinued for fraudulent use, the District will not serve an Applicant until it has determined that all conditions of fraudulent use or practice have been corrected.
6. When the collection system or treatment facilities do not have capacity or the capability to receive and treat liquid waste without contamination of Lake Tahoe, or in violation of Federal, State and/or local government requirements.

B. **Notification to Customers.** When an Applicant is refused service under the provisions of this rule, the District will notify the Applicant promptly of the reason for the refusal to serve and of the right of the Applicant to appeal the District's decision to the Board of Trustees.
EXHIBIT A
Schedule of Sewer Service Charges

Monthly sewer charges are the summation of the following components:

1. Fixed Charge = $16.52 X CAF (1) X number of units.
2. Administrative / Customer Service Account Charge = $3.45 per account.
3. Capital Improvement Charge = $29.86 X CAF (1) X number of units.
4. Variable Cost (2) = $2.90 per 1,000 gallons of water use. [billed as sewer use charges]

(1) Capacity Adjustment Factor:

<table>
<thead>
<tr>
<th>Service Size for Billing Purposes</th>
<th>CAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Residential Customers</td>
<td>1.0</td>
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<tr>
<td>¾&quot;</td>
<td>1.0</td>
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<tr>
<td>1&quot;</td>
<td>1.67</td>
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<tr>
<td>1.5&quot;</td>
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<td>33.33</td>
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<tr>
<td>8&quot;</td>
<td>53.33</td>
</tr>
<tr>
<td>10&quot;</td>
<td>76.65</td>
</tr>
</tbody>
</table>

(2) Residential Variable Cost:

Variable sewer costs for residential customers are based on monthly water use (see #4, above) as follows:
During the non-irrigation months (December through April), the variable sewer cost is calculated using the metered water use value. During irrigation billing months (May through November), the variable sewer cost shall be the lesser of the metered water use value or the non-irrigation months’ average metered water use. The non-irrigation months’ average shall not be set at a value less than 3,000 gallons.

Typical monthly single-family residential sewer service charges with no metered water use:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Base rate (#1)</td>
<td>$18.17</td>
<td>$17.30</td>
<td>$14.85</td>
<td>$15.20</td>
<td>$15.81</td>
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<td>Capital rate (#3)</td>
<td>16.20</td>
<td>18.81</td>
<td>23.80</td>
<td>27.68</td>
<td>28.79</td>
<td>29.86</td>
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<tr>
<td>Administrative fee (#2)</td>
<td>3.15</td>
<td>3.20</td>
<td>3.20</td>
<td>3.25</td>
<td>3.35</td>
<td>3.45</td>
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<tr>
<td>Total Sewer:</td>
<td>$37.52</td>
<td>$39.31</td>
<td>$41.85</td>
<td>$46.13</td>
<td>$47.95</td>
<td>$49.83</td>
</tr>
</tbody>
</table>
EXHIBIT A
Schedule of Sewer Service Charges

Monthly sewer charges are the summation of the following components:

5. Fixed Charge = $17.55 X CAF (1) X number of units.
6. Administrative / Customer Service Account Charge = $3.65 per account.
7. Capital Improvement Charge = $30.25 X CAF (1) X number of units.
8. Variable Cost (2) = $3.00 per 1,000 gallons of water use.[billed as sewer use charges]

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<tr>
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<td>53.33</td>
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<tbody>
<tr>
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<td>Capital rate (#3)</td>
<td>18.81</td>
<td>23.90</td>
<td>27.68</td>
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<td>30.25</td>
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<td>Administrative fee (#2)</td>
<td>3.20</td>
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<td>3.25</td>
<td>3.35</td>
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<td>Total Sewer:</td>
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<td>$49.83</td>
<td>$51.45</td>
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### EXHIBIT B
Schedule of Sewer Connection Charges According to Water Meter Service Size

<table>
<thead>
<tr>
<th>Water Service Size for Billing Purposes</th>
<th>Sewer Connection Charge</th>
<th>Sewer Retroactive Capital Improvement Charge</th>
<th>Sewer Charge Total</th>
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<th>Sewer Retroactive Capital Improvement Charge</th>
<th>Sewer Charge Total</th>
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<tr>
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<td>$4,690</td>
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<td>1 inch</td>
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<td>Service</td>
<td>Fee</td>
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<td>-------------------------------</td>
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<tr>
<td>Plan Check Fee</td>
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<td>Inspections</td>
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<td>Service Calls</td>
<td>$40.00 per half hour (half hour minimum) with equipment billed at cost.</td>
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<td>Sewage Drop-off at Treatment Plant</td>
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<td>Administrative charge for check or fund transfer not honored by bank</td>
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<tr>
<td>Posting Service Charge</td>
<td>$20.00/each</td>
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ORDINANCE NO. 4

WATER ORDINANCE

AN ORDINANCE ESTABLISHING RATES, RULES AND REGULATIONS FOR WATER SERVICE BY THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

As Proposed for Adoption on April 25, 2017
Resolution No. ___
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Ordinance 4 - Water
As Proposed for Adoption on April 25, 2017
ARTICLE 1 - GENERAL PROVISIONS

1.01  Short Title

This Ordinance may be cited as "Incline Village General Improvement District Water Ordinance" and is hereinafter referred to as "Ordinance."

1.02  Enabling Statutes

This ordinance is adopted pursuant to NRS 318.170, 318.197, and 318.205, together with NRS 318.100 through 318.101, 318.116 (10), 318.140, 318.145, 318.175, and 319.199.

1.03  Words and Phrases

For the purpose of this ordinance, all words used herein in the present tense shall include the future; all words in the plural number shall include the singular number; and all words in the singular number shall include the plural number.

1.04  Water System

The District will furnish a system, plant, works and undertaking used for and useful in obtaining, conserving and disposing of water for public and private uses, including all parts of the enterprise, all appurtenances to it, and lands, easements, rights in land, water rights, contract rights, franchises, and other water supply, storage and distribution facilities and equipment.

1.05  Separability

If any section, subsection, sentence, clause or phrase of this ordinance or the application thereof to any person or circumstances is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance or the application of such provision to other persons or circumstances. The Board hereby declares that it would have passed this ordinance or any section, subsection, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared to be unconstitutional.

1.06  Pressure Conditions

All applicants for service connections or water service shall be required to accept such conditions of pressure and service as are provided by the distributing system at the location of the proposed service connection, and to hold the District harmless for any damages arising out of low pressure or high pressure conditions or interruptions in service.

1.07  Maintenance of Water Pressure and Shutting down for Emergency Repairs

The Board shall not accept any responsibility for the maintenance of pressure, and it reserves the right to discontinue service while making repairs and when necessary for the protection of property. Consumers dependent upon a continuous supply should provide emergency storage.

1.08  Tampering With District Property

No one except an employee or representative of the District shall at any time in any manner operate the meter curb stops, valves, or gate valves of the District's system; or interfere with meters or their connections, lock-out tags, meter stakes, street mains or other parts of the water system. Penalty for
violation of this section may be fined as shown in Exhibit C. Mainline tapping accepted with a State of Nevada "A" contractor’s license issued by the Nevada State Contractors Board.

1.09 **Posting**

The adoption of this Ordinance shall be entered in the minutes of the Board and certified copies hereof shall be posted in accordance with the State of Nevada Open Meeting Law, NRS 241, Section 020, pertaining to posting requirements.

1.10 **Relief on Application**

When any person by reason of special circumstances, is of the opinion that any provision of this ordinance is unjust or inequitable as applied to his premises, he may make written application to the Board stating the special circumstances, citing the provision complained of, and requesting suspension or modification of that provision as applied to his premises. If such application were approved, the Board may, by resolution, suspend or modify the provision complained of, as applied to such premises, to be effective as of the date of the application and continuing during the period of the special circumstances.

1.11 **Relief on Own Motion**

The Board may, on its own motion, find that by reason of special circumstances any provision of this regulation and ordinance should be suspended or modified as applied to a particular premise and may, by resolution, order such suspension or modification for such premises during the period of such special circumstances, or any part thereof.

1.12 **Penalty for Violation**

For the failure of the Customer to comply with all or any part of this ordinance, and any ordinance, resolution or order fixing rates, charges and penalties of this District, the Customer’s service shall be discontinued and the water shall not be supplied such Customer until he shall have complied with the rule or regulation, rate or charge which he has violated or, in the event that he cannot comply with said rule or regulation, until he shall have satisfied the District that in the future he will comply with all the rules and regulations established by ordinance of the District and with all rates and charges of this District.

1.13 **Ruling Final**

All rulings of the Board shall be final. All rulings of the General Manager shall be final unless appealed in writing to the Board within fourteen (14) days. All rulings of the Director of Public Works shall be final unless appealed in writing to the General Manager within fourteen (14) days.

**ARTICLE 2 - DEFINITIONS**

2.01 **Additional Definitions**

For the purpose of this ordinance, additional terms not specifically defined herein shall have the meaning indicated in Chapter 1 of the most recently adopted edition of the plumbing code entitled "Uniform Plumbing Code", (UPC) compiled by the International Association of Plumbing and Mechanical Officials, copies of which are on file with the District.
2.02 **Administrative / Customer Service Account Charge**
Portion of the monthly billing assessed to each water account for administrative and customer service costs.

2.03 **Agent**
A person or firm, corporation, partnership or association duly authorized with supporting documentation to complete requirements and performances of this ordinance.

2.04 **Applicant**
A person, firm, association, corporation or governmental agency applying for water service.

2.05 **Application**
A written request for water service as distinguished from an inquiry as to the availability or charges for such service.

2.06 **Auxiliary Water Supply**
Any water supply on or available to the premises other than the District’s potable water supply. These auxiliary water supplies may include water from wells, streams, lake, springs, creeks, rainfall collection systems, another purveyor’s water supply water or any other water source which the District does not have sanitary control over.

2.07 **Average Month**
Shall mean thirty (30) days.

2.08 **AWWA**
The American Water Works Association.

2.09 **Billing Period**
The regular billing period will be monthly or at the discretion of the District.

2.10 **Board**
The Board of Trustees of the District.

2.11 **Building**
A structure used for human habitation or a place of business, recreation or other purpose containing water facilities.

2.12 **Capacity Adjustment Factor**
The relative flow of each water service size as compared to that of a ¾” service.


<table>
<thead>
<tr>
<th>Water Service Size</th>
<th>Capacity Adjustment Factor (CAF)</th>
</tr>
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<tbody>
<tr>
<td>1&quot;</td>
<td>1.67</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>3.33</td>
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<tr>
<td>2&quot;</td>
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<td>3&quot;</td>
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<td>4&quot;</td>
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<td>6&quot;</td>
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<tr>
<td>8&quot;</td>
<td>53.33</td>
</tr>
<tr>
<td>10&quot;</td>
<td>76.65</td>
</tr>
</tbody>
</table>

2.13 **Capital Improvement Charge**

That portion of the monthly billing to pay for capital costs of service. For billing purposes, commercial customers will be billed this rate multiplied by the appropriate capacity adjustment factor for their service size.

2.14 **Contractor**

An individual, firm, corporation, partnership or association duly licensed by the State of Nevada to perform the type of work to be done under the permit.

2.15 **County**

The County of Washoe, Nevada.

2.16 **Cross-Connection**

Any unprotected actual or potential connection or structural arrangement between a public or a consumers potable water system and any other source or system through which it is possible to introduce into any part of the potable water system any used water, industrial fluids, gas, or substance other than the intended potable water with which the system is supplied. Bypass arrangements, jumper connections, removable sections, swivel or change over devices and other temporary or permanent devices through which or because of which backflow can occur are considered to be "cross connections."

2.17 **Customer**

The person in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or in the absence of a signed instrument, by the receipt and payment of bills regularly issued in his name regardless of the identity of the actual user of the service. In the case of single family or individually metered multiple family residences, the customer shall be the owner of the property served, but the billing for service may be sent to the owner in care of his agent with signed authorization from the owner.

2.18 **Customer Service Line**

All piping between the house piping and the service connections.
2.19 **Customer Service Valve**

The control valve downstream of the meter and meter box on the owner's property side of the service assembly.

2.20 **Date of Presentation**

The date upon which a bill or notice is postmarked or delivered to the Customer by the District.

2.21 **Director of Public Works**

The person appointed to perform the duties of Director of Public Works.

2.22 **District**

Incline Village General Improvement District (IVGID).

2.23 **District Engineer**

The Engineer appointed and acting for the District and shall be a Registered Civil Engineer in the State of Nevada.

2.24 **Excess Water Charge**

That portion of the monthly billing to pay excess costs of supplying water above baseline amounts. Excess amounts for customers are calculated in two steps: Tier 1 determines the cost for all water used greater than the gallon threshold set in Exhibit A multiplied by the capacity adjustment factor. Tier 2 determines the cost for all water used greater than the gallon threshold set in Exhibit A multiplied by the capacity adjustment factor.

2.25 **Fixed Charge**

That portion of the monthly billing to pay for fixed costs of services. For billing purposes, commercial customers will be billed this rate multiplied by the appropriate capacity adjustment factor for their service size.

2.26 **Fixture Unit**

As defined in the current adopted version of the Uniform Plumbing Code and the International Association of Plumbing and Mechanical Officials as approved by the Director of Public Works.

2.27 **General Manager**

Is the General Manager of the District.

2.28 **House Piping**

All piping and fittings installed within the house or building, up to and including the last fitting inside or outside the wall.
2.29 Inspector

That person so designated by the District Engineer to perform inspections, tests, fixture unit counts, and related work in determining compliance with IVGID construction specifications, standards and ordinances.

2.30 Law

Any statute, rule, ordinance, bylaw or regulation established by Federal, State, County, or Municipal authorities.

2.31 Main Extension and/or Capacity Enhancement

The extension or replacement of water distribution mains and necessary facilities beyond existing service facilities in accordance with the provisions of this ordinance applicable to main extensions and/or capacity enhancements.

2.32 Meter Curb Stop

The control valve on the inlet side of the meter, located within the meter box for use by District employees only.

2.33 Metered Service

Is a service for which charges are computed on the basis of measured quantities of water, sewage, or liquid wastes.

2.34 Owner

The person owning the property, or the person in whose name the legal title to the property appears, by deed duly recorded in the County Recorder's Office, or the person in possession of the property or building under claim of, or exercising acts of ownership over same for himself, or as executor, administrator, guardian or trustee of the Owner.

2.35 Permanent Service

A service which, in the opinion of the District, is of a permanent and established character. The use of water may be continuous, intermittent or seasonal in nature.

2.36 Permit

Any written authorization required pursuant to this or any other regulation of District for the installation of any water works.

2.37 Person

Any individual, partnership, corporation, governmental agency, or other organization operating as a single business entity.
2.38 Premises

All of the real property and services to a single integrated activity operating under one name to one or more buildings, locations or services, provided: (a) such buildings, locations or services are to a single unit of property; or (b) such buildings, locations or services are on two or more units of property immediately adjoining except for intervening public highways, streets, alleys or waterways.

2.39 Private Communal Water System

Any system served by District water under the responsibility for maintenance by others and ownership by others.

2.40 Public Service Recreation

Accounts where the primary irrigation water use is for outdoor parks and recreation accessible to the public, and as such are not subject to excess water charges as defined in Exhibit A. These include parks and recreation facilities, golf courses, snowmaking, and school playgrounds and fields. Customers may submit a written petition to the Director of Public Works requesting qualification as a Public Service Recreation irrigation account.

2.41 Regular Water Service

Water service and facilities rendered for normal domestic, commercial and industrial purposes on a permanent basis, and the water available therefore.

2.42 Service Classification

Shall be defined as follows:

A. Commercial Service: Service to Customers engaged in selling, warehousing, or distributing a commodity, in some business activity, or in a profession, or in some form of economic or social activity (offices, stores, clubs, schools, hotels, etc.) and for purposes that do not come directly under another classification of service. Service that has both residential and commercial use shall be billed as a commercial service.

Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential use on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a commercial service if the total square footage of the occupied building space is greater than 50% commercial. Garages, sheds, and other auxiliary spaces are not used for this calculation.

B. Domestic Service: Service to a residential Customer.

Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential service on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a residential service if the total square footage of the occupied building space is greater than 50% residential. Garages, sheds, and other auxiliary spaces are not used for this calculation.
B.C. Mixed Use Service: Mixed use service has commercial and residential service. Mixed use premises may install two separate water and sewer services to separate the commercial from the domestic uses and pay appropriate rates and connection fees for domestic and commercial service.

C.D. Industrial Service: Service to Customers engaged in a process which creates or changes raw or unfinished materials into another form or product (factories, mills, machine shops, pumping plants, etc., i.e., in extractive fabrication or processing activities).

D.E. Irrigation Service: Service to Customers for agricultural, floricultural or horticultural use shall be billed as a commercial service.

E.F. Private Fire Protection Service: means water service and facilities for building sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection and the water available therefore.

F.G. Public Fire Protection Service: means the service and facilities of the entire water supply, storage and distribution system of the District, including the fire hydrants affixed thereto, and the water available for fire protection, excepting house service connections and appurtenances thereto.

G.H. Single Family Residential Unit: A single family residential unit shall mean a single family dwelling that is designed for residential occupancy by one or more persons for sleeping, eating, cooking and sanitation purposes.

This service classification can include a family operated business within or part of the family residence, and the supporting services to the family residence, and the supporting services to the family residential customer on the same un-subdivided premises as the family residential unit. The fixture unit count for these services shall be added to the single-family unit in determining connection charges.

H.J. Multi-Family Residential Unit: The place of residence of a single family dwelling within a multi-unit complex, Common Interest Community, mixed use service with greater than 50% square footage of residential area, or Condominium Hotel. The single family dwelling premises and the service thereto, whether a separate building, a multiple building, a townhouse, an apartment, a mobile home, a condominium or any other type of living unit that is designed for residential occupancy by one or more persons for sleeping, eating, cooking and sanitation purposes. Clubhouses, pool-houses, restaurants and similar facilities that are part of a multi-unit complex, Common Interest Community, or Condominium Hotel will be counted as additional units for billing purposes in determining base rates.

2.43 Service Connections

The point of connection is where the Customer's service line connects with the District's water meter. If the water meter is at a location other than the property line or easement boundary, the point of connection is where the customer's piping connects to the District water supply piping at the property line or easement boundary. The water meter is the property of the District and may be placed at a location other than the property line or easement boundary for the convenience of the District. For unmetered connections such as fire hydrants the point of connection is where the Customer's piping connects with the District water supply piping at the property line or easement boundary. The customer owns the water service connection.
The pipeline and appurtenant facilities such as the meter curb stop, meter and meter box, all used to extend water service from a main to premises, the laying thereof and the tapping of the main. Where services are divided at the curb or property line to serve several customers, each such branch service shall be deemed a separate service connection.

2.44 Service Size for Billing Purpose

Water service size for billing purposes is a single size even when compound water meters are used. The water service size for billing purposes is determined by correlating the calculated demand for the customer service connection using the Uniform Plumbing Code or from standard engineering practice to a standard water meter flow rate capacity. This calculated water service size for billing purposes may vary from the actual meter size installed because certain site conditions necessitate the installation of a larger meter than required by the flow capacity and/or modern turbo meters span a very large range of flow rates.

2.45 Temporary Water Service

Water service and facilities rendered for construction work and other uses of limited duration, and the water available therefore.

2.46 Variable Cost

That portion of the monthly billing used to pay for the variable costs of service, which are calculated based on water use.

2.47 Water Main

A water line in a street, highway, alley or easement used for public and private fire protection and for general distribution of water.

2.48 Water Waste

Water waste is the negligent or wasteful discharge of water from a hose, sprinkler head, irrigation pipe, water main, indoor and outdoor plumbing fixtures and/or water service, which is flowing into the sanitary sewer system, street, roadside ditch, storm drain, driveway, adjacent property and/or sidewalk creating puddles, streams of water or flooding during an extended period of time.

2.49 Will-Serve Letter

As used herein a "will-serve" letter means a letter written by the District at the request of an applicant with respect to a subdivision, commercial or multi-family residential project to confirm (1) that the subdivision or project is within the District boundaries and (2) that, if water is available to serve the proposed connection(s) at the time service is requested under the standards set forth in Article 5, the District is willing to provide water service thereto upon compliance with all District requirements and payment of all applicable District fees and charges.

ARTICLE 3 - NOTICES

3.01 Notices to Customers

Notices from the District to a Customer will normally be given in writing, and either delivered by hand, electronically or mailed to him at his last known address. Where conditions warrant and in emergencies, the District may resort to notification either by telephone or messenger.
3.02 Notices from Customers

Notice from the Customer to the District may be given by him or his authorized representative in writing to the District's office.

ARTICLE 4 - WATER DEPARTMENT

4.01 Creation

A Water Department is hereby created comprised of the Board, General Manager, and Director of Public Works.

4.02 General Manager

The General Manager shall have full responsibility for the maintenance, operation and construction of the water works and system. He shall have full power and authority to employ and discharge all employees and assistants. He shall prescribe the duties of employees and assistants. He shall fix and alter the compensation of employees and assistants subject to approval by the Board. He shall have charge of all employees and assistants. He shall perform such other duties as are imposed from time to time by the Board, and shall report to the Board in accordance with the rules and regulations adopted by the Board.

4.03 Director of Public Works

The position of Director of Public Works is hereby created. He shall have charge of the Utilities of the District. This shall include all maintenance, operation and construction of the water works, and the billing for and collecting the charges herein provided. He shall perform such other duties as shall be determined by the General Manager.

A. Duties. The Director of Public Works shall compute, prepare and mail bills as hereinafter prescribed; make and deposit collections, maintain proper books of account, collect, account for and refund deposits, do whatever else is necessary or directed by the Auditor of the District to set up and maintain an efficient and economic bookkeeping system and perform any other duties now or hereafter prescribed by the Board.

(1) He shall regularly inspect all physical facilities related to District Water System, to see that they are in good repair and proper working order, and to note violations of any water regulations. He shall also perform the duties of water inspector.

(2) He shall set the design criteria for and provide approval of public and communal water systems and maintain compliance with all of the provisions of the ordinance, rules and regulations of the District.

B. Violation, Repairs. He shall report any violations or disrepair promptly to the General Manager. If the work required is in the nature of an emergency, he shall take whatever steps are necessary to maintain service to users pending action by the General Manager.

C. Supervision. He shall supervise all repairs or construction work authorized by the Board or General Manager, and performs any other duties prescribed elsewhere in the ordinance or which shall be hereafter prescribed by the Board or General Manager.
4.04 Inspections

The District shall perform inspections on all utility and residential construction within the District to assure compliance with IVGID standards and specifications. All existing residential, commercial, industrial, and irrigation services are subject to inspection for proper operation of backflow prevention, cross-connection control and pressure regulating devices. Inspection of existing devices shall be scheduled with the property owner or property manager. If the property owner or property manager refuses access, Article 4.06 of this Ordinance shall apply.

4.05 Performance of Duties

The foregoing duties of the Director of Public Works may be performed by the General Manager or by a designated employee or employees, as the General Manager may direct, so long as those decisions or actions that require professional engineering judgment are performed by a registered Professional Engineer.

4.06 Consequences of Denial of Entry or Access

Where an owner or user, after having received reasonable notice from the District, refuses to permit properly identified District personnel to enter or have access to premises or facilities in accordance with the above Sections, the District may forthwith give written notice of its intent to terminate water, sewer and trash service to such user. Such notice shall be given in accordance with Article 9 Billing and Article 10 Discontinuance of Service, and termination based on these Sections shall be treated as a termination for refusal of access under said Article 4.

4.07 Violation

Any person found to be violating any provision of this or any Ordinance, rule or regulation of the District, shall be served by the Inspector or other authorized person with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. Said time limit shall be ten (10) business days. The offender shall, within the period of time stated in such notice, permanently cease all violations. All persons shall be held strictly responsible for any and all acts of their agents or employees done under the provisions of this or any other Ordinance, rule or regulation of the District. Upon being notified by the Inspector of any violation of this Ordinance, the person or persons having charge of said work shall immediately correct the same.

A. Amounts. Violations of these Regulations shall be subject to civil monetary penalties established by

(1) Applicable Nevada statutes or administrative code;

(2) Nevada Environmental Protection Division and the District, and

(3) By such penalty schedules as may from time to time be adopted by the District and appended to these Regulations.

B. Continuing Violations. For purposes of the computation of penalties, each day of a continuing violation of these Regulations shall be deemed to be separate violation.

4.08 Water Pressure and Supply

The District assumes no responsibility for loss or damage due to lack of water or pressure, either high or low, and merely agrees to furnish such quantities and pressures as are available in its general distribution system and as required by Nevada NRS rules and regulations. The District will
endeavor to give reasonable notice to customers before a curtailment of services; however, the District shall not be liable for shutdowns or variations to the system that occurs without prior notice by the District.

ARTICLE 5 - APPLICATION FOR REGULAR WATER SERVICE

5.01 Form of Application

A property owner or his agent shall make application for regular water service on the form provided for its intended use.

5.02 Calculation of Fixture Units

The number and type of fixture units shall be as defined in the Uniform Plumbing Code as adopted herein, with the exception of exterior landscaping irrigation systems. The fixture unit charge for exterior landscaping irrigation systems will only be assessed upon application for an irrigation meter. Other interpretations or calculations of fixture unit counts for fixtures not listed in the Uniform Plumbing Code shall be at the discretion of the General Manager or his designee.

5.03 Undertaking of Applicant

Such application will signify the Customer's willingness and intention to comply with this and other ordinances or regulations relating to the regular water service and to make payment for water service required.

5.04 Payment for Previous Service, Special Assessments, Ad Valorem Taxes and Recreational Revenue Charges

An application will not be honored unless payment in full has been made for water and other services previously rendered to the Applicant by the District, and unless all special assessments, ad valorem taxes and recreational revenue charges on the parcel of land to be served are paid current.

5.05 Installation Charges

Where a regular charge has been fixed for the type of service connection desired, such regular charge shall be paid in advance by the Applicant. Where there is no regular charge, the District reserves the right to require the Applicant to deposit an amount equal to the estimated cost of such service connection.

5.06 Installation of Services

Service installations will be made only to property abutting on distribution mains as have been constructed in public streets, alleys or easements, or to extensions thereof as herein provided. Services installed in new subdivisions prior to the construction of streets or in advance of street improvements must be accepted by the Applicant in the installed location. Any change in location or alterations of water services shall be borne by the Applicant.

5.07 Changes in Customer's Equipment

Customers making any material change in the size, character or extent of the equipment or operations utilizing water service, or whose change in operations results in a large increase in the use of water, shall immediately give the District written notice of the nature of the change, and, if necessary, amend their application.
5.08 **Size and Location**

The District reserves the right to determine the size of service connections and their location with respect to the boundaries of the premises to be served. The laying of Consumer's pipeline to the curb should not be done until the location of the service connection has been approved by the Director of Public Works or his designee.

5.09 **Meter Curb Stop**

Every service connection installed by the District shall be equipped with an approved valve on the inlet side of the meter. If a valve is damaged by the Consumer's use, repairs or replacement shall be at the Consumer's expense. The customer shall not operate the meter curb stop located on the inlet side of the meter located within the meter box.

5.10 **Domestic, Commercial and Industrial Service Connection**

It shall be unlawful to maintain a connection excepting in conformity with the following rules:

A. **Separate Building.** Each house or building under separate ownership must be provided with a separate service connection. Two or more houses under one ownership and on the same lot or parcel of land may be supplied through the same service connection, an additional minimum base rate will be applied to the single meter serving said houses, or a separate service connection may be provided for each building. The Board reserves the right to limit the number of houses or the area of land under one ownership to be supplied by one service connection.

B. **Single Connection.** Not more than one service connection for domestic or commercial supply shall be installed for one building, except as approved by the District.

C. **Different Owners.** A service connection shall not be used to supply adjoining property of a different owner or to supply property of the same owner across a street or alley.

D. **Divided Property.** When property provided with a service connection is divided, each service connection shall be considered as belonging to the lot or parcel of land which it directly enters and each other lot or parcel of land shall require a new service connection and metering device.

E. **Multiple Service.** A Common Interest Community or Condominium Hotel which consists of two or more assessors' parcels and will be managed by an Association shall install and maintain one service connection and metering device, provided, however, the District may limit the number of dwelling units that may be supplied through one service connection or device. A Common Interest Community, which consists of two or more assessors' parcels and is not or will not be managed by an Association, shall install and maintain a separate service connection and metering device to each dwelling unit within the development. A Common Interest Community or Condominium Hotel managed by an Association may elect, at their cost, to have installed and maintained a separate service connection and metering device for each dwelling unit within the development. In all cases, the Common Interest Community or Condominium Hotel shall be responsible for securing to the District all access easements the District deems necessary, prior to connection to the District's water system.
5.11 Service Connections

The service connections extending from the water main to the property line and including the meter, meter box, meter lid and meter curb stop, shall be maintained by the District except as otherwise stated. All pipes and fixtures extending or lying beyond the property line shall be installed and maintained by the owner of the property.

5.12 Individual Liability for Joint Service

Two or more parties who join in one application for service shall be jointly and severally liable for payment of bills and shall be billed by means of single periodic bills.

5.13 Special Cases

District will require a written contract with special guarantee from Applicants whose unusual characteristics of load would require excessive investment in facilities or whose requirements for service are of a special nature.

5.14 Water Used Without Service Application Being Made

A person taking possession of premises and using water from an active service connection without having made application to the District for water service shall be held liable for the water delivered from the date of such possession or the earliest date of occupancy which can be reasonably established. Where services are not metered, the quantity consumed will be estimated. If proper application for water service is not made upon notification to do so by the District, and if accumulated bills for service are not paid immediately, the service may be discontinued by the District without further notice.

5.15 Connection to System Required Within 540 Days of Application

Any application that has been accepted by the District shall be considered vacated if the Applicant fails to commence construction and connection to the District's water system within 540 days of such acceptance. The fees collected for such application shall be returned to the Applicant, upon written request, and a new application and payment of fees will be required before service will be provided. Connection fees shall be charged at the rate in effect on the day of application for a Building Permit from Washoe County. Connection(s) not made within 540 days will be subject to the current rates in effect at the time of connection. Previously paid connection fees shall be credited to the new connection fee rate. Payment of connection fees constitutes acceptance of a new service connection application by the District. No fees will be refunded after connection.

5.16 Changes in Use or Uses of Served Property

Any changes in the use or uses of properties served by regular water service which may affect the service classification under which it is served or the number of fixture units served must have the prior approval of the District. Examples of such changes would be adding plumbing fixtures not previously approved in applying for service; modifying a residence to accommodate more single family units than were approved, changes to irrigation systems, or such other changes that would similarly change the character of the building and/or grounds. Such changes in use shall be subject to the Connection Charge as contained in Article 5 of this ordinance and payment of such charges shall be made upon application for such change. If such change is made without application, it shall be considered to have been made in conflict with Article 9.09 and subject to the same corrective measures.
Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential use on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a commercial service if the total square footage of the occupied building space is greater than 50% commercial. Premises that have both residential and commercial use shall be billed as a residential service if the total square footage of the occupied building space is greater than 50% residential. Garages, sheds, and other auxiliary spaces are not used for this calculation.

5.17 General

All costs and expenses incident to the installation and connection of any water service or other work for which a permit has been issued shall be borne by the Applicant, and shall be in addition to all fees, service and connection charges provided for in the District Water Ordinance. The Owner shall indemnify District for any loss or damage that may directly or indirectly be occasioned by the work. All work shall be made by or be authorized by the District. Any new construction, addition, remodel, or demolition requiring the issuance of a Washoe County Building permit shall require written approval and final acceptance by a District Inspector.

5.18 Connection Charge

The following charges are hereby established and shall be collected at the time of issuing the permit for a water connection. Connection fees shall be charged at the rate in effect on the day of application for a building permit from Washoe County. Connections not made within 360 days will be subject to the current rates in effect at the time of connection. Previously paid connection fees shall be credited to the new connection fee rate. Previously paid connection fees for service are non-refundable in all situations including reversion to acreage. Payment of connection fees constitutes acceptance of a new service connection application by the District. No fees will be refunded after connection.

A. Units Inside of District. Water connection fees shall be charged as shown in Exhibit B. Each dwelling of multiple dwellings on a single parcel shall constitute a separate unit. Mixed use services that has been determined to be billed as residential will be billed one connection charge for each residential unit and each equivalent residential unit per 39 fixture units of commercial service. Fractions will be rounded to nearest whole number, example: 58 fixture units = 1.49 and rounded to 1.0 units, 59 fixture units = 1.51 and rounded to 2.0 units. The minimum equivalent residential unit amount shall be 1.0 (one).

B. Fire Protection. There are no connection fees for fire protection.

C. Units Outside of District. Persons desiring connection of property located outside the District to the water system of the District shall pay to the District a connection charge at the rate of one and one-half (1½) times the minimum charge for a District customer. Nothing in this ordinance shall require the District to serve properties located outside the District.

D. Remodeling Connection Charges. If remodeling necessitates upgrade of the water meter connection fees shall be charged equal to the fee for that meter size as described in Item A above minus the water connection fee for the existing meter size. All existing residential connections are deemed ¾ inch unless a connection fee has been paid to the District for an upgrade.
E. **Plan Check Fee.** In accordance with the District's most recently adopted revision of the Uniform Plumbing Code, a plan check fee shall be required for all plans requiring the District's approval. Each plan revision requiring rechecking shall necessitate the charge of an additional plan check fee. Plan checking is performed for both water and sewer considerations concurrently. Only one plan check fee is collected per set of drawings, even if both water and sewer systems are affected. Plan check fees shall be invoiced at a rate as shown in Exhibit C, and are subject to change from time to time at the discretion of the Director of Public Works.

F. **Inspection Fee.** Inspection fees shall be at rate as shown in Exhibit C.

5.19 **Subdivisions**

A. **Application.** Any person desiring to provide a water system within a tract of land that he proposes to subdivide shall make written application to the District. Such application shall contain streets dedicated and accepted by the County and/or all utility extensions to service the project or subdivision.

B. **Contents.** The application shall state the number of the tract, the name of the subdivision, and its location. It shall be accompanied by a copy of the final map, and of the plans, profiles and specifications for the street work therein.

C. **Investigation.** Upon receiving the application, the District Engineer shall make an investigation and survey of the proposed subdivision and shall report his findings to the Board, including a recommendation as to the facilities required and the estimated cost of the proposed water system therefore.

D. **Specifications and Construction.** The size, type and quality of materials and location of the lines shall be specified by the Water Department and the actual construction will be done by the Water Department or by a contractor acceptable to it, supervised and inspected by the District.

E. **Adjustment.** Adjustments of any substantial difference between the estimated and actual number of feet of line installed shall be made at or before the completion of the installation, and any excess shall be refunded and any shortage will be paid to the District.

F. **Property of District.** All facilities shall be the property of the District and the total amount of credits and refunds shall not exceed the original deposit.

G. **Connections.** The subdivider shall, at his cost, provide all connections to houses constructed by him, as herein provided.

H. **Plan Checking Fee.** Any person requiring approval of plans by the District, or desiring plan checking shall pay to the District the following fee or fees. Plan checking fees shall be invoiced at a rate as shown in Exhibit C. If any portion of the plans after being checked is required to be redrawn or rechecked, the Applicant shall pay additional plan check fees.

5.20 **Will Serve Letters**

A. **Standards for Granting or Denial of Requests for "Will-Serve" Letters.**

(1) No "will-serve" letters shall be issued by the District for any project if, in the judgment of the Board, it is likely that the District will be unable to permit the project to be connected to the District's water system when application is made for connection. In
making this determination, the Board shall take into account the estimated amount of water that will be required to serve the entire project at full development, the additional connections the District is likely to have made to its water system before application for connection for the project can properly be made, and the amount of water the District is likely to have available at that time.

(2) No "will-serve" letters shall be issued for any project if, in the judgment of the Board, the effect of permitting the project to be connected to the District's water system is that it will be likely to prevent others who have already obtained "will-serve" letters from the District, and who have proceeded with the development of their projects without unreasonable delay, from being able to have their projects connected to the District's water system. In making this determination, the Board shall take into account the projects for which such letters are outstanding, the current status of those projects, and the dates on which "will-serve" letters were issued by the District with respect to those projects.

B. Effect of "Will-Serve" Letter. The issuance of a "will-serve" letter by the District or previously paid connection fees shall not obligate the District to reserve a connection for the project for which the letter has been issued, nor shall it confer any special preference or entitlement for connection to or service from the District. This section is declarative of the District's existing policy and practice with respect to "will-serve" letters.


(1) Requests for "will-serve" letters shall be considered by the Board on a case-by-case basis. Any person requesting a "will-serve" letter from the District shall submit a written request therefore to the District. The request shall include the following information:

a. It shall identify by name, mailing address and telephone number the person requesting a "will-serve" letter from the District.

b. It shall identify by lot, block, subdivision, assessor's parcel number, and service address, the property with respect to which the "will-serve" letter is requested.

c. It shall state the existing zoning classification of the property and, if any zoning change is proposed, the proposed zoning classification of the property.

d. It shall state the number of any residential units, and the approximate number of square feet and the type of use of any commercial space to be included in the project.

e. It shall disclose the anticipated starting and completion dates for the construction of the project.

D. Standards for Granting or Denial of Applications for Connections.

(1) Applications for connections shall be considered by the District on a first-come, first-served basis without reservation. Except as otherwise expressly provided herein and in subparagraphs B through C of this Section, applications shall be entitled to priority based on the date the application is filed and all applicable District connection fees are paid; provided, however, that notwithstanding the foregoing or any other provision of this Ordinance No. 4, approval of an application shall continue to be effective only if the applicant commences construction within one hundred eighty (180) days unless the District grants an extension of time. Time extensions may be granted where the applicant shows the delay in commencement of construction has been caused by an occurrence beyond his control and which is not attributable to his fault or neglect. All
applicants shall be required to complete construction within the time limit set forth in Article 5.14 of this Ordinance.

(2) Applications for connections shall not be granted unless the District has sufficient water to serve the connection without substantial risk of impairing service to existing customers. In making its determination, the impact of any required water conservation practices shall be taken into account.

(3) Notwithstanding subparagraphs above, this Section shall not be construed to prohibit the District from granting an application to any applicant who assigns to the District water rights to a quantity of water equal to the projected water demand of the requested water service.

E. Required Assignment of Water Rights.

(1) In addition to compliance with all other standards for granting applications for connections, all applicants shall be required to assign to the District any and all water rights for the parcel which may be used to help meet the projected water demand of the applicant's project.

(2) All applicants for multi-family residential, tourist accommodation unit, public service and commercial developments are required to assign water rights to I VGID in an amount sufficient to support the proposed development as a condition of project approval (i.e., issuance of will serve letter, sign off on condo plat, approval of plans, etc.) Water rights assigned to I VGID as a condition of project approval will not revert back to the applicant that assigned these rights. All assignment of water rights to I VGID shall be completed and approved by State’s Engineers Office prior to I VGID approval of final plans. Water rights shall be dedicated to I VGID with the appropriate permit conditions as defined by the Director of Public Works.

F. Procedure for Consideration of Applications for Connections.

(1) Applications for Single Family Residential connections shall continue to be processed by staff. All other applications for connections shall be considered by the Board on a case-by-case basis. Applications to be considered by the Board shall be made on the District’s regular application form and shall include the following additional information:

(2) The Applications shall state the existing zoning classification of the property and, if any zoning change is proposed, the proposed zoning classification of the property.

(3) The Application shall state the number of any residential units, and the approximate number of square feet and the type of use of any commercial space to be included in the project.

(4) The Application shall disclose the anticipated starting and completion dates for the construction of the project.

ARTICLE 6 - APPLICATION FOR REGULAR WATER SERVICE WHEN MAIN EXTENSION AND/OR CAPACITY ENHANCEMENT ARE REQUIRED

6.01 Application for Main Extension and/or Capacity Enhancement

The following rules are established for making main extensions and/or capacity enhancement:

A. Application. Any owner of one or more lots or parcels, or subdivider of a tract of land, desiring the extension of one or more water mains to serve such property, shall make a
written application therefore to the District, said application to contain the legal description of the property to be served and tract number thereof, and any additional information which may be required by the District, and be accompanied by a map showing the location of the proposed connections.

B. **Investigation.** Upon receipt of the application, the Director of Public Works shall make an investigation and survey of the proposed extension and/or enhancement and shall report his finding to the Board, including the estimated cost thereof.

C. **Ruling.** The Board shall thereupon consider said application and report, and after such consideration, reject or approve it.

D. **District Lines.** All extensions thus provided for, in accordance with those regulations, shall be and remain the property of the District.

E. **Dead-End Lines.** No dead-end lines shall be permitted, except at the discretion of the District Engineer, and in cases where circulation lines are necessary they shall be designed and installed by the Water Department as a part of the cost of the extension.

6.02 **General**

All costs and expenses incident to the installation and connection of any water service or other work for which a permit has been issued shall be borne by the Applicant, and shall be in addition to all fees, service and connection charges provided for in the District Water Ordinance. The Owner shall indemnify District for any loss or damage that may directly or indirectly be occasioned by the work. All work shall be made by or be authorized by the District.

6.03 **Determination**

If, in the opinion of the Board, the cost of a water main extension and/or enhancement is in excess of what the Board is prepared to advance, or it questions the economic advantage to the District of making such advance, then the entire cost of such improvement, including all off-site costs made necessary to provide the necessary service, shall be borne by the Applicant, subject to the Refund Agreement provided in Article 6.04 following.

6.04 **Refund Agreement**

A. Any property owner who shall subsequently apply for a permit to connect to said main extension and/or capacity enhancement shall pay to the District his proper pro rata of the cost thereof, the amount of which shall be determined by the Director of Public Works. The amount so paid shall be refunded by the District to the original applicant.

B. Upon termination of a ten (10) year period, any pro rata share shall become the property of the District.

**ARTICLE 7 - GENERAL USE REGULATIONS**

7.01 **Number of Services per Premises**

The Applicant may apply for as many services as may be reasonably required for his premises provided that the pipeline system for each service is independent of the others and that they not be interconnected.
7.02 Water Waste

A. No Customer shall knowingly or negligently cause water waste within the District service area. Where water is wastefully or negligently used on a property, the District may discontinue the service if such conditions are not corrected within 72-hours after giving notice to the customer, owner or designated property manager.

B. If service is disconnected due to failure to stop the waste, a turn-off fee (service call) will be charged. If the violation occurs again, the service may be disconnected and may not be restored until corrections are made to stop the waste. Continued violations may result in continued turn-offs. Fees and penalties are shown in Exhibit C.

7.03 Responsibility for Equipment on Customer Premises

All appurtenances installed by the District on private property for the purpose of rendering water service shall remain the property of the District and may be maintained, repaired or replaced by the Water Department without consent or interference of the Owner or occupant of the property. The property owner shall use reasonable care in the protection of the attributes. No payment shall be made for placing or maintaining said attributes on private property. Easements and rights-of-way are to be kept free of encroachment of any kind, and District shall have access to such areas, and any obstructions or encroachments in these areas shall be removed at the expense of the Customer and/or Owner. All meters and meter boxes must be clearly marked and accessible and are to be kept free of encroachment of any kind. Any obstructions, encroachments and/or inaccessibility conditions will be removed at the Customer’s and/or Owner’s expense, and shall become a charge on the customer’s bill. The District has no responsibility to return the site to anything but its natural, un-landscaped condition.

7.04 Damage to Water Distribution System

The Customer shall be liable for any damage to the water distribution system when such damage is from causes originating on the premises by an act of the Customer or his tenants, agents, employees, contractors, licensees or permittees, including the breaking or destruction of locks or tags by the Customer or others on or near a meter, and any damage to a meter that may result from hot water or steam from a boiler or heater on the Customer's premises. The District shall be reimbursed by the Customer for any such damage promptly on presentation of a bill. Damage to water system would also include, but not be limited to, damage to meter boxes, fire hydrants, water valves, lids, vaults and boxes, removal of meter location stakes, service lines and distribution system.

7.05 Ground Wire Attachments

All individuals or business organizations are forbidden to attach any ground-wire or wires to any plumbing which is or may be connected to a service connection or main belonging to the District. The District will hold the Customer liable for any damage to its property occasioned by such ground-wire attachments. Bonding to a copper water line will be accepted in accordance with the electrical code.

7.06 Customer Service Valve on the Customers Property

The Customer shall provide a valve on his side of the service installation, as close to the meter location as practicable, to control the flow of water to the piping on his premises. The Customer shall not use the meter curb stop to turn water on and off.
7.07 Relief Valves and Regulating Valves

As a protection to the Customer's or Owner's plumbing system, a suitable pressure relief valve and pressure regulating valve must be installed and maintained at the customer's or owner's expense. When check valves or other protective devices are used, the relief valve and an expansion tank shall be installed between the check valves and the water heater.

7.08 Service Size

Where increased meter and service sizes are required, the main is to be exposed by the Owner's contractor, and all work to be performed by the Owner's contractor, including materials. The District will endeavor to provide the location of the main.

7.09 Discontinued Service

The service of water to any premises may be immediately discontinued by the District if any defect is found in the check valve installations or other protective devices, or if it is found that dangerous unprotected cross-connections exist. Services will not be restored until such defects are corrected.

7.10 Interruptions in Service

The District shall not be liable for damage which may result from an interruption in service from a cause beyond the control of the District.

7.11 Ingress and Egress

Representatives from the District shall have the right of ingress and egress to the Customer's premises at reasonable hours for any purpose reasonably connected with the furnishing of water service.

7.12 Non-Existant Services

Where service lines do not exist from the main to the property line, the Applicant is responsible for service line installation and costs under the Ordinances, Rules and Regulations of the District.

7.13 Pools and Tanks

When an abnormally large quantity of water is desired for filling a swimming pool or for other purposes, arrangements must be made with the District prior to taking such water. Permission to take water in unusual quantities will be given only if it can be safely delivered through the District's facilities and if other consumers are not inconvenienced thereby.

7.14 Responsibility for Equipment

The Customer shall, at his own risk and expense, furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water, and the District shall not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence or wrongful act of the Customer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, operating or interfering with such equipment. The District shall not be responsible for damage to property caused by faucets, valves and other equipment that are open when water is turned on at the meter, either originally or when turned on after a temporary shutdown. Costs of repairs, replacements or disruption of services shall be borne by the Customer.
7.15 Use of Siphons

No siphon of any nature shall be operated from any service connected to the District's system.

7.16 Periods of Water Shortage

The District shall have the right to restrict the use of and apportion its available water supply during any emergency or other threatened or existing water shortage and may prohibit use of such water during such periods for specific uses which the District may from time to time find to be nonessential.

7.17 Uniform Plumbing Code/IAPMO

A. The following Uniform Plumbing Code provisions are made a part of this ordinance.

B. By this Ordinance revision all reference to and use of the current adopted version of the Uniform Plumbing Code and the International Association of Plumbing and Mechanical Officials (IAPMO) Installation Standards, as approved by the Director of Public Works and all other ordinances or parts of ordinances in conflict with the hereafter adopted new ordinance revision are herewith and hereby repealed.

C. District Ordinances 2 and 4, as accepted and amended, supersede any UPC requirements and definitions which differ.

7.18 Responsibility for Loss or Damage

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

B. The person will be held responsible for damage to the District's facilities and other property resulting from the use or operation of appliances and facilities on customer's premises, including damage caused by broken or leaking connection lines or internal plumbing, steam, hot water, chemicals, electrical connections, pressure, etc.

C. Contractors, Owner's agents, or other persons responsible for damage to District property shall be required to pay for repair, replacement or other compensation resulting from such damages.

D. The District assumes no responsibility for loss or damage due to water loss or pressure. The District merely agrees to furnish such capacity in its general distribution system as required by the Nevada NRS rules and regulations. The District will endeavor to give reasonable notice to customers before curtailment of services. However, the District shall not be liable for shutdown or variations to the system that occur without prior notice by the District.

ARTICLE 8 - METERS

8.01 Meter Charge

Meters will be installed on all services. This ordinance establishes the minimum meter size to be one (1) inch. Upon required change of size by the District or by customer request for upgrade from the
previous standard of 3/4" meter size (or for any size upgrade that has properly been invoiced), flat rate services will not be allowed. Meter charges, will be billed in accordance with Exhibit C.

A. All meter charges are based upon materials and labor costs, and are subject to change at the direction of the Director of Public Works if increased or decreased labor and materials costs so warrant. Only duly authorized District employees or contractors with a State of Nevada class “A” license issued by the State of Nevada Contractors Board pre-approved by the District Engineer will be authorized to install service connections. Meter installations of larger than 2 inches will be charged at actual cost of the meter.

8.02 Meter Installations

All service connections shall include the installation of approved water metering devices. New construction and/or upgrades of meter size within the District are 1-inch minimum. Meters will be installed at the property line and shall be owned by the District and installed and removed at its expense. The installation of meters for approved fire protection services shall be at the discretion of the District. The District will pay no rent or other charge for a meter or other facilities, including connections. The seal of any meters sealed by the District shall not be altered or broken except by one of its authorized employees or agents.

8.03 Change in Location of Meters

Meters moved or raised for the convenience of the Customer will be relocated at the Customer’s expense. Meters moved to protect the District’s property will be moved at its expense.

8.04 Adjustment for Meter Errors - Over Registering

If a meter tested at the request of a Customer is found to be registering greater than actual consumption the Customer shall be refunded no more than 6 months of overbilling.

8.05 Adjustment for Meter Errors - Under Registering

If a meter tested at the request of a Customer is found to be registering less than actual consumption the District may bill the Customer for the amount of the undercharge for no more than six months.

8.06 Non-Registering Meters

If a meter is found to be not registering, the charges for service shall be based on the estimated consumption, whichever is greater. Such estimates shall be made from previous consumption for a comparable period or by such other method as is determined by the District and its decision shall be final.

ARTICLE 9 - BILLING

9.01 Billing

The regular billing period will be at the discretion of the District.

9.02 Meter Reading

Meters shall be read as nearly as possible on the same day of each billing period.
9.03 **New Connections**

Upon connection to the District’s water distribution system, the applicable sewer service charges shall begin on the first day of the next billing period following installation of the water meter.

9.04 **Disconnection**

When requested by Customer, sewer service charges shall be discontinued only upon physical disconnection from the distribution system as defined by Article 10 of this Ordinance.

9.05 **Transfer of Ownership**

Services are not discontinued upon transfer of ownership. District will not prorate charges on account upon transfer of ownership. Upon notification of pending sale or transfer of a property, District will obtain final water meter consumption reading on the date specified by the title company. If notification is not received from the title company for a final read the current property owner is liable for the previous charges on the account.

9.06 **Person Responsible for Payment**

All charges, fees and amounts due and payable shall be billed to the owner of the premises, whether or not the owner is also the occupant. For the purposes of the Ordinance, determination of lot or parcel ownership shall be based upon the latest records of the Assessor’s Office of Washoe County.

Bills for the base rate for water service shall be rendered at the beginning of each billing period and are payable upon presentation. Charges for consumption are billed in arrears.

9.07 **Penalties**

All charges shall become due and payable upon presentation. Payments not received or postmarked by the U. S. Post Office on the envelope in which the payment was mailed by the last day of the billed cycle shall become delinquent on the first day of the next billing cycle. All charges which become delinquent shall be subject to a penalty of ten percent (10%) for the first month delinquent. Customers’ payments shall be applied to their oldest balances due including penalties first.

9.08 **Represents Lien on Property**

Until paid, all rates, tolls and charges provided in this ordinance constitute a perpetual lien on and against the property served and may be foreclosed upon as provided by law.

9.09 **Billing of Separate Meters Not Combined**

Separate bills will be rendered for each meter installation except where the District has, for its own convenience, installed two or more meters in place of one meter. Where such installations are made, the meter readings may be combined for billing purposes.

9.10 **Water Used Without Service Application Being Made**

A person taking possession of premises and using water from an active service connection without having made application to the District for water service shall be held liable for the water delivered from the date of the last recorded meter reading, and if the meter is found inoperative, the quantity consumed will be estimated. If proper application for water service is not made upon notification to
do so by the District, and if accumulated bills for service are not paid immediately, the service may be discontinued by the District without further notice.

9.11 Damages Through Leaking Pipes and Fixtures

Owner or Owner’s agent must be present at the property at the time scheduled by the Owner or Owner’s agent for the District to turn on the water service unless a written form of consent and release of liability is submitted to the District prior to turning on the meter. The District will in no case be liable for damages occasioned by water leaking or running from open or faulty fixtures, or from broken or damaged pipes or any other appurtenances within or outside of the building structure.

9.12 Policy for Appeal for Relief from Excessive Water Charges

A. Customers are responsible for equipment as defined in this Ordinance. When customers, through no fault of their own, have incurred excessively high water bills due to breaking of water lines from freezing during the winter, natural disaster or construction activities not under contract by the property owner and the detection and correction of such a break could not have reasonably been accomplished in time to avoid the excessive water usage, the following policy shall apply.

B. An IVGID water customer who has an uncontrollable loss of water may apply to the District for relief under this policy once every five years. The Director of Public Works will review the matter and determine if the high overage was a result of an undetectable condition and was not a direct result of negligence or inattention of the property owner. Upon such a determination, the District will make an adjustment or credit the utility bill an amount equal to 75% of the water Tier 1 and Tier 2 consumption caused by the leak that exceeds the seasonal monthly average when the leak occurred. If the water did not reach the sewer system then an adjustment will be made equal to 75% of the sewer consumption caused by the leak that exceeds the seasonal monthly average. When calculating the residential variable sewer consumption for non-irrigation months the monthly usage for the billing period(s) where relief is given will be excluded. This is the usage that is used to cap the residential customer’s summer sewer rate.

C. In order to apply to the District for relief under this policy repairs must conform to Uniform Plumbing Code and IVGID Specifications.

D. Requests must be submitted in writing stating: address of property where leak occurred, was property occupied at the time of the leak, cause of leak, date leak was discovered, date leak was repaired, copies of repair invoices and receipts, letter of explanation if repairs made by customer, photographs and other information that may be required by the District. Written requests must be submitted within 30 days of the billing date. The maximum period of time allowable for relief is two (2) consecutive months of consumption.

E. Typical leaks that may be eligible for credit of Tier 1, Tier 2 and Sewer Use charges include underground or unseen, unknown leaks occurring in underground piping between the meter and the structure and pipes under the structure that can be accessed through a crawl space, leaks that are part of an irrigation system, broken irrigation backflow devices caused by freezing, broken hose bibs and garden hoses, faulty humidifiers or boilers, faulty fill valves on pools and water features, plumbing damaged by construction related to the property, plumbing or fixture failures due to pressure fluctuations, faulty backflow preventers, or other issues that do not drain into the sewer system. These leaks are typically continuous in nature.
F. Typical leaks that may be eligible for credit of Tier 1 and Tier 2 charges but not Sewer Use charges include leaking toilets, leaking faucets, or other issues that drain into the sewer system.

G. Excess water use or leaks resulting from accidental water use, and the continuous use of water to prevent pipes from freezing, or any other type of normal use are not eligible for reimbursement.

9.13 Checks and Electronic Funds Transfers (EFT) not honored by Bank

Checks and electronic funds transfers presented in payment of bills that are returned by a bank shall be treated as though no payment had been made, and an administrative charge as shown in Exhibit C will be levied by the District, plus any additional charges received from the bank. The Customer must reimburse the District for any returned check/electronic funds transfer fees charged by a bank to the District. Accounts with returned EFTs may no longer be eligible for the EFT payment option. Discontinuance of the EFT payment option shall be at the discretion of the Director of Public Works.

9.14 Collection by Suit

A. Suit. As an alternative to any of the other procedures herein provided, all unpaid rates and charges and penalties herein provided may be collected by suit. As an additional procedure, District shall have all rights as provided by law.

B. Costs. Defendant shall pay all costs of suit in any judgment rendered in favor of District, including a reasonable attorney’s fee.

9.15 Collection with Other Utility Charges

A. With Utility Charges of District. Where the person charged is a user of another utility owned and operated by the District, or through a franchise agreement, the charges may be collected together with and not separately from the charges for the other utility service(s) rendered by it. They may be billed upon the same bill and collected as one item at the discretion of the District.

B. Discontinuance of Service upon Delinquency. Upon delinquency, the other utility service shall be discontinued until full payment of the account charges and penalties thereon and the charges for re-continuance of service, has been received by the District.

9.16 Service Rates

A. Rates. For all users within the District, Residential, Irrigation and Commercial rates as shown in Exhibit A shall apply. The Board of Trustees shall set the water service charges when approving the annual Capital Improvement Plan and Operating Budget.

(1) Non-District Service. Where water service is provided for Customers not within the boundaries of the Incline Village General Improvement District, a service charge of two hundred percent (200%) of bulk water for construction.

(2) Fire Protection. Public fire protection rates shall be billed to the responsible fire protection agencies at the rate determined in the contract between the District and the fire protection agency.
B. **Multi-Unit Residential Accounts.** The *base* charge for multi-unit residential accounts using common meters shall be determined by multiplying the number of units by the *fixed* and *capital improvement* charge for a residential unit plus the administrative customer service account charge plus—the *variable* and *excess* charges. *Plus* defensible space charge for multi-unit residential accounts using common meters shall apply to usage exceeding the minimum gallons per unit per month, *in accordance with Exhibit A.* Mixed use service that has been determined to be billed as residential will be billed one base charge for each residential unit and each equivalent residential unit per 39 fixture units of commercial service. Fractions will be rounded to nearest whole number. Example: 58 fixture units = 1.49 and rounded to 1.0 units, 59 fixture units = 1.51 and rounded to 2.0 units. The minimum equivalent residential unit amount shall be 1.0, (one).

C. **Bulk Water for Construction.** Where water is required for construction and obtained from fire hydrant or other location required by the District, a charge shall be made as shown in Exhibit C as measured by the water meter installed for that purpose.

D. **Call-Out Service Charges.** A customer requesting District assistance with Customer-related water issues (i.e., interior water leak, problem with irrigation system, water shut off at meter because customer cannot locate the customer service valve, etc.) may be billed a Call-Out Service charge, at the discretion of the Director of Public Works.

**ARTICLE 10 - DISCONTINUANCE OF SERVICE**

10.01 **Customer's Request for Discontinuance of Service**

A Customer's water and sewer service shall only be discontinued under a Washoe County demolition permit. All water and sewer charges will be discontinued when the conditions of the demolition permit have been met for discontinuation of service up to and including the removal of the water meter and the capping of the sewer line.

10.02 **Customer's Request for Shut Off and Turn On of Service**

A Customer may have their water service shut off by giving not less than five (5) days advanced notice in writing to the District. There will be no reduction in the monthly water or sewer charges during the shut off of service. The shut off and turn on will be charged a total of one (1) service call if the water meter is accessible and the work is performed during business hours. If the shut off and turn on is requested after business hours, then the Customer will be charged the service call rate in Exhibit C for the shut off and turn on each. If the water meter is inaccessible, the Customer will be billed additional labor and equipment charges for making the meter accessible for shut off and turn on.

10.03 **For Non-Payment of Bills**

A Customer's service may be discontinued for non-payment of a bill for service furnished if the account becomes delinquent, provided the District has given the Customer at least five (5) days prior written notice of such intention. During the discontinuance for non-payment, full monthly charges will apply. Written notice postings may be billed a posting service charge, in accordance with Exhibit C.

10.04 **Liability for Bills**

Failure to receive bill does not relieve Consumer of liability. Any amount due shall be deemed a debt to the District, and any person, firm, or corporation failing, neglecting or refusing to pay said
indebtedness shall be liable to an action in the name of the District in any court or competent
jurisdiction for the amount thereof.

10.05 Resumption of Service Charge

Where service has been discontinued for violation of these rules or for nonpayment of bills, the cost
of discontinuing and resuming service shall be at the expense of the Customer.

A. Made During Regular Business Hours. The Utility will endeavor to resume service
during regular business hours on the day of the request, if conditions permit; otherwise, the
District will endeavor to resume service on the next regular business day following the day
the request is made.

B. Made at Other Than Regular Business Hours. When a Customer has requested that the
service be resumed at a time outside of regular business hours, the District will reasonably
endeavor to resume service if practicable under the circumstances but will be under no
obligation to do so, unless an emergency exists. A charge based on costs, including
overtime rates, shall be billed to the customer for services rendered outside of regular
business hours.

C. Presence of Owner or Authorized Representative. During requested resumption of
service, the owner or their authorized representative is required to be on site, unless a
written form of consent and release of liability allows the District to turn the meter on.

10.06 Unsafe Apparatus

Water service may be refused or discontinued to any premises where apparatus or appliances are in
use which might endanger or disturb the service to other customers.

10.07 Cross-Connections

Water service may be refused or discontinued to any premise where a cross-connection exists that is
in violation of State, Federal or local laws.

10.08 Fraud or Abuse

Service may be discontinued if necessary to protect the District against fraud or abuse.

10.09 For Noncompliance with Rules

The District may discontinue service to any Customer for violation of these rules after it has given
the Customer at least five (5) days written notice of such intention. In case of emergency,
unauthorized use, water waste, or where safety of water supply is endangered, service may be
discontinued or curtailed immediately without notice.

ARTICLE 11 - PUBLIC FIRE PROTECTION

11.01 Use of Fire Hydrants

Fire hydrants are for use by the District or by organized fire protection agencies pursuant to contract
with the District. Other parties desiring to use fire hydrants for any purpose must first secure a
permit from the District, prior to use and shall operate the hydrant in accordance with instructions
issued by the District. Unauthorized use of hydrants will be prosecuted according to law.
11.02 Hydrant Rental

A charge, to be determined by contract between the District and organized fire protection agencies, will be imposed for hydrant maintenance and water used for public fire protection.

11.03 Moving of Fire Hydrants

When a fire hydrant has been installed in the location specified by the proper authority, the District has fulfilled its obligation. If a property owner or other party desires a change in the size, type or location of the hydrant, he shall bear all costs of such changes, without refund. Any change in the location of a fire hydrant must be approved by the proper authority.

ARTICLE 12 - PRIVATE FIRE PROTECTION SERVICE

12.01 Payment of Cost

The Applicant for private fire protection service shall pay the total actual cost of installation of the service from the distribution main to the Customer's premises to meet the requirements of the District. Requirements of the District include, but are not limited to, detector check meter, meter box, valve and valve box, and construction materials acceptable to the District.

12.02 Combined Systems Prohibited

There shall be no connection between a fire protection system and any other water distribution system on the premises.

12.03 Use

There shall be no water used through the fire protection service except to extinguish fires and for testing the firefighting equipment.

12.04 Water Used for Fire Fighting not to be Charged

A. In those instances wherein private fire protection is provided from a metered domestic water service line, the volume of water used for fire protection (fire fighting) will be estimated and that estimated volume shall be deducted from the monthly domestic service meter reading - during which the fire protection use was incurred.

B. Estimation will be based on the averaging of the domestic water service meter reading of the 3 months before the fire. This average shall be the basis for determining the volume of fire fighting water consumed for which there will be no charge.

12.05 Water for Fire Storage Tanks

Occasionally water may be obtained from a private fire service for filling a tank connected with the fire service, but only if written permission is secured from the District in advance and an approved means of measurement and backflow protection are available. The regular water rates will be applied.

12.06 Violation of Agreement

Ordinance 4 - Water

As Proposed for Adoption on April 25, 2017
If water is used from a private fire service in violation of the agreement or of these regulations, the District may, at its option, discontinue and remove the service at Owner’s expense.

12.07 Water Pressure and Supply

The District assumes no responsibility for loss or damage due to lack of water or pressure, either high or low, and merely agrees to furnish such quantities and pressures as are available in its general distribution system. The service is subject to shutdowns and variations required by the operation of the system.

12.08 Rules

The following rules shall apply to fire service connection:

A. Additional Service. The District shall have the right to take a domestic, commercial or industrial service connection from the fire service connection at the curb to supply the same premises as those to which the fire service connection belongs. The District shall charge all fees associated with each service connection.

B. Backflow Prevention. The District reserves the right to require installation of an approved backflow prevention assembly.

12.09 Responsibility of Equipment

A. The Customer shall, at his own risk and expense, furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water for private fire protection service, and the District shall not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence or wrongful act of the Customer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, operating or interfering with such equipment. This shall include but not limited to valves, detector check meter, meter box, valve box and service piping.

ARTICLE 13 - TEMPORARY SERVICE

13.01 Duration of Service

Temporary service connections shall be disconnected and terminated within six (6) months after installation unless an extension of time is granted in writing by the District. Deposit for hydrant meter rental shall be forfeit if meter is not returned within six (6) months.

13.02 Deposit

The Applicant shall deposit, in advance, the estimated cost of installing and removing the facilities required to furnish said service exclusive of the cost of salvageable material.

13.03 Installation and Operation

All facilities for temporary service to the Customer connection shall be inspected by the District and shall be operated in accordance with its instructions.

13.04 Responsibility for Meters and Installations
The Customer shall use all possible care to prevent damage to the meter or to any other loaned facilities of the District which are involved in furnishing the temporary service from the time they are installed until they are removed, or until 48 hours notice in writing has been given to the District that the contractor or other person is through with the meter or meters, and the installation. If the meter or other facilities are damaged, the cost of making repairs shall be paid by the Customer. If application has been made for water connection services, the customer must arrange to make water connection in a timely manner to avoid use of the fire hydrant.

13.05 **Supply From Fire Hydrant**

An Applicant for temporary use of water from a fire hydrant must secure a permit, as provided in Article 11.01, therefore from the District and pay the regular fee charged for the use of a meter to be installed on said hydrant; provide himself with a hydrant wrench necessary to operate such hydrant and a proper air gap installed on the connected equipment, and pay for the water used in accordance with the meter readings, at the rates prescribed by the District.

13.06 **Unauthorized Use of Hydrants**

Tampering with any fire hydrant for the unauthorized use of water there from, or for any other purpose, is a misdemeanor, punishable by law.

13.07 **Credit**

The Applicant shall pay the estimated cost of service in advance or shall be otherwise required to establish credit.

**ARTICLE 14 - PUBLIC AND PRIVATE COMMUNAL WATER SYSTEM CONSTRUCTION**

14.01 **Permit Required**

No person shall construct, extend, or connect to any Public Water System without first obtaining a written permit from District and paying all fees and connection charges and furnishing bonds as required. The provision of this section requiring permits shall not be construed to apply to contractors constructing water systems and appurtenances under contracts awarded and entered into by District.

14.02 **Plans, Profiles and Specifications Required**

The application for a permit for Public Water System construction shall be accompanied by complete plans, profiles and specifications, complying with all applicable ordinances, rules and regulations of the District, prepared by a Professional Engineer registered in the State of Nevada, showing all details of the proposed work based on an accurate survey of the ground. The application, together with the plans, profiles and specifications, shall be examined by the District Engineer who shall approve them as filed or require them to be modified as he deems necessary for proper installation.

14.03 **Easements or Rights-of-Way**

In the event that an easement is required for the extension of the Public Water System or the making of connections, the Applicant shall procure and have accepted by the Board a proper easement or grant of right-of-way sufficient in law to allow the laying and maintenance of such extension or connection. Easements or rights-of-way are reserved for the servicing of utilities, and no structure or building shall be placed within or over easements or rights-of-way, nor shall these areas be occupied or used in any manner as to restrict or deny access for repairs or maintenance, and all costs of
removing or replacing land surfaces, landscaping or other occupancies shall be charged to the property owner.

14.04 Persons Authorized to Perform Work

Only properly licensed contractors shall be authorized to perform the work of Public Water System construction within the District. The District will not accept dedication of any Public Water System, or portions thereof, unless the construction has been performed by the holder of a Class A contractor's license issued by the Nevada State Contractor's Board. All terms and conditions of the permit issued by the District to the Applicant shall be binding on the Contractor.

14.05 Compliance with Local Regulations

Any person constructing a water system within a street shall comply with all State, County, District or city laws, ordinances, rules, and regulations pertaining to the cutting of pavement, opening, barricading, lighting and protecting of trenches, backfilling and repaving thereof, and shall obtain all permits and pay all fees required by the department having jurisdiction, prior to the issuance of a permit by the District.

14.06 Protection of Excavation

The Applicant shall maintain such barriers, lights and signs as are necessary to give warning to the public at all times that a water system is under construction and of each dangerous condition to be encountered as a result thereof. He shall also likewise protect the public in the use of the sidewalk against any such conditions in connection with the construction of the water system. Streets, sidewalks, parkways and other property disturbed in the course of the work shall be reinstalled in manner satisfactory to the District and the County or any other person having jurisdiction there over.

14.07 Design and Construction Standard

A. Minimum standards for the design and construction of water systems within the District shall be in accordance with the STANDARD SPECIFICATIONS FOR INCLINE VILLAGE WATER, SEWER, AND PRIVATE COMMUNAL UTILITY SYSTEMS heretofore or hereafter adopted by District, copies of which are on file in the District office. The District Engineer may permit modifications or may require higher standards where unusual conditions are encountered.

B. Reproducible "Record" drawings, in PDF format, stamped and prepared by a Professional Engineer registered in the State of Nevada, showing the actual location of all mains, house connections, hydrants, valves and appurtenances, shall be filed with the District before final acceptance of the work.

14.08 Completion of Water System Required

Before any acceptance of any water line by the District, the water line shall be tested and shall be complete in full compliance with all requirements of the STANDARD SPECIFICATIONS FOR INCLINE VILLAGE WATER, SEWER, AND PRIVATE COMMUNAL UTILITY SYSTEMS and to the satisfaction of the District Engineer.

ARTICLE 15 - CAPITAL IMPROVEMENT CHARGE

15.01 Capital Improvement Charge

Ordinance 4 - Water
As Proposed for Adoption on April 21, 2017
A water capital improvement charge shall be billed to each residential, irrigation and commercial water service, as shown in Exhibit A.

The capital improvement charge represents each customer's contribution to the overall capital improvement of the total utility infrastructure for replacement and upgrade. Annually, the long term capital improvement costs are adjusted in the Capital Improvement Plan to meet the needed utility replacements and upgrades. The capital improvement charge may be adjusted annually by the Board of Trustees during the review and approval of the annual Capital Improvement Plan and Annual Budget.

15.02 Duration

The monthly water capital improvement charge is to take effect July 1, 1992.

15.03 Unimproved Parcels

The Water Capital Improvement Charge will also apply to undeveloped parcels. The charge shall be due when an application for connection to the water system of the District is made. The total retroactive Capital Improvement Charge is shown in Exhibit B. Larger services will be adjusted higher by the capacity ratio.

ARTICLE 16 - BACKFLOW AND CROSS CONNECTION REGULATIONS

16.01 General Policy

A. Purpose. The purpose of this Article is:

(1) To protect any public potable water supply of the District from the possibility of contamination or pollution by isolating within the customer's internal distribution system or the customer's private water system such contaminants or pollutants which could backflow into the public water systems; and

(2) To promote the elimination or control of existing cross-connections, actual or potential, between the consumer's in-plant potable water system and non-potable water system, plumbing fixtures and industrial piping systems; and

(3) To provide for the maintenance of a continuing Cross Connection Control Program which will systematically and effectively prevent the contamination or pollution of all potable water systems within the jurisdiction of District. This program shall also meet the requirements of the Safe Drinking Water Act Amendments of 1986 Public Law 99-339, Nevada Administrative Code section 445A.67185 to 67255, and the current adopted version of the Uniform Plumbing Code as approved by the Director of Public Works, and meets all of the laboratory and field performance specifications of the Foundation for Cross-Connection Control and Hydraulic Research of the University of Southern California (hereinafter referred to as USCFCCC&HR), and the American Water Works Association manual M14 with AWWA C506-84 Standards for Reduced Pressure Principle Assemblies, Double Check Valve assemblies., spill proof vacuum breakers, atmospheric vacuum breakers, air gaps, and pressure vacuum breaker backflow prevention devices including any existing or future amendments.

B. Responsibility. The Director of Public Works, or his designee, shall be responsible for the protection of the public potable water system from contamination or pollution due to the backflow of contaminants or pollutants through the water service connection. If, in the judgment of said Director of Public Works, an approved backflow prevention assembly is required at the customer's water service connection, or within the customer's private water
system, the Director of Public Works or his designated agent shall give notice in writing to said customer to install such an approved assembly(s) at specific locations on the customer’s premises. Immediately upon receipt of the notice, the customer shall install such assembly at the customer’s sole expense. Failure or refusal on the part of the consumer to make such installation and to have such tested yearly, or as required by the District by a certified backflow prevention assembly tester approved by the District’s backflow administrator and maintained in good working order shall constitute grounds for discontinuing water service to the premises until such requirements have been satisfactorily met.

C. **Non-Liability of District.** The District shall not be responsible for any loss or damage directly or indirectly resulting from or caused by the proper, improper, or negligent installation, operation, use, repair, or maintenance of, or interfering with, any protective device by any customer of the District or any other person.

D. **Shared Responsibility.** Customers must share in the responsibility for the protection of the potable water system. Customers must maintain their water piping system so that pollutants do not backflow into the District water mains. It is also the customer’s responsibility to report any possible hazard that may affect the District water mains. Reports should be made to the Director of Public Works as soon as a hazard is detected.

16.02 **Backflow Definitions**

A. **Approved.** Accepted by the Director of Public Works as meeting an applicable specification contained in this ordinance, or as suitable for the proposed use.

B. **Auxiliary Water Supply.** Any water supply on or available to the premises other than the District’s approved public water supply and which is within District’s water service area shall constitute an auxiliary water supply. Any intakes from Lake Tahoe or groundwater supply wells that are within the District’s water service area that are not in direct control of District shall constitute auxiliary water supplies.

C. **Backflow.** The reversal of normal flow of water caused by either back-pressure or backsiphoning.

D. **Approved Backflow Prevention Devices.** An assembly or means to prevent backflow that has been manufactured in conformance with the standards established by the American Water Works Association entitled:

1. AWWA M14 and C506-84 Standards for Reduced Pressure and Double Check Valve Backflow Prevention Devices and spill proof vacuum breakers, pressure vacuum breakers and air gaps;

2. and have met the laboratory and field performance specifications of the USCFCCC&HR established by

3. Specifications of Backflow Prevention Assemblies, Section 10 of the most current issue of the Manual of Cross Connection Control.

4. Any AWWA and USCFCCC&HR standards and specifications, including existing and future amendments, are hereby adopted by the District and made a part hereof by reference.

5. The following testing laboratory has been qualified by the Director of Public Works to test and certify backflow preventers.
   a. Foundation for Cross Connection Control and Hydraulic Research
b. University of Southern California, Los Angeles, California

E. **Air-gap.** The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing, fixture, or other device and the flood level rim of said vessel. An approved air-gap shall be at least double the diameter of the supply pipe, measured vertically, above the overflow rim of the vessel, and in no case less than one inch. Any air gap placed near sidewalls, ribs or similar obstructions shall be a distance greater than three times the diameter of the effective opening.

F. **Reduced Pressure Principle Assembly.** An assembly of two independently acting approved check valves with resilient seated shut off valves together with a hydraulically operating, mechanically independent differential pressure relief valve located between the two check valves and properly located test cocks for testing each valve. The entire assembly shall meet the design and performance specifications as determined by laboratory and field evaluation programs resulting in the approval of said assembly by the USCFCCC&HR. The assembly shall operate to maintain the pressure in the zone between the two check valves at an acceptable level less than the pressure on the public water supply side of the assembly. At the cessation of a normal flow, differential relief valves shall operate to maintain the reduced pressure in the zone between the check valves by discharging to the atmosphere. When the inlet pressure is two pounds per square inch or less, the relief valve shall open to the atmosphere. To be approved, these assemblies must be readily accessible for in-line testing and maintenance and be installed in a location where no part of the assembly will be submerged.

G. **Double Check Assembly Valve.** An assembly of two independently operating approved check valves with resilient seated shut-off valves on each end of the check valves. The assembly must also meet the specifications for approval by the USCFCCC&HR, plus properly located test cocks for the testing of each check valve. The entire assembly shall meet the design and performance specifications as determined by a laboratory and field evaluation program resulting in an approval by the USCFCCC&HR. To be approved, these assemblies must be readily accessible for in-line testing and maintenance.

H. **Pressure Vacuum Breaker Assembly.** This assembly shall include an approved internally loaded check valve and a loaded air opening to atmosphere on the discharge side of the check valve between two resilient seated shut-off valves. This assembly may only be used in irrigation systems that do not inject contaminants into the irrigation systems. Use will be limited to irrigation systems only.

I. **Contamination.** An impairment of the quality of the potable water by materials to a degree which creates an actual or potential hazard to the public health.

J. **Cross-Connection.** Any physical connection or arrangement of piping or fixtures between two otherwise separate piping systems, one of which contains potable water and the other non-potable water or industrial fluids of questionable safety, through which, or because of which backflow may occur into the potable water system.

K. **Hazard, Degree of.** The term is derived from an evaluation of the potential risk to public health and the adverse effect of the hazard upon the potable water system.

(1) **Hazard - Health.** Any condition, device, or practice in the water supply system and its operation which could create or may create a danger to the health and well being of the water consumer.
(2) **Hazard - Pollution.** An actual or potential threat to the physical properties of the water system or the consumer's potable water system, which constitutes a nuisance or is aesthetically objectionable or could cause damage to the system or its appurtenances, but which is not dangerous to human health.

**L. Spill-Resistant Vacuum Breaker.** An assembly containing an independently operating internally loaded check valve and independently operating loaded air inlet valve located on the discharge side of the check valve. The assembly is to be equipped with a properly located resilient seated test cock, a properly located bleed/vent port and tightly closing resilient seated shut-off valves attached to each end of the assembly. This assembly is designed to protect against a non-health hazard (i.e., pollutant) or a health hazard (i.e., contaminant) under a back-siphonage condition only.

### 16.03 Requirements

**A. Policy.**

(1) No water service connection to any premises may be installed or maintained by the District unless the water supply is protected as required by State laws and regulations and this ordinance. Service of water to any premises may be discontinued by the District if a backflow prevention assembly has been removed, bypassed, or if an unprotected cross-connection exists on the premises. Service will not be restored until such conditions or defects are corrected.

(2) The customer's system shall be open for inspection at all reasonable times to authorized representatives of District to determine whether cross-connections or other structural or sanitary hazards exist. When such a hazard becomes known, the Director of Public Works may deny or discontinue service to the premises by providing for a physical break in the service line until the customer has corrected the condition(s) in conformance with state law and local ordinances relating to plumbing and water supplies and any regulations adopted pursuant thereto.

(3) An approved backflow preventer shall be installed on each service line to a customer's water system at or near the property line or immediately inside the building being served; but, in all cases, before the first branch line leading off the service line, wherever the following conditions exist:

a. In the case of premises having an auxiliary water supply, the public water system shall be protected by installing an approved backflow preventer in the service line appropriate to the degree of hazard. No cross-connection between the auxiliary water supply and the public water system shall be made.

b. In the case of premises on which any industrial fluids or any other objectionable substance is handled in such a fashion as to create an actual or potential hazard to the public water system, the public system shall be protected against backflow from the premises by installing an approved backflow preventer in the service line appropriate to the degree of hazard.

c. In the case of premises having (1) internal cross-connection that cannot be permanently corrected or controlled, or (2) intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not dangerous cross-connections exist, the public water system shall be protected by installing an approved backflow preventer in the service line.
d. Any customer wishing to fill water trucks or other equipment shall fill out a District application for service and have that equipment inspected and approved by a representative of the District. An approved air-gap must be installed before filling from the potable water supply. Violation of this section shall result in a fine shown in Exhibit C and disqualification from service.

(4) A customer's service may be discontinued for non-compliance, provided the District has given the Customer at least five (5) days prior written notice of such intention. During the discontinuance for non-compliance, full monthly charges will apply. The District will bill the customer for posting a written notice of non-compliance in accordance with Exhibit C. Water shut-off and turn-on charges due to non-compliance will apply in accordance with Exhibit C.

B. Type of Backflow preventer. The type of backflow preventer required shall depend upon the degree of hazard which exists as follows:

(1) Where there is an auxiliary water supply, a minimum of a double check valve assembly will be required.

(2) Where there is any pollution hazard, the public water system shall be protected with a minimum of an approved double check valve assembly.

(3) Where there is any health hazard, the public water system shall be protected by an approved air gap or an approved reduced pressure principle assembly. Hospitals, sewage treatment plants and structures with chemical additives in fire sprinkler systems are examples of these type premises.

(4) Where access is denied or is impossible or impractical to make a cross-connection survey, the public water supply shall be protected with an approved air gap or an approved reduced pressure principle assembly depending on the degree of hazard.

C. Approval Required. Any backflow preventer required herein shall be a model and size approved by the Director of Public Works. Any below-grade applications must be approved by the District prior to installation.

D. Inspections.

(1) It shall be the joint duty of the District and the Customer at any premises where backflow prevention assemblies are installed to have certified inspections and operational tests made upon installation and at least once a year thereafter or as determined necessary by the Director of Public Works. In those instances where the Director of Public Works deems the hazard to be great enough he may require testing at more frequent intervals. All inspections and tests shall be performed by a certified District employee or certified tester approved by the District. All testers shall be approved by the District and carry a current Backflow General Testers license approved by the State of Nevada and the District. All testers will follow the rules and procedures of the current adopted version of the Manual of Cross Connection Control issued by USCFCCC&HR. The District requires that a 3.0 PSIID buffer be maintained on all reduced pressure assemblies. The District reserves the right to disqualify any tester from testing within the District for failure to adhere to the policies and standards set forth by the District and this Ordinance. All gauges shall meet the requirements of the current adopted version of The Manual of Cross Connection Control and be calibrated on an annual basis to meet manufactures recommendations. The current calibration records shall be submitted with any test performed within the District. It shall be the responsibility of the Director of Public Works to make sure the tests are made in a timely manner, all test forms shall be submitted to the District compliance department.
within two (2) business days. All extensions must be approved by the District. The customer shall bear the cost of the inspection, repairs and testing. Records of testing and repairs shall be kept by the District Utilities Department when said work is completed for a period of three years.

(2) All Industrial, commercial, residential, multi residential and all other properties with backflow devices installed and requiring testing according to this Ordinance shall provide access upon request to any authorized representative of the District to perform such testing or provide acceptable test results to the District from an approved State of Nevada backflow tester, pre-approved by the Director of Public Works, of the customer's choice.

(3) It shall be the joint duty of the District and the Customer at any premises where there is an auxiliary water supply to have a cross-connection survey completed upon installation and at least once a year thereafter or as determined necessary by the Director of Public Works. In those instances where the Director of Public Works deems the hazard to be great enough he may require a cross-connection survey at more frequent intervals. All cross-connection surveys shall be performed by a certified District employee or certified specialist approved by the District. All specialists shall be approved by the District and carry a current Backflow Specialist license approved by the State of Nevada and the District. All specialists will follow the rules and procedures of the current adopted version of the Manual of Cross Connection Control issued by USCFCCC&HR. The District reserves the right to disqualify any specialist from performing cross-connection surveys within the District for failure to adhere to the policies and standards set forth by the District and this Ordinance. It shall be the responsibility of the Director of Public Works to make sure the cross-connection surveys are made in a timely manner, all survey results shall be submitted to the District compliance department within two (2) business days. All extensions must be approved by the District. The customer shall bear the cost of the cross-connection survey. Records of cross-connection survey shall be kept by the District Utilities Department when said work is completed for a period of three years.

E. Charges for Backflow Testing. Charges for backflow testing/repairs performed by the District shall be a minimum rate, or actual cost, labor and materials, as determined by the Director of Public Works and/or in accordance with Exhibit C.

F. Exclusions. All presently installed backflow prevention assemblies which do not meet the requirements of this section, but which were approved devices for the purposes described herein at the time of installation and which have been properly maintained, shall, except for the inspection and maintenance requirements, be excluded from the requirements of these rules so long as the Director of Public Works is satisfied that they will protect the public water system. Whenever such device is moved, removed, or requires more than minimum maintenance or when the District finds that the maintenance constitutes a hazard to health, the unit shall be replaced by an approved backflow prevention assembly meeting the requirements of this section. Any plumbing improvements requiring a building permit will require that the rules of this ordinance be observed.

ARTICLE 17 - WATER CONSERVATION REQUIRED UNDER CERTAIN EMERGENCY CONDITIONS

17.01 General Policy

Ordinance 4 - Water
As Proposed for Adoption on April 25, 2017 44
When in the opinion of the Board of Trustees circumstances require water conservation by District customers, the Board may impose one or more of the following conditions after consideration of those circumstances at a regular public hearing after notice to the customers as provided for in NRS 318.199.

A. **Limited Conservation**
   1. Restrict watering to evening and morning hours. Watering is allowed between the hours of 7 p.m. and 11 p.m., and between 5 a.m. and 9 a.m. There is no restriction to hand watering using hoses with self-closing nozzles.
   2. Prohibit wash-down of driveways, sidewalks, parking lots and other impervious surfaces.

B. **Moderate Conservation**
   1. All items under Limited Conservation.
   2. Restrict landscape irrigation to alternate days. Odd-numbered addresses allowed to water on odd-numbered calendar days; even-numbered addresses allowed to water on even-numbered calendar days. No irrigation allowed on the 31st day of the month.
   3. Limit use of water from fire hydrants to actual fire fighting use.
   4. Hand-washing of vehicles allowed only with hoses equipped with self-closing nozzles.

C. **Strict Conservation**
   1. All items under Moderate Conservation.
   2. No landscape or lawn irrigation under any circumstances.
   3. No new lawn or landscape installation.
   4. No wash-down of automobiles, trucks, vans or other motorized equipment except at commercial washing facilities that recycle wash water.
   5. Impose an excess consumption charge of 300% of the existing rate per 1,000 gallons for water use in excess of the base rate.

D. **Circumstances Under Which Conservation May be Required**
   1. The Board, upon its findings that one or more of the following emergency conditions are present, may impose any or all of the above-mentioned restrictions:
      a. Water scarcity condition exists or is likely to exist.
      b. Failure of water production, storage or distribution system(s).
      c. Demand for service in excess of the District's authorized water rights.
      d. Order of any agency of the federal, state or local government having jurisdiction in such matters.
      e. Any other condition that may require such action.

**ARTICLE 18 - LANDSCAPING**

18.01 **Intent**
The intent of this section is to implement landscaping standards which will result in the conservation of water, and eliminate water waste.

18.02 Applicability

This section applies to all new construction, remodeling where the building and deck footprint increases by more than 15%, any irrigation meter application, all Washoe County irrigation system permit applications, and/or an improvement requiring an increase of the service line or meter.

18.03 Requirements

All applicants must submit a landscaping plan as part of the permit process. The landscaping plan must identify turf coverage, irrigation systems, plant selections, water features, maintenance schedules, and installer/owner information.

18.04 Design and Construction Standards

Minimum standards for the planning, design, and construction of landscape irrigation systems within the District shall be in accordance with the LANDSCAPING STANDARDS copies which are on file in the District office. The District Engineer may permit or require modifications where special or unusual conditions are encountered.

18.05 Completion of Work Required

Before final approval of the work, or turn-on of the irrigation system, the landscape plan shall be
EXHIBIT A
Schedule of Water Service Charges

Monthly water charges are the summation of the following components:

1. Fixed Charge = $10.00 X CAF (1) X number of units.
2. Administrative / Customer Service Account Charge = $3.45 per account.
3. Capital Improvement Charge = $14.36 X CAF (1) X number of units
4. Variable Cost = $1.39 per 1,000 gallons of water use. [billed as water use charges]
5. Excess water charge (2)
   a. First Tier: Additional Cost = $0.97 per 1,000 gallons for all water use greater than 20,000 gallons X CAF (1) X number of units, in addition to the Variable Cost (#4), above.
   b. Second Tier: Additional Cost = $1.23 per 1,000 gallons for all water use greater than 60,000 gallons X CAF (1) X number of units, in addition to Variable Cost (#4) and First Tier Cost (#6a), above.
6. Defensible Space Fee = $1.05 X number of units.
   a. The defensible space fee is to pay 50% of the IVGID share of costs for fuels treatment on IVGID lands that will enhance the protective boundary from destructive wildfire that could threaten the communities of Incline Village and Crystal Bay. The other 50% share of this cost is paid by the IVGID Recreation Facility Fee.

(1) Capacity Adjustment Factor:

<table>
<thead>
<tr>
<th>Service Size for Billing Purposes</th>
<th>CAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Residential Customers</td>
<td>1.0</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>1.0</td>
</tr>
<tr>
<td>1&quot;</td>
<td>1.67</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>3.33</td>
</tr>
<tr>
<td>2&quot;</td>
<td>5.33</td>
</tr>
<tr>
<td>3&quot;</td>
<td>10.00</td>
</tr>
<tr>
<td>4&quot;</td>
<td>16.67</td>
</tr>
<tr>
<td>6&quot;</td>
<td>33.33</td>
</tr>
<tr>
<td>8&quot;</td>
<td>53.33</td>
</tr>
<tr>
<td>10&quot;</td>
<td>76.65</td>
</tr>
</tbody>
</table>

(2) Designated Public Service Recreation irrigation accounts are not assessed excess water charges.

Typical monthly single-family residential water service charges with no metered water use:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Base Rate (#1)</td>
<td>$11.72</td>
<td>$10.78</td>
<td>$9.50</td>
<td>$9.55</td>
<td>$9.74</td>
<td>$10.00</td>
</tr>
<tr>
<td>Capital Rate (#3)</td>
<td>11.98</td>
<td>12.59</td>
<td>13.28</td>
<td>13.69</td>
<td>13.96</td>
<td>14.36</td>
</tr>
<tr>
<td>Administrative Fee (#2)</td>
<td>3.14</td>
<td>3.20</td>
<td>3.20</td>
<td>3.25</td>
<td>3.35</td>
<td>3.45</td>
</tr>
<tr>
<td>Defensible Space (#6)</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
</tr>
<tr>
<td>Total Water:</td>
<td>$27.89</td>
<td>$27.62</td>
<td>$27.03</td>
<td>$27.54</td>
<td>$28.10</td>
<td>$28.86</td>
</tr>
</tbody>
</table>
EXHIBIT A
Schedule of Water Service Charges

Monthly water charges are the summation of the following components:

7. Fixed Charge = $10.65 X CAF (1) X number of units.
8. Administrative / Customer Service Account Charge = $3.65 per account.
9. Capital Improvement Charge = $14.47 X CAF (1) X number of units
10. Variable Cost = $1.45 per 1,000 gallons of water use. [billed as water use charges]
11. Excess water charge (2)
   a. First Tier: Additional Cost = $0.95 per 1,000 gallons for all water use greater than 20,000 gallons X CAF (1) X number of units, in addition to the Variable Cost (#4), above.
   b. Second Tier: Additional Cost = $1.26 per 1,000 gallons for all water use greater than 60,000 gallons X CAF (1) X number of units, in addition to Variable Cost (#4) and First Tier Cost (#6a), above.
12. Defensible Space Fee = $1.05 X number of units.
   a. The defensible space fee is to pay 50% of the IVGID share of costs for fuels treatment on IVGID lands that will enhance the protective boundary from destructive wildfire that could threaten the communities of Incline Village and Crystal Bay. The other 50% share of this cost is paid by the IVGID Recreation Facility Fee.

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</tr>
<tr>
<td>2&quot;</td>
<td>5.33</td>
</tr>
<tr>
<td>3&quot;</td>
<td>10.00</td>
</tr>
<tr>
<td>4&quot;</td>
<td>16.67</td>
</tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
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<td>$9.55</td>
<td>$9.74</td>
<td>$10.00</td>
<td>$10.65</td>
</tr>
<tr>
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<td>3.20</td>
<td>3.20</td>
<td>3.25</td>
<td>3.35</td>
<td>3.45</td>
<td>3.65</td>
</tr>
<tr>
<td>Defensible Space (#6)</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
</tr>
<tr>
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<td>$27.62</td>
<td>$27.03</td>
<td>$27.54</td>
<td>$28.10</td>
<td>$28.86</td>
<td>$29.82</td>
</tr>
</tbody>
</table>
### EXHIBIT B
Schedule of Water Connection Charges
According to Water Meter Service Size

<table>
<thead>
<tr>
<th>Water Service Size for Billing Purposes</th>
<th>Water Connection Charge</th>
<th>Water Retroactive Capital Improvement Charge</th>
<th>Water Charge Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>¾ inch</td>
<td>$1,390</td>
<td>$1,590</td>
<td>$2,980</td>
</tr>
<tr>
<td>1 inch</td>
<td>$2,320</td>
<td>$2,650</td>
<td>$4,970</td>
</tr>
<tr>
<td>1 ½ inch</td>
<td>$4,630</td>
<td>$5,290</td>
<td>$9,920</td>
</tr>
<tr>
<td>2 inch</td>
<td>$7,400</td>
<td>$8,460</td>
<td>$15,860</td>
</tr>
<tr>
<td>3 inch</td>
<td>$13,890</td>
<td>$15,880</td>
<td>$29,770</td>
</tr>
<tr>
<td>4 inch</td>
<td>$23,160</td>
<td>$26,470</td>
<td>$49,630</td>
</tr>
<tr>
<td>6 inch</td>
<td>$46,300</td>
<td>$52,910</td>
<td>$99,210</td>
</tr>
<tr>
<td>8 inch</td>
<td>$74,080</td>
<td>$84,670</td>
<td>$158,750</td>
</tr>
<tr>
<td>10 inch</td>
<td>$106,480</td>
<td>$121,690</td>
<td>$228,170</td>
</tr>
</tbody>
</table>
### EXHIBIT B
Schedule of Water Connection Charges
According to Water Meter Service Size

<table>
<thead>
<tr>
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<th>Water Connection Charge</th>
<th>Water Retroactive Capital Improvement Charge</th>
<th>Water Charge Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>¼ inch</td>
<td>$1,460</td>
<td>$1,670</td>
<td>$3,130</td>
</tr>
<tr>
<td>1 inch</td>
<td>$2,440</td>
<td>$2,780</td>
<td>$5,220</td>
</tr>
<tr>
<td>1 ¼ inch</td>
<td>$4,860</td>
<td>$5,550</td>
<td>$10,410</td>
</tr>
<tr>
<td>2 inch</td>
<td>$7,770</td>
<td>$8,880</td>
<td>$16,650</td>
</tr>
<tr>
<td>3 inch</td>
<td>$14,580</td>
<td>$16,670</td>
<td>$31,250</td>
</tr>
<tr>
<td>4 inch</td>
<td>$24,320</td>
<td>$27,790</td>
<td>$52,110</td>
</tr>
<tr>
<td>6 inch</td>
<td>$48,620</td>
<td>$55,560</td>
<td>$104,180</td>
</tr>
<tr>
<td>8 inch</td>
<td>$77,780</td>
<td>$88,900</td>
<td>$166,680</td>
</tr>
<tr>
<td>10 inch</td>
<td>$111,800</td>
<td>$127,770</td>
<td>$239,570</td>
</tr>
</tbody>
</table>
## EXHIBIT C
Miscellaneous Fee Schedule

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backflow Inspections</td>
<td>$60.00 each device, up to 1 hour. $60.00 each additional labor hour. Repair parts at cost.</td>
</tr>
<tr>
<td>Inspections</td>
<td>$85.00/hour</td>
</tr>
<tr>
<td>Plan Checking</td>
<td>$85.00/hour</td>
</tr>
<tr>
<td>Meter Charges</td>
<td></td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>$330.00</td>
</tr>
<tr>
<td>1-1/2&quot; Meter</td>
<td>$500.00</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>$610.00</td>
</tr>
<tr>
<td>Service Calls</td>
<td>$40.00 per half hour (half hour minimum) with equipment billed at cost.</td>
</tr>
<tr>
<td>Tampering with equipment</td>
<td>$100.00 minimum. Will include cost of repair or replacement of equipment, if required.</td>
</tr>
<tr>
<td>Water Waste Penalty</td>
<td>$100.00</td>
</tr>
<tr>
<td>Mainline Tapping if performed by IVGID</td>
<td>Cost plus 15%</td>
</tr>
<tr>
<td>Temporary Service Meter Rental Charges</td>
<td></td>
</tr>
<tr>
<td>Hydrant Meter</td>
<td>$1,000/deposit</td>
</tr>
<tr>
<td>1.5&quot; Meter</td>
<td>$100/deposit</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>$100/deposit</td>
</tr>
<tr>
<td>Bulk Water for Construction</td>
<td>$1.45/1000 gallons</td>
</tr>
<tr>
<td>Violation of air-gap requirement on water truck or other equipment</td>
<td>$500.00</td>
</tr>
<tr>
<td>Administrative charge for checks or electronic fund transfers not honored by bank</td>
<td>$25.00/each</td>
</tr>
<tr>
<td>Posting Service Charge</td>
<td>$20.00/each</td>
</tr>
</tbody>
</table>
Utility Rate Public Hearing
April 25, 2017
Director of Public Works
Joe Pomroy
# Utility Rate Timeline

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Rate Study Presentation</td>
<td>February 8, 2017</td>
</tr>
<tr>
<td>Set Date for Public Hearing to Adopt New Utility Rates</td>
<td>February 22, 2017</td>
</tr>
<tr>
<td>2017-18 Budget Review</td>
<td>March 8, 2017</td>
</tr>
<tr>
<td>Notice of Public Hearing Published in Bonanza Newspaper</td>
<td>March 23, 2017</td>
</tr>
<tr>
<td>Courtesy Ad for Public Hearing Published in Bonanza Newspaper</td>
<td>April 20, 2017</td>
</tr>
<tr>
<td>Conduct Public Hearing and Adopt New Utility Rates</td>
<td>April 25, 2017</td>
</tr>
<tr>
<td>New Utility Rates become effective pending approval</td>
<td>May 19, 2017</td>
</tr>
</tbody>
</table>
Feb 8 BOT Rate Study Summary

- Determine Expenses Operating and CIP
- Determine Revenue Projections
- Examine Full Cost Pricing
- Balance Costs Equitably Among User Classes
- Provide Price Signals to Users
- Determine Needs for Bonding
- Fund Utility for Future Users
2017 5-Year Rate Study

- Water Rates - ↑3.6%
- Sewer Rates - ↑3.3%
- Overall Rates - ↑3.4%
- Increase is Spread Across Rate Components
- Average 3.4% Increase for Next 5 Years
- Commodity-Demand Model (fixed, variable, and CIP components)
## Proposed 2017 Water Rates

<table>
<thead>
<tr>
<th>Current 2016 Rate Component</th>
<th>2016 Rate</th>
<th>Proposed 2017 Rate Component</th>
<th>2017 Rate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate</td>
<td>$ 10.00</td>
<td>Base Rate</td>
<td>$ 10.65</td>
<td>$0.65</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$ 14.36</td>
<td>Capital Improvements</td>
<td>$ 14.47</td>
<td>$0.11</td>
</tr>
<tr>
<td>Customer Account Fee</td>
<td>$ 3.45</td>
<td>Customer Account Fee</td>
<td>$ 3.65</td>
<td>$0.20</td>
</tr>
<tr>
<td>Defensible Space</td>
<td>$ 1.05</td>
<td>Defensible Space</td>
<td>$ 1.05</td>
<td>-</td>
</tr>
<tr>
<td>Monthly Water Bill</td>
<td>$ 28.86</td>
<td>Monthly Water Bill</td>
<td>$ 29.82</td>
<td>$0.96</td>
</tr>
<tr>
<td>Consumption</td>
<td>$ 1.39</td>
<td>Consumption</td>
<td>$ 1.45</td>
<td>$0.06</td>
</tr>
<tr>
<td>1st Tier</td>
<td>$ 0.97</td>
<td>1st Tier</td>
<td>$ 0.95</td>
<td>($0.02)</td>
</tr>
<tr>
<td>2nd Tier</td>
<td>$ 1.23</td>
<td>2nd Tier</td>
<td>$ 1.26</td>
<td>$0.03</td>
</tr>
</tbody>
</table>

Consumption, Tier 1 and Tier 2 is cost per 1000 gallons of water use.
## Proposed 2017 Sewer Rates

<table>
<thead>
<tr>
<th>Current 2016 Rate Component</th>
<th>2016 Rate</th>
<th>Proposed 2017 Rate Component</th>
<th>2017 Rate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate</td>
<td>$ 16.52</td>
<td>Base Rate</td>
<td>$ 17.55</td>
<td>$ 1.03</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$ 29.86</td>
<td>Capital Improvements</td>
<td>$ 30.25</td>
<td>$ 0.39</td>
</tr>
<tr>
<td>Customer Account Fee</td>
<td>$ 3.45</td>
<td>Customer Account Fee</td>
<td>$ 3.65</td>
<td>$ 0.20</td>
</tr>
<tr>
<td><strong>Monthly Sewer Bill</strong></td>
<td><strong>$ 49.83</strong></td>
<td><strong>Monthly Sewer Bill</strong></td>
<td><strong>$ 51.45</strong></td>
<td><strong>$ 1.62</strong></td>
</tr>
<tr>
<td>Sewer Use Rate</td>
<td>$ 2.90</td>
<td>Sewer Use Rate</td>
<td>$ 3.00</td>
<td>$ 0.10</td>
</tr>
</tbody>
</table>

Sewer Use is cost per 1000 gallons of water use. Residential sewer consumption is capped in summer months.
Utility Bill History – Median User

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Water Charge</th>
<th>Monthly Sewer Charge</th>
<th>Total Monthly Water and Sewer Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$33.97</td>
<td>$46.04</td>
<td>$80.01</td>
</tr>
<tr>
<td>2013</td>
<td>$34.66</td>
<td>$51.24</td>
<td>$85.90</td>
</tr>
<tr>
<td>2014</td>
<td>$35.41</td>
<td>$55.75</td>
<td>$91.16</td>
</tr>
<tr>
<td>2015</td>
<td>$36.15</td>
<td>$57.96</td>
<td>$94.11</td>
</tr>
<tr>
<td>2016</td>
<td>$37.15</td>
<td>$60.24</td>
<td>$97.39</td>
</tr>
<tr>
<td>2017 Proposed</td>
<td>$38.47</td>
<td>$62.22</td>
<td>$100.69</td>
</tr>
</tbody>
</table>

The breakdown of the $20.68 Rate Increase from 2012 to 2017
- $13.32 for CIP Cost Increases, an average increase of 7.3% per year
- $7.36 for Operating Cost Increases, an average increase of 2.8% per year
## Commercial Rates

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Water and Sewer Base Rates Monthly Base Bill</th>
<th>Water and Sewer Base Rates Monthly Base Bill</th>
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2017 Utility Bill Comparison

Single Family Average Monthly Bill Rates applied to the Median User

6000 gallons per month
72,000 gallons per year
Other Changes

- Ordinance Language Changes
  - Building is >50% residential, will be billed as residential for rates and connection fees. Triggered with Building Permit
- No change to user fees (backflow, service calls, inspections)
- 5% Increase to connection fees for water and sewer
Recommendation

- That the Board of Trustees conduct a public hearing for the proposed amendments to IVGID Sewer Ordinance No. 2, entitled “An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” and IVGID Water Ordinance No. 4, entitled “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District”
MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Joseph J. Pomroy, P.E.
Director of Public Works

SUBJECT: Review, discuss and possibly approve Resolution 1855 for
Proposed Amendments to Sewer Ordinance No. 2 AND
Approve Resolution 1856 for Proposed Amendments to Water
Ordinance No. 4 that include a utility rate increase

DATE: April 14, 2017

I. RECOMMENDATION

That the Board of Trustees makes a motion:

Approve Resolution 1855 amending I VGID Sewer Ordinance No. 2, entitled “An
Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the
Incline Village General Improvement District”.

Approve Resolution 1856 amending I VGID Water Ordinance No. 4, entitled “An
Ordinance Establishing Rates, Rules and Regulations for Water Service by the
Incline Village General Improvement District”.

II. DISTRICT STRATEGIC PLAN

The Utility Rate Study supports Long Range Principle #2, Finance; The District will
ensure fiscal responsibility and sustainability of service capacities by maintaining
effective financial policies for operating budgets, fund balances, capital
improvement and debt management. Under Objectives for 2015-17, it specifically
states, prepare a five-year projection of financial results and performance
measures for operations, capital improvement and debt service as a part of budget
deliberations.
Review, discuss and possibly approve Resolution 1855 for Proposed Amendments to Sewer Ordinance No. 2 AND Approve Resolution 1856 for Proposed Amendments to Water Ordinance No. 4 that include a utility rate increase

III. BACKGROUND

At the February 8, 2017 District Board of Trustees Meeting, Staff conducted a Utility Rate Study presentation that presented the next five years of operating and capital expenses and the projected revenue needs to provide sufficient and stable revenue during that time period. The Utility Rate Study from the February 8, 2017 Board of Trustees Meeting is posted on the IVGID website and the reader can review that document and listen to the presentation.

At the February 22, 2017 Board of Trustees meeting the Board authorized April 25, 2017 as the date for the public hearing and directed staff to publish the Ordinance 2 and Ordinance 4 amendments for viewing by the public prior to the Hearing. The public hearing is scheduled to be conducted at the April 25, 2017 Board of Trustees meeting.

The complete Ordinance 2 and Ordinance 4 are included in the Board agenda packet following this memorandum. The new water and sewer charges, connection fees and miscellaneous fee schedules are included as Exhibits A, B and C.

IV. FINANCIAL IMPACT AND BUDGET

The proposed utility rate increase is to raise water rates by 3.6% and sewer rates by 3.3% for a total utility rate increase of 3.4%. The rates are currently scheduled for an average 3.4% increase per year for five years as detailed in the Five Year Utility Rate Study that presented to the Board on February 8, 2017. A water and sewer rate summary sheet follows this memo.

In 2016-17, total water and sewer revenues for Public Works are budgeted to be $11.22 million and are proposed to be $11.56 million in 2017-18 under this rate study. This is an increase in revenues of $340,000 from increased commodity sales, additional users and from the rate increase. This increases in revenue is necessary to pay for increases in wages and benefits, services and supplies and other utility operational maintenance and repairs. The operational cost increases were also presented at the February 8, 2017 rate study presentation.

The utility rates are calculated from a rate model that determines the revenue needs to meet operating and capital expenses while maintaining prudent reserves.
Review, discuss and possibly approve Resolution 1855 for Proposed Amendments to Sewer Ordinance No. 2 AND Approve Resolution 1856 for Proposed Amendments to Water Ordinance No. 4 that include a utility rate increase

Once the revenue target is established, the water and sewer rates are adjusted to generate that revenue in the most equitable way possible. The revenue is also balanced among the various rate components to pay for fixed, variable and capital components.

Future utility rate increases will be brought to the Board on an annual basis and will be adjusted to meet the revenue needs at that time. The largest impact to the utility rates and the utility reserve fund is the amount of capital work to replace infrastructure and to install new infrastructure to meet regulatory requirements.

The reserve balance is a critical fund to be managed in Public Works. The amount of the bonding will be adjusted to insure the reserve fund remains at a prudent balance while also considering the costs of borrowing, the economic conditions in Nevada and the susceptibility of the funds. The contributions to the reserve will be $1.8 million over the next five years.

With the 2012-13 budget year, Public Works began accumulating $2,000,000 per year in savings for the construction of the Effluent Export Project. We expect to have accumulated a total of $9,000,000 at the completion of critical pipeline repairs to be completed in summer 2017. Funds collected for 2017-18 sewer CIP will be utilized for the Effluent Export Storage Pond Lining Project and other sewer projects. No funds will be accumulating for the Export Pipeline project in 2017-18 and the District will resume accumulating funds in future years.

V. **BID RESULTS**

Not applicable.

VI. **ALTERNATIVES**

Not adopt Ordinance 2 and Ordinance 4 and not increase water and sewer rates. This will have a long term negative impact on the assets and financial health of the District. Water and sewer systems have regulatory oversight so the District must meet operation and infrastructure standards regardless of available funds.
Review, discuss and possibly approve Resolution 1855 for Proposed Amendments to Sewer Ordinance No. 2 AND Approve Resolution 1856 for Proposed Amendments to Water Ordinance No. 4 that include a utility rate increase

VII. COMMENTS

The applicable Nevada Revised Statute is as follows.

NRS 318.199 Rates, tolls and charges for sewerage or water services or products: Schedules; public hearings; adoption of resolution; action to set aside resolution.

1. The board of trustees of any district organized or reorganized under this chapter and authorized to furnish sanitary sewer facilities pursuant to NRS 318.140 or to furnish water facilities pursuant to NRS 318.144 shall establish schedules showing all rates, tolls or charges for services performed or products furnished.

2. Whenever the board of trustees proposes to change any individual or joint rate, toll, charge, service or product, or any individual or joint practice which will affect any rate, toll, charge, service or product, the board of trustees shall hold public hearings after 30 days' notice has been given to all users of the service or product within the district.

3. Notice shall be given by publication in a newspaper published in the county and if no such newspaper is published, then a newspaper published in this state which has a general circulation in the county. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear and the type used in the headline of such notice shall not be smaller than 18 point.

4. All users of the service or product shall be afforded a reasonable opportunity to submit data, views or arguments orally or in writing at the place, date and time specified in the notice, or at any subsequent place or time to which the hearing may be adjourned.

5. If, after public hearing, the board of trustees determines that the proposed action is required, the board shall adopt a resolution establishing the new or changed rates, tolls, charges, services to be performed or products to be furnished.
Review, discuss and possibly approve Resolution 1855 for Proposed Amendments to Sewer Ordinance No. 2 AND Approve Resolution 1856 for Proposed Amendments to Water Ordinance No. 4 that include a utility rate increase

6. Within 30 days immediately following the effective date of such resolution, any person who has protested it may commence an action in any court of competent jurisdiction to set aside the resolution.

7. Within 30 days after the effective date of the resolution, the secretary of the district shall file a copy of the new schedules in the office of the district. The schedules shall be made available to any user of the service or product.

(Added to NRS by 1977, 541)

VIII. BUSINESS IMPACT

This item is a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, but it does not impose a direct and significant economic burden on a business, or directly restrict the formation, operation or expansion of a business, and therefore does not require a Business Impact Statement.
Resolution No. 1855

A RESOLUTION AMENDING ORDINANCE NO. 2
Incline Village General Improvement District

WHEREAS, on the 25th day of April, 2017, a public hearing was held by the Board of Trustees of the Incline Village General Improvement District to consider the adoption of amendments to Ordinance No. 2, titled "An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District, " and

WHEREAS, notice of said hearing was published as required by NRS 318.199; and

WHEREAS, testimony was presented as to the necessity for the adoption of the proposed amendments; and

WHEREAS, all interested parties were allowed at the public hearing and prior thereto, to present in writing or orally, information, views, and arguments; and

WHEREAS, the Board of Trustees, after considering all of the testimony, information, views and arguments, have determined that adoption of the proposed amendments is in the best interests of the District and is required.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, that it hereby amends Ordinance No. 2 as shown in Exhibit A attached hereto, effective immediately.

* * * * * * * * * * * * * * * * * * * * * * * * * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 25th day of April, 2017, by the following vote:

AYES, and in favor thereof, Trustees:
NOES: None
ABSENT: None

Tim Callicrate
Secretary
EXHIBIT A

ORDINANCE NO. 2
ORDINANCE NO. 2

SEWER ORDINANCE

AN ORDINANCE ESTABLISHING RATES, RULES AND REGULATIONS FOR SEWER SERVICE BY THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

As Adopted on April 25, 2017
Resolution No. 1855
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Ordinance 2 - Sewer
As Adopted on April 25, 2017
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ARTICLE 1 - GENERAL PROVISIONS

1.01 Short Title

This ordinance may be cited as "Incline Village General Improvement District Sewer Ordinance" and is hereinafter referred to as "Ordinance."

1.02 Enabling Statutes

This ordinance is adopted pursuant to NRS 318.170, 318.197, and 318.205, together with NRS 318.100 through 318.101, 318.116 (10), 318.140, 318.145, 318.175, and 319.199.

1.03 Words and Phrases

For the purpose of this ordinance, all words used herein in the present tense shall include the future; all words in the plural number shall include the singular number; and all words in the singular number shall include the plural number.

1.04 Sewer System

The District will furnish a system, plant, works and undertaking used for and useful in the collection, treatment and disposal of domestic wastewater and industrial waste for the District, including all parts of the enterprise, all appurtenances thereto, and lands, easements, rights in land, contract rights and franchises.

1.05 Separability

If any section, subsection, sentence, clause or phrase of this ordinance or the application thereof to any person or circumstances is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance or the application of such provision to other persons or circumstances. The Board hereby declares that it would have passed this ordinance or any section, subsection, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared to be unconstitutional.

1.06 Posting

The adoption of this Ordinance shall be entered in the minutes of the Board and certified copies hereof shall be posted in accordance with the State of Nevada open meeting law, NRS 241, Section 020, pertaining to posting requirements.

1.07 Relief on Application

When any person, by reason of special circumstances, is of the opinion that any provision of this ordinance is unjust or inequitable as applied to his premises, he may make written application to the Board stating the special circumstances, citing the provision complained of, and requesting suspension or modification of that provision as applied to his premises. If such application be approved, the Board may, by resolution, suspend or modify the provision complained of, as applied to such premises, to be effective as of the date of the application and continuing during the period of the special circumstances.
1.08 **Relief on Own Motion**

The Board may, on its own motion, find that by reason of special circumstances any provision of this regulation and ordinance should be suspended or modified as applied to a particular premises during the period of such special circumstances or any part thereof.

1.09 **Violations and Penalties**

A. **Violations.** It shall be unlawful for any person, firm or corporation to erect, construct, enlarge, alter, repair, move, improve, remove, convert, demolish, equip, use, or maintain any plumbing or permit the same to be done in violation of this code.

B. **Penalties.** Any person, firm, or corporation violating any provision of this code shall be penalized in accordance with the provisions of the applicable law. Each separate day or any portion thereof during which any violation of this code occurs or continues shall be deemed to constitute a separate offense.

1.10 **Ruling Final**

All rulings of Board shall be final. All rulings of the General Manager shall be final unless appealed in writing to the Board within fourteen (14) days. All rulings of the Director of Public Works shall be final unless appealed in writing to the General Manager within fourteen (14) days.

**ARTICLE 2 - DEFINITIONS**

2.01 **Additional Definitions**

For the purpose of this ordinance, additional terms not specifically defined herein shall have the meaning indicated in Chapter 1 of the most recently adopted edition of the plumbing code entitled "Uniform Plumbing Code", (UPC) compiled by the International Association of Plumbing and Mechanical Officials, copies of which are on file with the District.

2.02 **Administrative / Customer Service Account Charge**

Portion of monthly billing assessed to each sewer account for administrative and customer service costs.

2.03 **Agent**

A person or firm, corporation, partnership or association duly authorized with supporting documentation to complete requirements and performances of this ordinance.

2.04 **Applicant**

The person making application for a permit for a sewer or plumbing installation and shall be the record owner of premises to be served by the sewer for which a permit is requested or his authorized agent.

2.05 **Application**

A written request for sewer service as distinguished from an inquiry as to the availability or charges for such services.
2.06 **Average Month**

Shall mean thirty (30) days.

2.07 **Billing Period**

The regular billing period will be monthly, or at the discretion of the District.

2.08 **Board**

The Board of Trustees of the District.

2.09 **Building**

A structure built, erected, and framed of component structural parts designed for the housing, shelter, enclosure, or support of persons, animals, or property of any kind.

2.10 **Capacity Adjustment Factor**

The relative flow of each water service size as compared to that of a 3/4" service.

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2.11 **Capital Improvement Charge**

That portion of the monthly billing used to pay for capital costs of service. Commercial customers will be billed this rate multiplied by the appropriate capacity adjustment factor for their Service Size for Billing Purposes.

2.12 **Combined Sewer**

A sewer receiving both surface runoff and wastewater.

2.13 **Communal Sewer**

A sewer serving any multi-unit property and is considered a private sewer delivery system and not property controlled by or under the jurisdiction of the District.

2.14 **Contractor**

An individual, firm, corporation, partnership or association duly licensed by the State of Nevada to perform the type of work to be done under the permit.

*Ordinance 2 - Sewer*  
*As Adopted on April 25, 2017*
2.15 **County**

The County of Washoe, Nevada.

2.16 **Customer**

The person in whose name service is rendered as evidenced by the signature on the application or contract for that service, or in the absence of a signed instrument, by the receipt and payment of bills regularly issued in his name regardless of the identity of the actual user of the service. In the case of single family or individually metered multiple family residences, the customer shall be the owner of the property served, but the billing for service may be sent to the owner in care of his agent with signed authorization from the owner.

2.17 **Customer Building Sewer**

That part of the horizontal piping of a drainage system which extends three (3) feet outside the foundation from the end of the building drain and which receives the discharge of the building drain and conveys it to a public sewer, private sewer delivery system, or other point of disposal.

2.18 **Date of Presentation**

The date upon which a bill or notice is postmarked or hand delivered to the Customer of the District.

2.19 **Director of Public Works**

The person appointed to perform the duties of Director of Public Works.

2.20 **District**

The Incline Village General Improvement District (IVGID).

2.21 **District Engineer**

The Engineer appointed and acting for the District and shall be a Registered Civil Engineer in the State of Nevada.

2.22 **Fixed Charge**

Portion of monthly billing to pay for fixed costs of service. Commercial customers will be billed this rate multiplied by the appropriate capacity adjustment factor for their Service Size for Billing Purposes.

2.23 **Fixture Unit**

Any sink, tub, shower, water closet or other facility as defined by UPC connected by building drain to the building sewer.

2.24 **General Manager**

The General Manager of the District.
2.25 **Inspector**

That person so designated by the District Engineer to perform inspections, tests, fixture unit counts and related work in determining compliance with IVGID construction specifications, standards and ordinances.

2.26 **Law**

Any statute, rule, ordinance, bylaw or regulation established by Federal, State, County or Municipal authorities.

2.27 **Main Extension/Capacity Enhancement**

Shall mean the extension or replacement of sewer collection mains and necessary facilities in accordance with the provisions of this ordinance applicable to main extensions and/or capacity enhancements.

2.28 **Metered Service**

A service for which charges are computed on the basis of measured quantities of water, wastewater or liquid wastes.

2.29 **Outside Sewer**

A sanitary sewer beyond the limits of the District not subject to the control or jurisdiction of the District.

2.30 **Owner**

The person owning the property, or the person in whose name the legal title to the property appears, by deed duly recorded in the County Recorder's Office, or the person in possession of the property or building under claim of, or exercising acts of ownership over same for himself, or as executor, administrator, guardian or trustee of the Owner.

2.31 **Permanent Service**

A service which, in the opinion of the District is of a permanent and established character. The use of the sewer may be continuous, intermittent or seasonal in nature.

2.32 **Permit**

Any written authorization required pursuant to this or any other regulation of the District for the installation of any treatment works.

2.33 **Person**

Any human being, individual, firm, company, partnership, association, or private or public or municipal corporation, the United States of America, the State of Nevada, a district, any political subdivision, governmental agency and mandatory thereof, or any other legal entity.
2.34 Premises

All that real property of a single integrated operation under one name which operation may involve one or more buildings, locations or services, provided: (a) such buildings, locations, or services are to a single unit of property; or (b) such buildings, locations or services are on two or more units of property immediately adjoining, except for intervening public highways, streets, alleys, or waterways.

2.35 Private Sewer

A building sewer which receives the discharge from one (1) or more building drain and conveys it to a public sewer, private sewer disposal system, or other point of disposal.

2.36 Private Sewer Delivery System

That portion of any sewer beginning at the plumbing or drainage outlet of any building or industrial facility and running to and including the point of connection to the public sewer or to a private sewer disposal system. The Private Sewer Delivery System shall be installed and constructed of materials in compliance with the current adopted version of the Uniform Plumbing Code, IVGID Requirements to Construct for Water and Sewer Services, and IVGID Requirements to Construct Public and Communal Water and Sewer Utility Systems, as approved by the Director of Public Works.

2.37 Publicly Owned Wastewater Treatment Plant/Treatment Plant

Any arrangement of devices and structures used for treating wastewater. The treatment plant and related works shall be designed and operated in compliance with pertinent State of Nevada statutes, rules, regulations and permits.

2.38 Sanitary Sewer

A sewer which carries wastewater and to which storm, surface and ground waters are intentionally excluded.

2.39 Service Classifications

Shall be defined as follows:

A. Commercial Service: Service to Customers engaged in selling, warehousing, or distributing a commodity, in some business activity, or in a profession, or in some form of economic or social activity (offices, stores, clubs, schools, hotels, etc.) and for purposes that do not come directly under another classification of service.

Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential use on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a commercial service if the total square footage of the occupied building space is greater than 50% commercial. Garages, sheds, and other auxiliary spaces are not used for this calculation.

B. Domestic Service: Service to a residential Customer. Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential service on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a residential service if the
total square footage of the occupied building space is greater than 50% residential. Garages, sheds, and other auxiliary spaces are not used for this calculation.

C. **Mixed Use Service:** Mixed use service has commercial and residential services. Mixed use premises may install two separate water and sewer services to separate the commercial from the domestic uses and pay appropriate rates and connection fees for domestic and commercial service.

D. **Industrial Service:** Service to Customers engaged in a process which creates or changes raw or unfinished materials into another form or product (factories, mills, machine shops, pumping plants, etc., i.e., in extractive fabrication or processing activities).

E. **Single Family Residential Unit:** A single family residential unit shall mean a single family dwelling that is designed for residential occupancy by one or more persons for sleeping, eating, cooking and sanitation purposes.

This service classification can include a family operated business within or part of the family residence, and the supporting services to the family residence, and the supporting services to the family residential customer on the same un-subdivided premises as the family residential unit. The fixture unit count for these services shall be added to the single-family unit in determining connection charges.

E. **Multi-Family Residential Unit:** The place of residence of a single family dwelling within a multi-unit complex, Common Interest Community, mixed use service with greater than 50% square footage of residential area or Condominium Hotel. The single family dwelling premises and the service thereto, whether a separate building, a multiple building, a townhouse, an apartment, a mobile home, a condominium or any other type of living unit that is designed for residential occupancy by one or more persons for sleeping, eating, cooking and sanitation purposes. Clubhouses, poolhouses, restaurants and similar facilities that are part of a multi-unit complex, Common Interest Community, or Condominium Hotel will be counted as additional units for billing purposes in determining base rates.

2.40 **Service Connection**

The point of connection is where the customer's building sewer connects with the District's sewer main, including all components to make the connection to the District's sewer main. The District's sewer main may be located in an easement or public right-of-way. The customer owns the sewer service connection.

2.41 **Service Size for Billing Purpose**

Sewer service size for billing purposes shall be based on the water service size for billing purposes as established in Ordinance 4, Water Ordinance, Section 2.42.

2.42 **Sewer Main**

A pipe or conduit for carrying wastewater.

2.43 **Storm Sewer**

A sewer which carries storm surface, ground, and clear water.
2.44 **Storm Water**

Water or rainfall or other precipitation which drains from the ground or other catch basin during or following a storm.

2.45 **Variable Cost**

That portion of the monthly billing used to pay for the variable costs of service. Variable cost is calculated based on water use.

2.46 **Waste**

The solid, liquid, or vapor components of wastewater that may be discharged into the sewer system.

2.47 **Wastewater**

The spent water of a community. From the standpoint of source, it may be a combination of the liquid and water-carried wastes from residences, commercial buildings, industrial plants, and institutions, together with any ground water, surface water, and storm water that may be present.

**ARTICLE 3 - GENERAL RULES**

3.01 **Rules and Regulations**

The following rules and regulations respecting sewer construction, disposal of wastewater, and connection to the treatment works of the District, are hereby adopted, and all work in respect thereto shall be performed as herein required and not otherwise.

3.02 **Purpose**

This ordinance is intended to provide rules and regulations for the use and construction of sanitary sewer facilities hereafter installed, altered or repaired within the District.

3.03 **Violation Unlawful**

Following the effective date of this ordinance it shall be unlawful for any person to connect to, construct or install or provide, maintain or use any other means of wastewater disposal from any building in the District except by connection to a public sewer in the manner as in this ordinance provided, except as herein otherwise provided.

3.04 **Protection from Damage**

No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance or equipment which is a part of the District treatment works. Any person violating this provision shall be subject to the penalties provided by law, and shall be responsible for the cost of repair.

3.05 **Violation**

Any person found to be violating any provision of this or any other ordinance, rule or regulation of the District, except Article 3.08 hereof, shall be served by the Inspector or other authorized person with written notice stating the nature of the violation and providing a reasonable time limit for the
satisfactory correction thereof. Said time limit shall be ten (10) working days. The offender shall, within the period of time stated in such notice, permanently cease all violations. All persons shall be held strictly responsible for any and all acts of agents or employees done under the provisions of this or any other ordinance, rule or regulation of the District. Upon being notified by the Inspector of any defect arising in any sewer or of any violation of this ordinance, the person or persons having charge of said work shall immediately correct the same.

A. **Amounts.** Violations of these Regulations shall be subject to civil monetary penalties established a) by applicable Nevada law, b) by applicable rules and regulations of the Nevada Department of Environmental Protection and the District and c) by such penalty schedules as may from time to time be adopted by the District and appended to these Regulations.

B. **Continuing Violations.** For purposes of the computation of penalties, each day of a continuing violation of these Regulations shall be deemed to be a separate violation.

### 3.06 Notices to Customers

Notice from the District to a Customer will normally be given in writing, and either delivered by hand, electronically or mailed to him at his last known address. Where conditions warrant and in emergencies, the District may resort to notification either by telephone or messenger.

### 3.07 Notices from Customers

Notice from the Customer to the District may be given by him or his authorized representative in writing to the District's office.

### 3.08 Public Nuisance

Continued habitation of any building or continued operation of any industrial facility in violation of the provisions of this or any other ordinance, rule or regulation of the District is hereby declared to be a public nuisance. The District may cause proceedings to be brought for the abatement of the occupancy of the building or industrial facility during the period of such violation.

### 3.09 Disconnection

As an alternative method of enforcing the provisions of this or any other ordinance, rule or regulation of the District, the Director of Public Works shall have the power to disconnect the user from the sewer mains or water mains, or both, of the District. Upon disconnection, the Inspector shall estimate the cost of disconnection from and reconnection to the system and such user shall deposit the cost, as estimated, of disconnection and reconnection before such user is reconnected to the system. The Inspector shall refund any part of the deposit remaining after payment of all costs of disconnection and reconnection.

### 3.10 Means of Enforcement Only

The District hereby declares that the foregoing procedures are established as a means of enforcement of the terms and conditions of its ordinances, rules and regulations, and not as a penalty.
3.11 Liability for Violation

Any person violating any of the provisions of the ordinances, rules or regulations done under the provisions of the District shall become liable to the District for any expense, loss or other damage occasioned by the District by reason of such violation.

3.12 Permits and Fees

No public sewer, private sewer delivery system or other sewerage facility connected or to be connected to the treatment works of the District shall be installed, altered or repaired within the District until a permit for the work has been obtained and all fees paid in accordance with the requirements of Article 12 of this ordinance.

3.13 Responsibility for Loss or Damage

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

B. The person will be held responsible for damage to the District's facilities and other property resulting from the use or operation of appliances and facilities on customer's premises, including damage caused by steam, hot water, chemicals, electrical connections, grease sewer overflow or back-ups, etc.

C. Contractors, Owners' agents, or other persons responsible for damage to District property shall be required to pay for repair, replacement, or other compensation resulting from such damages.

D. The District assumes no responsibility for loss or damage due to sewage backup or overflow. The District merely agrees to furnish such capacity in its general collection system as required by Nevada NRS rules and regulations. The District will endeavor to give reasonable notice to customers before curtailment of services; however, the District shall not be liable for shutdown or variations to the system that occurs without prior notice by the District.

3.14 Uniform Plumbing Code/ IAPMO

The following Uniform Plumbing Code provisions are made part of this ordinance.

A. By this Ordinance revision all reference to and use of the current adopted version of the Uniform Plumbing Code and the International Association of Plumbing and Mechanical Officials (IAPMO) Installation Standards as approved by the Director of Public Works and all other ordinances or parts of ordinances in conflict with the hereafter adopted new ordinance revision are herewith and hereby repealed.

B. District Ordinances 2 and 4, as accepted and amended, supersede any UPC requirements and definitions which differ.

ARTICLE 4 - SEWER DEPARTMENT
4.01 **Creation**

A sewer department is hereby created comprised of the Board, General Manager, and the Director of Public Works.

4.02 **General Manager**

The General Manager shall have full charge and control of the maintenance, operation and construction of the sewer works and system. He shall have full power and authority to employ and discharge all employees and assistants. He shall prescribe the duties of employees and assistants. He shall fix and alter the compensation of employees and assistants subject to approval by the Board. He shall have charge of all employees and assistants. He shall perform such other duties as are imposed from time to time by the Board, and shall report to it in accordance with the rules and regulations adopted by it.

4.03 **Director of Public Works**

The position of Director of Public Works is hereby created. He shall have charge of the Utilities of the District. This shall include all maintenance, operation and construction of the sewer works, and billing for and collecting of service and connection charges. He shall perform such other duties as shall be determined by the General Manager.

**A. Duties.**

(1) The Director of Public Works shall compute, prepare and mail bills as hereinafter prescribed; make and deposit collections, maintain proper books of account, collect, account for and refund deposits, do whatever else is necessary or directed by the Auditor of the District to set up and maintain an efficient and economic bookkeeping system and perform any other duties now or hereafter prescribed by the Board.

(2) He shall regularly inspect all facilities related to the District sewer system, to see that they are in good repair and proper working order, and to note violations of any sewer regulations. He shall also perform the duties of sewer inspector.

(3) He shall set the design criteria for and provide approval of public and communal sewer systems and maintain compliance with all of the provisions of the ordinance, rules and regulations of the District.

**B. Violation, Repairs.** He shall report any violations or disrepair promptly to the General Manager. If the work required is in the nature of an emergency, he shall take whatever steps are necessary to maintain service to users pending action by the General Manager.

**C. Supervision.** He shall supervise all repair or construction work authorized by the Board or General Manager, and perform any other duties prescribed elsewhere in the ordinance or which shall be hereafter prescribed by the Board or General Manager.

4.04 **Inspections**

The District shall perform inspections on all utility and residential construction within the District to assure compliance with IVGID standards and specifications. All existing residential, commercial and industrial establishments are subject to inspection for proper operation of grease traps, pre-treatment devices and etc. Inspection of existing devices shall be scheduled in accordance with District policy.
with the property owner or property agent. If the property owner or property agent refuses access, Article 4.07 of this ordinance shall apply.

4.05 Performance of Duties

The foregoing duties of the Director of Public Works may be performed by the General Manager or by a designated employee(s), as the General Manager may direct, so long as those decisions or actions that require professional engineering judgment are performed by a registered Professional Engineer.

4.06 Consolidations

Any of the foregoing offices may be consolidated, one with the other, or with other offices of the District.

4.07 Consequences of Denial of Entry or Access

Where an owner or user, after having received reasonable notice from the District, refuses to permit properly identified District personnel to enter or have access to premises or facilities in accordance with Article 4.4, above, the District may forthwith give written notice of its intent to terminate water, sewer and trash service to such user. Such notice shall be given in accordance with Article 14, Billing and Collection and Article 15, Discontinuance of Service. Termination based on these sections shall be treated as a termination for refusal of access under said Article 4.

4.08 Violation

Any person found to be violating any provision of this or any Ordinance, rule or regulation of the District, shall be served by the Inspector or other authorized person with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. Said time limit shall be ten (10) business days. The offender shall, within the period of time stated in such notice, permanently cease all violations. All persons shall be held strictly responsible for any and all acts of their agents or employees done under the provisions of this or any other Ordinance, rule or regulation of the District. Upon being notified by the Inspector of any violation of this Ordinance, the person or persons having charge of said work shall immediately correct the same.

A. Amounts. Violations of these Regulations shall be subject to civil monetary penalties established by a) applicable Nevada statues or administrative code, b) Nevada Environmental Protection Division and the District and c) by such penalty schedules as may from time to time be adopted by the District and appended to these Regulations.

B. Continuing Violations. For purposes of the computation of penalties, each day of a continuing violation of these Regulations shall be deemed to be a separate violation.

ARTICLE 5 - USE OF PUBLIC SEWERS REQUIRED

5.01 Disposal of Wastes

It shall be unlawful for any person to place, deposit, or permit to be deposited upon public or private property within the District, or in any area under the jurisdiction of the District, any human or animal excrement, garbage or other objectionable waste.
5.02 **Treatment of Wastes Required**

It shall be unlawful to discharge into any stream or watercourse any sawdust, pulp, oils, rubbish, filth, industrial waste or poisonous or deleterious substances which affect the health of persons, fish or livestock, or render such waters unpalatable or distasteful, or other polluted waters, except where suitable treatment has been provided in accordance with the provisions of this ordinance.

5.03 **Unlawful Disposal**

Except as herein provided, it shall be unlawful to construct or maintain any privy, privy vault, septic tank, cesspool, seepage pit or other facility intended or used for the disposal of wastewater.

5.04 **Occupancy Prohibited**

No building, industrial facility or other structure shall be occupied until the Owner of the premises has complied with all rules and regulations of the District.

5.05 **Sewer Required**

The Owner of any building or structure to be inhabited by humans, situated within the District, is hereby required at his expense to connect said building directly with the public sewer of the District, in accordance with the provisions of this ordinance.

A. **Manner of Connection and Service.** Prior to any connection to the public sewer, an approved permit for such connection shall be obtained and all fees paid in full for such connection.

1. A condition for obtaining a permit shall be the approval of plans and specifications for the works to be served and conformance with the District's requirement for construction of utilities for single family dwellings and small commercial projects.

2. No two buildings on separate parcels shall be permitted to join in the use of the same private sewer delivery system. One or more buildings located on a lot or parcel belonging to the same owner may be served with the same private sewer delivery system during the period of said ownership. Upon the subsequent subdivision of said ownership thereof, the portion not directly connected with a public sewer shall sever the connection to the jointly used private sewer delivery system and connect directly to the public sewer. Exceptions may be made for those presenting to the District a consensual recorded easement between the owners of record. This does not apply to Multi-Family Homeowner Associations.

3. In all buildings in which the plumbing system is too low for gravity flow to the public sewer, wastewater carried by the building drain shall be lifted by pump or other means approved by the District and discharged to the Public Sewer at the expense of the Owner.

4. Buildings served by private sewer delivery systems with the lateral connection below the manhole rim of the immediate upstream manhole of the public sewer shall provide at the Owner's expense such protective devices as an approved backwater valve in the private sewer delivery system as may be necessary to protect Owner against flooding. The District shall not be responsible for any damages from flood or damages caused by flow to Owner's buildings or property regardless of whether such facilities are located below the hydraulic grade line of the Public Sewer.
B. Protection of Excavation. All excavations for sewer installations shall be adequately guarded with barricades or lights to protect the public from hazard. Streets, sidewalks, parkways, easements and other property disturbed in the course of the work shall be restored in a manner satisfactory to the District and the County or other person or agency having jurisdiction.

C. Approval of Private Sewer Delivery System. Prior to any service, a representative of the District shall inspect the connection to the public sewer system, and prior to covering the private sewer delivery system shall determine compliance with approved plans and District specifications before authorizing any service. Noncompliance with plans or specifications shall be corrected prior to any service by the District.

ARTICLE 6 - APPLICATION FOR REGULAR SEWER SERVICE

6.01 Application

A. Each Applicant for service shall be required to sign, on a form provided by the District, an application which will set forth:

(1) Date and place of application.
(2) Location of premises to be served. Size, location, the number and kinds of fixtures, the quantity and wastewater characteristics to be served.
(3) Date Applicant will be ready for service.
(4) Whether the premises have been heretofore provided with sewer service by the District.
(5) Purpose for which service is requested.
(6) Name and address to which bills are to be mailed or delivered.
(7) Whether Applicant Signatory is record owner of the premises to be served or his authorized agent.
(8) Rate schedule to be applied (where optional rates are in effect).
(9) Other such information as the District may reasonably require.
(10) Proof of approved sewer testing, as required.

B. The application or the depositing of any sum of money by the Applicant shall not require the District to render service until the expiration of such time as may be reasonably required by the District to determine if Applicant has complied with the provisions of these Rules and Regulations and as may reasonably be required by the District to install the required service facilities.

6.02 Forms of Application

A property owner or his agent shall make an application for regular sewer service on the form provided for its intended use.

6.03 Undertaking of Applicant

Such application will signify the Customer’s willingness and intention to comply with this and other ordinances or regulations relating to the regular sewer service and to make payment for sewer service required.
6.04 Individual Liability for Joint Service

Two or more persons owning the same property who join in one application for service shall be jointly and separately liable for payment of bills and shall be billed by means of single periodic bills.

6.05 Change in Customer's Equipment or Operations

Before a customer makes any material change in size, or operation resulting in significant increase in volumes or wastewater characteristics, or extent of the equipment or operations for which the District's service is utilized shall immediately file with the District a new application for additional service.

6.06 Special Cases

The District will require a written contract with special guarantee from Applicants whose unusual characteristics of load would require excessive or special investment in facilities or whose requirements for service are of a special nature.

6.07 Payment for Previous Service, Special Assessments, Ad Valorem Taxes, Recreational Revenue Charges and Assessments

An application will not be honored unless payment in full has been made for sewer and other services previously rendered to the Applicant by the District, and unless all special assessments, ad valorem taxes, recreational revenue charges, and assessments on the parcel of land to be served are paid current.

6.08 Establishment of Credit

Each Applicant applying for service may be required to establish credit, which will be deemed established upon qualifying under any one of the following:

A. Applicant owns the premises for which service is requested.

B. Applicant makes the deposit prescribed in Article 6.09.

C. Applicant arranges a guarantor satisfactory to the District for the payment of Applicant's bills for service.

D. Applicant has been a Customer of the District and during the last twelve (12) consecutive months of that prior service has paid all bills for service without having been posted for or disconnected for nonpayment thereof.

6.09 Re-establishment of Credit

In the event an Applicant was previously a Customer of the District and the District discontinued service during the last twelve (12) consecutive months of that prior service for nonpayment of bills, the Applicant shall be required to pay any unpaid balance due the District for the premises previously served and may be required to reestablish credit by making the deposit prescribed in Article 6.10.

6.10 Amount to Establish or Reestablish Credit

The amount of the deposit shall be at the discretion of the District and is subject to change if found to be insufficient, but will not be required to be greater than three months estimated bill.
6.11 Applicability to Unpaid Accounts

The District shall first apply all deposits, toward the satisfaction of the unpaid bill(s) of the Applicant.

6.12 Return of Deposits

Upon discontinuance of service, the District will refund the balance of the Customer's deposit in excess of unpaid bills for that service for which the deposit was made.

6.13 Connection to System Required Within 540 Days of Application

Any application that has been accepted by the District may be considered vacated if the Applicant fails to commence construction and connection to the District's sewer system within 540 days of such acceptance. The fees collected for such application shall be returned to the Applicant upon written request, and a new application and payment of fees will be required before service will be provided. No fees will be refunded after connection.

6.14 Changes in Use or Uses of Served Property

Any changes in the use or uses of properties served by regular sewer service which may affect the service classification under which it is served or the number of fixture units served must have the prior approval of the District. Examples of such changes would be adding plumbing fixtures not previously approved in applying for service, modifying a residence to accommodate more single family units than were approved or such other changes that would similarly change the character of the building. Such changes in use shall be subject to the Connection Charges, Sewer Capital Improvement Charges and Sewer Service Charges, as contained in Articles 6, 13 and 14 of this ordinance and payment of such charges shall be made upon application for such change. If such change is made without application, it shall be subject to the corrective measures contained in Article 15.2 of this ordinance.

Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential use on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a commercial service if the total square footage of the occupied building space is greater than 50% commercial. Premises that have both residential and commercial use shall be billed as a residential service if the total square footage of the occupied building space is greater than 50% residential. Garages, sheds, and other auxiliary spaces are not used for this calculation.

6.15 Connection Charges

The following charges are hereby established and shall be collected at the time of issuing the permit for a sewer connection. Connection fees shall be charged at the rate in effect on the day of application for a Washoe County Building Permit. Connection(s) not made within 540 days will be subject to the current rates in effect at the time of connection. Previously paid connection fees shall be credited to the new connection fee rate. Previously paid connection fees for service are non-refundable in all situations including reversion to acreage. Payment of connection fees constitutes acceptance of a new service connection application by the District.

A. Units Inside of District. Sewer connection fees are based on water service size for billing purposes and shall be charged as shown in Exhibit B. Each dwelling of multiple dwellings on a single parcel shall constitute a separate unit. Mixed use service that has been determined to be billed as residential will be billed one connection charge for each residential
unit and each equivalent residential unit per 39 fixture units of commercial service. Fractions will be rounded to nearest whole number, example: 58 fixture units = 1.49 and rounded to 1.0 units, 59 fixture units = 1.51 and rounded to 2.0 units. The minimum equivalent residential unit amount shall be 1.0, (one).

B. Units Outside of District. Persons desiring connection of property located outside the District to the sanitary sewer system of the District shall pay to the District a connection charge at the rate of one and one-half \(1\frac{1}{2}\) times the charge for a District customer. Nothing in this ordinance shall require the District to serve properties located outside the District.

C. Remodeling Connection Charges. If remodeling necessitates upgrade of the water meter sewer connection fees shall be charged equal to the fee for the upgraded meter size as described in Item A above minus the sewer connection fees for the existing water meter size. All existing residential connections are deemed \(\frac{3}{4}\) inch unless a connection fee has been paid to the District for an upgrade.

D. Plan Check Fee. Any person requiring approval of plans by the District, or desiring plan checking, shall pay to the District a plan checking fee as shown in Exhibit C. Each plan revision requiring rechecking shall necessitate the charge of an additional plan check fee. Plan checking is performed for water, sewer, trash and irrigation concurrently. A plan check fee may be changed from time to time at the discretion of the Director of Public Works.

ARTICLE 7 - APPLICATION FOR REGULAR SEWER SERVICE WHEN MAIN EXTENSION OR CAPACITY ENHANCEMENT REQUIRED

7.01 Application

Any Owner of one or more lots or parcels, or subdivider of a tract of land, desiring the extension of one or more mains to serve such property, and/or for any capacity enhancement of existing facilities shall make a written application therefore to the District, such application to contain the legal description of the property to be served and tract number thereof, and any additional information which may be required by District, and be accompanied by a map showing the location of the proposed connection. Costs of surveys or engineering services to determine location of lines or the costs of extensions and/or capacity enhancement shall be borne by the Applicant.

7.02 Investigation

Upon receipt of an application for a main extension, the District Engineer shall make an investigation and survey of the proposed extension and/or capacity enhancement and shall report his findings to the Board, including the estimated cost thereof.

7.03 Ruling

The Board shall thereupon consider the application for main extension and the report thereon and after such consideration reject or approve it.

7.04 District Lines

All sewer main extensions and/or capacity enhancement shall be in accordance with the Incline Village General Improvement District Sewer Regulations Ordinance, and shall be and remain the property of the District.

Ordinance 2 - Sewer
As Adopted on April 25, 2017
7.05 District Extension

The District will direct all main extensions and/or capacity enhancement authorized by it.

7.06 Determination

The cost of such extension shall be borne by the Applicant, subject to the refund agreement provided in Article 7.7, following, unless the Board determines it is in the best interest of the District to advance such costs.

7.07 Refund Agreement

In the event that the Applicant is required to bear the cost of the main extension, the District shall require any record owner who subsequently applies for a permit to connect to said main extension during the first ten (10) years of its existence to pay his pro rata share of the costs of its construction, as determined by the District Engineer. The amount so advanced to the District by the above-referenced record owner shall be paid by the District to the original applicant.

7.08 Extension by Customer

In special cases where extension of the District's mains to a point adjacent to Customer's premises is not feasible, in the opinion of the District, Customer may lay service pipe, at his own expense, from point of use to point of connection where a tap can be made directly to the District's then existing main.

7.09 Point of Connection

In such cases, the District shall be obligated to provide service at the point of connection to its collection lines only, and Customer shall assume all responsibility and cost for maintenance, operation and replacement of his service line and all components to make the connection and the flow therein.

7.10 Additional Components Required

If additional components, including but not limited to a sewer pump, should be required in Customer's service line to provide adequate Customer service, beyond that normally provided by the District at point of connection of Customer's service line to the District's main, Customer shall provide, operate, maintain and replace such components, all at his own expense.

7.11 No Obligation by District

The District shall at no time in the future be required to lay additional public sewer beyond the original point of delivery to provide service to said Customer or others supplied through said Customer's service.

7.12 All Costs to be Borne by Customer

Original Customer shall pay all charges for service provided through his service connection, at the point of connection to the public sewer.

ARTICLE 8 - PUBLIC SEWER
8.01 Extensions

The District shall make extensions along streets, alleys, lanes, roads, common areas, and easements cut by established grades, and/or make alterations in its existing facilities in accordance with these rules and regulations, provided such extensions are located within the service area of the Incline Village General Improvement District.

A. Extensions of collection lines and appurtenances to provide service to an Applicant will be made at Applicant's expense.

B. The cost of the extension and appurtenances will be based on the size of collection lines consistent with the service requirement specified by the District.

C. The size, type, quality of materials, and their location will be specified by the District. Construction will be by the District or other authorized agency or contractor.

D. All costs and expenses incident to the installation and connection of any sewer or other work for which a permit has been issued shall be borne by the Applicant. The Owner shall indemnify the District from any loss or damage that may directly or indirectly be occasioned by the work.

E. Extensions and/or capacity upgrade financed by the Applicant shall be prorated to the number of possible users along the extension, and when any connection is made for which an advance has been made by an Applicant, then that portion used by another shall be refunded to the Applicant making the advance.

F. Refunds shall not be made to any Applicant exceeding the amount of the original advance. Upon termination of a ten (10) year period, any balance remaining of the advance shall become the property of the District.

G. All main extensions will become the property of the District immediately upon completion of construction and verification by the District of compliance with all rules, regulations and specifications required by the District and be operated and maintained by the District at its own expense.

H. Acceptance criteria shall include, but not be limited to the following:

(1) Submittal to the District of a written application by record owner, or duly authorized agent acting on behalf of the owner, requesting a main line extension. This application shall contain the legal property description, Assessor's Parcel Number, map or plan showing proposed extension and connection, easements or rights of way to be granted or procured,

(2) Completion of the form established for the purpose intended for the extension of main lines,

(3) Submittal of proposed plans, profiles and specifications, prepared and stamped by a registered Nevada Engineer,

(4) Submittal of an as-built plan and profile stamped as above upon completion of the main line extension,

(5) Completion of all required testing to the satisfaction of the District, and
(6) Completion of all appropriate legal documentation incidental to the transfer of ownership to the District;

I. All expenses incurred and incidental to the line extension and/or capacity enhancement shall be borne by the Applicant.

J. District approval shall be based on compliance with all District ordinance rules, regulations and policies.

K. No extension contract, or any rights thereunder, granted under this provision may be assigned without written notification to the District by the registered holder of the contract.

ARTICLE 9 - BUILDING SEWERS, PRIVATE SEWER DELIVERY SYSTEMS, AND CONNECTIONS

9.01 Permit Required

No unauthorized person shall uncover, make any connection with or opening into, use, alter, or disturb any public sewer, building drain or building sewer; and appurtenances thereto or perform any work on any lateral or building sewer without first obtaining a written permit from the District. Any new construction, addition, remodel or demolition requiring issuance of a Washoe County building permit shall require written approval and final acceptance by a District Inspector.

9.02 Construction Requirements

Construction of building sewers and private sewer delivery systems shall be in accordance with the requirements hereof.

9.03 Size and Slope

Size and slope shall be in conformance with the District specifications and the currently adopted version of the Uniform Plumbing Code sections.

9.04 Separate Sewers

No two buildings on separate parcels shall be permitted to join in the use of the same private sewer delivery system. One or more buildings located on a lot or parcel belonging to the same owner may be served with the same private sewer delivery system during the period of said ownership. Upon the subsequent subdivision of said ownership thereof, the portion not directly connected with a public sewer shall sever the connection to the jointly used private sewer delivery system and connect directly to the public sewer. Exceptions may be made for those presenting to the District a consensual recorded easement between the owners of record. This does not apply to Multi-Family Homeowner Associations.

9.05 Old Building Sewers

Old building sewers may be used in connection with new buildings only when they are found to meet all requirements of the District. The Inspector must approve their use.
9.06 Cleanouts

Cleanouts shall be provided and maintained in the building sewer at a location three feet outside the foundation wall of the building. They shall also be provided and maintained at any charge of direction of 90° or aggregate thereof, and where the building sewer crosses the property line. All cleanouts shall be maintained water tight, with a plug enclosure constructed entirely of plastic or nylon, no makeup of this plug shall be constructed of metal materials. The cleanout shall be covered by a concrete box with a steel lid marked sewer set to finished grade. Additional cleanouts may be required at the discretion of the District.

9.07 Individual Sewage Pump Stations

In all buildings in which the plumbing system is too low to permit gravity flow to the public sewer, domestic wastewater carried by the building sewer shall be lifted by artificial means, approved by the Inspector, and discharged to the Public Sewer at the expense of the owner. A ball check or other backwater device shall be installed and maintained by the customer in building sewers serving fixtures at a lower elevation than the overflow of the sewer to which it discharges. The District reserves the right to have sewer pump stations inspected and tested when deemed by the Director of Public Works to be a potential hazard to public health or the environment. The District shall determine the inspection and testing frequency.

9.08 Service Connections

A. The District will authorize Customer to extend and connect Customer's private sewer disposal system to the District's main or wye branch at Customer's expense.

B. Building sewer connection to private sewer disposal system shall be made in accordance with IVGID requirements to construct water and sewer and private communal utility systems.

C. Building sewers shall not be constructed prior to District verification of existing connection to public sewer.

D. The costs incurred for the construction of the above connection shall be the responsibility of the record owner requesting such and the connection shall be at the location specified by the District.

E. All water and sewer testing is required to comply with Federal, State and local regulations, laws or ordinances and shall be at the expense of the Applicant.

F. When in the opinion of the Director of Public Works there is danger of sewer backup from the public sewer, similar backwater devices must be installed and maintained at the owner's expense.

9.09 Backflow Prevention Devices

The District may refuse or discontinue service to any premises where a cross-connection to a source of water supply exists. Until a backflow prevention device is installed in compliance with provisions of Ordinance Number 4, Article 16, the District shall not be required to begin or continue service.
9.10 **Maintenance**

The District will not be responsible for the installation and maintenance of the sewer or waste lines beyond the point of connection of the private sewer delivery system to the public sewer (reference Article 9.11, below). It shall be the owner's and/or customer's responsibility to verify that fixtures and piping conform to the requirements of all State, County or Municipal ordinances, laws and regulations and be properly maintained.

9.11 **Connection to Public Sewer**

A. **Connection point.** The connection of the Building Sewer and private sewer delivery system into the Public Sewer shall be made at a point where the Building Sewer intersects the property line if such Building Sewer is at a location acceptable to the District. All building sewers, in service or abandoned, are the responsibility of the property owner up to the point where the building sewer meets the main in any street or easement, including the connection point and all components. Abandoned sewer laterals shall be capped or removed so that they are no longer hydraulically connected to the sewer main.

B. **Location:** The location of all sewer connection points shall be approved by the District.

C. **Installation Standards:** The connection to Public Sewer shall be installed in accordance with all rules, regulations and standards of the District's Requirements to Construct Sewer and Water Service Lines.

D. **Connection Point:** All building sewers are the responsibility of the property owner to the connection at the main sewer in any public way or easement, including all components to make the connection.

9.12 **Protection of Excavation**

All excavations for sewer installations shall be adequately guarded with barricades and/or lights so as to protect the public from hazard. Streets, sidewalks, parkways and other property disturbed in the course of the work shall be restored in a manner satisfactory to the District and the County or any other person having jurisdiction thereunder.

9.13 **Maintenance of Building Sewer**

A. Building Sewers to and including the point of connection to Public Sewer shall be maintained by the record owner served by that Building Sewer.

B. It is unlawful for any record owner of a house, building or property connected to a public sewer to maintain the private sewer delivery system or building sewer in a condition that is incapable of passing a test as specified in Section 9.14. Sewers are to be maintained free of defects that could potentially result in reduction of flow capacity, increase potential of overflows, or allow the infiltration of ground and/or surface waters into the sewer.

C. All private sewer delivery systems and building sewers, including lines serving residential, multiple residential and commercial connected to a public sewer shall be cleaned and tested as specified in Section 9.14 prior to completion of the following events:

1. Remodel or addition to a house, building or property served.
2. Installation or deletion of additional plumbing fixtures, building or property served.
(3) Change of use of a house, building or property served from residential to business or commercial, or from non-restaurant commercial to restaurant commercial.

(4) Repair or replacement of all or part of the building sewer or private sewer delivery system.

(5) Determination by the Director of Public Works that the cleaning and testing is required for the protection of the public health, safety or welfare.

D. The record owner of any house, building or property shall conduct all cleaning and testing required at his sole expense and shall notify the District in accordance with District policy for the inspection of the testing and cleaning. If conducted without such notice it shall not satisfy the requirements of this section. The Customer shall be liable for damages if lateral cleaning causes a sewage backup downstream as a result of materials dislodged by the cleaning operation. An inspector of the District shall be required to be on-site.

E. The Director of Public Works shall have the authority to waive the cleaning and testing requirements if testing was performed within a prior ten year period and the Director of Public Works determines that such testing is not necessary.

F. In the event that cleaning, testing, repair or replacement is required at a time when weather conditions or excavation restrictions prohibit such repairs, the Director of Public Works may defer completion of the requirements until such date as agreed upon between the record owner and the District. If the test is deferred, the record owner shall post a performance bond with the District in an amount equal to one hundred twenty-five percent (125%) of the District's estimate of the cost of replacing the building sewer or private sewer delivery system. In such an event, the testing requirements shall be completed by June 15 of the following year.

G. If the property is being sold and weather conditions or excavation restrictions prohibit testing, the record owner shall escrow funds in the amount equal to one hundred twenty-five percent (125%) of the District's estimate of the cost of replacing the private sewer delivery system. Funds held in escrow will not be released without written notice by the District to the title company holding such funds. If the testing requirements are not completed by the time set by the ordinance, the funds held in escrow shall be released to the District. The funds shall be used by the District for physical disconnection, testing, repair or replacement of the private sewer delivery system. Should such costs exceed the amount held in escrow, the difference shall be billed to the record owner.

H. In the event a private sewer delivery system or building sewer does not meet the standards set forth in Article 9.11, Subsection D and Article 9.14, the record owner shall complete corrective work and testing shall be performed within thirty days from the date of the original test.

I. A State of Nevada licensed contractor shall be responsible for the performance of all work connected with the cleaning and testing of private sewer delivery systems. If the record owner chooses to perform the cleaning and testing, he may do so by obtaining authorization from the District and by posting a bond in the amount specified in Exhibit C. Contractors and owners must post a certificate of insurance with the District showing property damage and public liability in an amount satisfactory to the District.

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As Adopted on April 25, 2017
9.14 Testing

Testing shall be conducted in accordance with the most current adopted edition of the Uniform Plumbing Code, Washoe County ORANGE BOOK, and/or IVGID REQUIREMENTS TO CONSTRUCT WATER AND SEWER AND PRIVATE COMMUNAL UTILITY SYSTEMS and IVGID REQUIREMENTS TO CONSTRUCT WATER AND SEWER SERVICE LINES. In the case of conflicting requirements, the District requirements shall prevail.

9.15 Modification of Time-Frame

Modifications of the time-frames in Article 9.13 shall be at the discretion of the Director of Public Works.

ARTICLE 10 - PUBLIC AND PRIVATE COMMUNAL SEWER SYSTEM CONSTRUCTION

10.01 Permit Required

No person shall construct, extend or connect to any Public Sewer without first obtaining a written permit from the District and paying all fees and connection charges and furnishing bonds as required. The provision of this section requiring permits shall not be construed to apply to contractors constructing sewers and appurtenances under contracts awarded and entered into by the District except as provided in this ordinance.

10.02 Plans, Profiles and Specifications Required

The application for a permit for Public Sewer construction shall be accompanied by complete plans, profiles and specifications, complying with all applicable ordinances, rules and regulations of the District, prepared by a Registered Nevada Civil Engineer, showing all details of the proposed work based on an accurate survey of the ground. The application, together with the plans, profiles and specifications, shall be examined by the District Engineer who shall approve them as filed or require them to be modified as he deems necessary for proper installation.

10.03 Easements or Rights-of-Way

A. In the event that an easement is required for the extension of the Public Sewer or the making of connections, the Applicant shall procure and have accepted by the Board a proper easement or grant of right-of-way sufficient in law to allow the laying and maintenance of such extension or connection. Easements or rights-of-way are reserved for the servicing of utilities, and no structure or building shall be placed within or over easements or rights-of-way, nor shall these areas be occupied or used in any manner as to restrict or deny access for repairs or maintenance, and all costs of removing, repairing or replacing land surfaces, paving, landscaping or other occupancies shall be charged to the property record owner.

B. In order to preserve the health, safety and welfare of the residents of the District, and in order to comply with the Environmental Protection Agency's Safe Drinking Water Act/Surface Water Treatment Rule and the Clean Water Act and the intents and specifications thereof, the District requires and shall be allowed open and continuous access by its personnel over, across, through, and under all easement locations for normal and emergency operation of the District-wide infrastructure.

C. Types of obstructions restricted within easement areas include:
(1) Residential site improvements, such as landscaping, lawn, flower beds, gardens, irrigation systems, outbuildings, secondary residences, fences, walls, gazebos, paving, and other site improvements and ancillary improvements associated therewith.

(2) Primary residence, multi-family, commercial, industrial, public, special use buildings and lands and such ancillary improvements associated therewith, such as decks, carports, pools, gazebos, spas, parking and paved accesses, carports and garages, fences and detached outbuildings.

D. All natural and constructed obstructions in aforementioned rights of way shall be subject to the provisions set forth herein.

E. All new construction remodeling, restoration and further development on any parcel shall incorporate the provisions as set forth herein.

10.04 Mitigation of Encroachments onto Easements and Rights of Way

The District may accommodate, by means of direct negotiations leading to the execution of an encroachment agreement, extenuating circumstances where conditions of clear necessity or historical occupation or use are present. Absent explicit language to the contrary, by entering into any encroachment agreement, the District does not surrender a claim to title nor control of operations; furthermore, absent explicit language in the encroachment agreement to the contrary, the District shall not incur any additional cost by reason of existing or constructed privately owned improvements.

10.05 Persons Authorized to Perform Work

Only properly licensed contractors shall be authorized to perform the work of Public Sewer construction within the District. The District will not accept dedication of any public sewer construction, or portions thereof, unless the construction has been performed by the holder of a Class A contractor's license issued by the Nevada State Contractor's Board. All terms and conditions of the permit issued by the District to the Applicant shall be binding on the Contractor. The requirements of this section shall apply to building sewers and private sewer delivery systems installed concurrently with Public Sewer construction.

10.06 Grade Stakes

Grade and line stakes shall be set by a licensed State of Nevada Land Surveyor prior to the start of work on any Public Sewer construction. The Contractor shall be responsible for accurately transferring grades to grade bars and sewer invert.

10.07 Compliance with Local Regulations

Any person constructing a Sewer within a street shall comply with all State, County or city laws, ordinances, rules and regulations pertaining to the cutting of pavement, opening, barricading, lighting and protecting of trenches, back filling and repaving thereof, and shall obtain all permits and pay all fees required by the department having jurisdiction prior to the issuance of a permit by the District.

10.08 Protection of Excavation

The Applicant shall maintain such barriers, lights and signs as are necessary to give warning to the public at all times that a Sewer is under construction and of each dangerous condition to be encountered as a result thereof. He shall also likewise protect the public in the use of the sidewalk against any such conditions in connection with the construction of the Sewer. Streets, sidewalks,
parkways and other property disturbed in the course of the work shall be reinstalled in manner satisfactory to the District and the County or any other person or entity having jurisdiction thereunder.

10.09 Design and Construction Standard

A. Minimum standards for the design and construction of Sewers within the District shall be in accordance with IVCID’s SPECIFICATION TO CONSTRUCT WATER AND SEWER AND PRIVATE COMMUNAL UTILITY SYSTEMS and ordinance rules and policies heretofore or hereafter as amended by the District, copies of which are on file in the District office. The District Engineer may permit modifications or may require higher standards where unusual conditions are encountered.

B. Record, "as-built" drawings showing the actual location of all mains, structures, wyes and building sewers or private sewer delivery systems shall be filed with the District before final acceptance of the work.

10.10 Completion of Sewer Required

Before any acceptance of any sewer line by the District and prior to the admission of any wastewater into the system, the sewer line shall be tested and shall be complete in full compliance with all requirements of the most recently adopted edition of the Uniform Plumbing Code, Washoe County Orange Book, and/or IVCID Requirements to Construct Water and Sewer and Private Communal Utility Systems, IVCID Requirements to Construct Water and Sewer Service Lines, the Specifications for Sewer Construction, and to the satisfaction of the District Engineer.

ARTICLE 11 - USE OF PUBLIC SEWERS

11.01 Drainage into Sanitary Sewers Prohibited

No leaders from roofs, no surface drains for rainwater, or no underdrains for foundations or paved surfaces shall be connected to any sanitary sewer. No surface or storm water, seepage, cooling water, groundwater or unpolluted industrial process waters shall be permitted to enter any sanitary sewer by any device or method whatsoever.

11.02 Combined Sewers

No combined sewer or storm sewer shall be connected to the District’s treatment works. All storm waters, cooling waters and unpolluted industrial process waters shall be disposed of as directed by the Director of Public Works.

11.03 Required Use of Grease Traps and Interceptors

All waste discharged from commercial establishments which may generate grease shall install and maintain a grease interceptor. Sizing specifications for grease traps and interceptors shall be according to the Uniform Plumbing Code. The design, operation and sizing of all grease traps and interceptors shall be performed by a licensed engineer and approved by the District.

A. Capacity: Grease traps, interceptors and sand/oil separators shall be constructed to prevent any bypass of matter prohibited in the wastewater system. Grease traps and sand/oil separators shall a minimum capacity as specified in the Uniform Plumbing Code.

   (1) Grease, oil, and sand interceptors shall be provided when and where necessary for the removal of grease, oil, sand or other waste components not present in normal residential
wastewater. No such device shall be required for residential service. Grease traps and interceptors shall be cleaned regularly to ensure proper operation.

B. **Service Log:** The owner or operator of the establishment or business conducted on the premises where the grease trap or interceptor and/or sand/oil separators are located shall maintain a log describing the date and type of all service and maintenance performed in connection with the grease trap or interceptor and/or sand/oil separator, the identity of the person who performed the service or maintenance, the amount of residue removed from the grease trap or interceptor and/or sand/oil separator on each date, the method of disposal of the residue, and copies of the receipts for service. The log entries shall be maintained for twelve months, along with photocopies of receipts for service, and shall be made available for inspection and copying by the District representative. The schedule for service and maintenance of a grease trap or interceptor and/or sand/oil separator shall be subject to approval by the District.

C. **Prohibitions:** The introduction of emulsifiers, bacteria, enzymes or any other product into the grease trap or interceptor is prohibited.

D. **Inspections:** The District may determine frequency of inspections. If upon inspection, it is determined that the prescribed maintenance/cleaning has not been performed, a District representative shall be scheduled in advance by the owner/agent to inspect the subsequent maintenance/cleaning. Inspections may be billed in accordance with Exhibit C.

11.04 **Limitations on the Use of Garbage Grinders**

Waste from garbage grinders shall not be discharged into District wastewater facilities except when the wastes are generated in preparation of food normally consumed on the premises and the grinders shred the waste to a degree that all particles will be carried freely under normal flow conditions prevailing in the wastewater facilities, and to a size not to exceed one-half inch in any dimension. Garbage grinders shall not be used for grinding plastic, paper products, inert materials or garden refuse. No garbage grinders shall discharge into a grease trap.

11.05 **Maintenance of Pretreatment Facilities**

All devices shall be so located as to be readily and easily accessible for cleaning and inspection. All grease, oil and sand interceptors shall be maintained by the Owner, at their expense, in continuously efficient operation at all times. Any maintenance costs incurred by the District to remove grease, sand, oil, or other non-approved waste from mains may be billed to the Owner.

11.06 **Preliminary Treatment of Wastes**

The admission into the public sewers of any waste containing any quantity of substance having characteristics described in Articles 11.08 and 11.09 hereof, shall be subject to special rates and such conditions as public sewer system requires to treat and dispose of the special waste discharge. Where necessary, this may include increase in rate from that for normal residential waste, or such treatment as necessary prior to discharge into the sewer system and the complete exclusion of certain wastes inimical to the treatment process.

A. Plans, specifications and any other pertinent information relating to proposed preliminary treatment facilities shall be submitted for the approval of the District and no construction of such facilities shall be commenced until said approvals are obtained in writing.
11.07 Measurements and Tests

All measurements, tests and analysis of the characteristics of wastes shall conform to accepted practice, and be performed according to Standard Methods for Wastewater Examination. An acceptable sampling point, apparatus, and control manhole may be required to determine waste characteristics. All tests and sampling shall be at the expense of the Applicant. The manhole, if required, shall be installed by the Owner at his expense, and shall be maintained by him so as to be safe and accessible at all times. In the event that no special manhole is required, the control manhole shall be considered to be the nearest downstream manhole in the public sewer to the point at which the building sewer is connected.

11.08 Types of Wastes Prohibited

Except as hereinafter provided, no person shall discharge or cause to be discharged any of the following described waters or wastes to any public sewer:

A. Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas.

B. Any garbage that has not been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-half inch in any dimension.

C. Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, woods, manure, or any other solid or viscous substances capable of causing obstruction to the flow in sewers or other interference with proper operation of the treatment works.

D. Any waters or wastes having any other corrosive property capable of causing damage or hazard to structures, equipment and personnel of the treatment works.

E. Any waters or wastes containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any wastewater treatment process, constituting a hazard to humans or animals, or creating any hazard in the receiving waters of the wastewater treatment plant.

F. Any waters or wastes containing suspended solids of such character and quantity that unusual attention or expense is required to handle such materials at the wastewater treatment plant.

G. Any noxious or malodorous gas or substance capable of creating a public nuisance.

H. Any septic tank sludge.

I. Any commercial detergent or cleansing material that is not readily biologically degradable or which contains substances of a cationic nature that cannot be removed from water except by dehydration or electrolytic process).

11.09 Limitations on Wastewater Strength

No person shall discharge wastewater containing constituents in excess of:
### Pesticides/Herbicides

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### Constituents

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#### 11.10 Swimming Pools

It shall be unlawful for any person to discharge the contents of a swimming pool into a sanitary sewer except in the manner specified herein. If the water is discharged by pumping, the rate of flow shall not exceed a discharge flow rate approved by the District. Each swimming pool discharging to a sanitary sewer shall be equipped with an approved air gap to preclude any possibility of a backflow of wastewater into the swimming pool or piping system. No discharge of the contents of a swimming pool into a sanitary sewer shall be made until a permit therefore has been obtained from the District. Such discharge shall be made only at the time and in the manner specified by the District or its authorized representatives and subject to the rules and/or regulations of the District on a case by case basis.

#### 11.11 Limitations on Point of Discharge

No person shall discharge any substances directly into a manhole or other opening in a community sewer other than through an approved building sewer unless he has been issued a permit by the Director of Public Works. If a permit is issued for such direct discharge, the user shall pay the applicable charges and fees and shall meet such other conditions as required by the Director of Public Works.

#### 11.12 Cleaning of sewers within Common Interest, Commercial and Multi-Unit Developments

No person shall discharge to the public sewer by means of sewer line cleaning equipment as a scheduled maintenance operation or under emergency conditions without first contacting the District Utilities Department. In all cases a means of extracting solid material from the District mains at a manhole shall be required. Acceptable means of extraction shall be by trapping, vacuum equipment or other appropriate means, as approved by the District Engineer. Notification shall be provided in accordance with District policy, of any cleaning activity for an onsite inspection by the District.
ARTICLE 12 - PERMITS AND FEES

12.01 Permit Required

No unauthorized person shall uncover, make any connection with or opening into, use, alter, or disturb any public sewer or appurtenances or perform any work on any building sewer without first obtaining a written permit from the District.

12.02 Application for Permit

A. Any person legally entitled to apply for and receive a permit shall make such application on forms provided by the Washoe County Building Department for that purpose. He shall give a description of the character of work proposed to be done and the location, ownership, occupancy and use of the premises in connection therewith. The Inspector may require plans, specifications or drawings and such other information as he may deem necessary.

B. If the District determines that the plans, specifications, drawings, description or information furnished by the Applicant is in compliance with the ordinances, rules and regulations of the District, the Washoe County Building Department shall issue the permit applied for upon payment in full of the required fees to the District as hereinafter fixed.

12.03 Compliance with Permit

After approval of the application, evidenced by the issuance of a permit, no change shall be made in the location of the sewer, the grade, materials or other details from those described in the permit or as shown on the plans and specifications for which the permit was issued, except with written permission from the District, the Inspector or other authorized representative of the District.

12.04 Agreement

The Applicant's signature on an application for any permit shall constitute an agreement to comply with all of the provisions, terms and requirements of this and other ordinances, rules and regulations of the District, and with the plans and specifications he has filed with his application, if any, together with such corrections or modifications as may be made or permitted by the District, if any. Such agreement shall be binding upon the Applicant and may be altered only by the District upon the written request for the alteration from the Applicant.

12.05 All Work to be Inspected

All sewer construction work, building sewers, plumbing and drainage systems shall be inspected by an Inspector acting for the District to insure compliance with all requirements of the District. No sewer shall be covered at any point until it has been inspected and passed for acceptance. No sewer shall be connected to the District's public sewer until the work covered by the permit has been completed, inspected and approved by the Inspector. If the test proves satisfactory, and all construction work is in compliance with all applicable rules and regulations of the District, and the sewer has been cleaned of all debris accumulated from construction operations, the Inspector shall issue a certificate of satisfactory completion.

12.06 Notification

It shall be the duty of the person doing the work authorized by permit to notify the office of the District, in writing, that said work is ready for inspection. Such notification shall be given in accordance with District policy before the work is to be inspected. It shall be the duty of the person
doing the work to make sure that the work will stand the tests required by the District before giving the above notification.

12.07 **Correction of Work**

When any work has been inspected and the requirements are not met, the District shall deliver a written correction notice to that effect to the record owner of the premises or his authorized agent, instructing the record owner to repair the sewer or other work authorized by the permit in accordance with the ordinances, rules and regulations of the District.

12.08 **All Costs Paid by Owner**

All costs and expenses incident to the installation and connection of any sewer or other work for which a permit has been issued shall be borne by the Owner and shall be in addition to all fees and service charges provided for in the Sewer Ordinance of the District. The Owner shall indemnify the District against any loss or damage that may directly or indirectly be occasioned by the work.

12.09 **Outside Sewers**

Permission shall not be granted to connect any lot or parcel of land outside the District to any public sewer in or under the jurisdiction of the District unless a permit therefore is obtained. The Applicant or other person recognized by the District shall first enter into a contract, in writing, whereby he shall bind himself, his heirs, successors and assigns to abide by all ordinances, rules and regulations in regard to the manner in which such sewer shall be used, the manner of connecting therewith, and the plumbing and drainage in connection therewith and also shall agree to pay all fees required for securing the permit and monthly fee in the amount set by the District for the privilege of using such sewer.

12.10 **Permit Optional**

The granting of such permission for an outside sewer in any event shall be at the sole discretion of the Board.

12.11 **Special Outside Agreements**

Where special conditions exist relating to an outside sewer, they shall be the subject of a special contract between the Applicant and the District.

12.12 **Street Excavation Permit**

A separate permit must be secured from, the County, or the State, or any other person having jurisdiction thereunder by the Owners or Contractors intending to excavate in a public street for the purpose of installing sewers or making sewer connections.

12.13 **Liability**

The District and its officers, agents and employees shall not be answerable for any liability or injury or death to any person or damage to any property arising from the performance of any work by any such Applicant. The Applicant shall be answerable for, and shall save the District and its officers, agents and employees harmless from, any liability imposed by law upon the District or its officers, agents or employees, including all costs, expenses, fees and interest incurred in defending same or in seeking to enforce this provision. As between the Applicant and the District, Applicant shall be solely
liable for any defects in the performance of his work or work performed on his behalf or any failure which may develop therewith.

12.14 Final Inspection

Final inspection shall be performed and shall constitute the completion of the permitted project in accordance with District Ordinances, rules, regulations and policies.

ARTICLE 13 - SEWER CAPITAL IMPROVEMENT CHARGE

13.01 Capital Improvement Charge

A sewer capital improvement charge shall be billed to each residential, industrial and commercial sewer service as shown in Exhibit A.

13.02 Sewer System Repair Fund

The capital improvement charge represents each customer's contribution to the overall capital improvement of the total sewer utility infrastructure for replacement and upgrade. Annually, the long term capital improvement costs are adjusted in the Capital Improvement Plan to meet the needed utility replacements and upgrades. The capital improvement charge may be adjusted annually, by the Board of Trustees during the review and approval of the annual Capital Improvement Plan and Annual Budget.

13.03 Unimproved Parcels

Retroactive Sewer Capital Improvement Charge will also apply to undeveloped parcels. The charge shall be due when an application for connection to the system of the District is made. The total retroactive Capital Improvement Charge is shown in Exhibit B and shall not increase monthly. Larger services will be adjusted higher by the capacity ratio. After the date of sewer connection approval, Capital Improvement Charges shall be billed to the Customer in their normal billing cycle.

ARTICLE 14 - BILLING AND COLLECTION

14.01 Billing

The regular billing period will be at the discretion of the District.

14.02 New Connections

Upon connection to the District's water distribution system, the applicable sewer service charges shall begin on the first day of the next billing period following installation of the water meter.

14.03 Disconnection

When requested by Customer, sewer service charges shall be discontinued only upon physical disconnection from the distribution system as defined by Article 15 of this Ordinance.

14.04 Transfer of Ownership

Services are not discontinued upon transfer of ownership. District will not prorate charges on account upon transfer of ownership. Upon notification of pending sale or transfer of a property, District will obtain final water meter consumption reading on the date specified by the title company. If
notification is not received from the title company for a final read the current property owner is liable for the previous charges on the account.

14.05 **Person Responsible for Payment**

All charges, fees and amounts due and payable shall be billed to the owner of the premises, whether or not the owner is also the occupant. For the purposes of the Ordinance, determination of lot or parcel ownership shall be based upon the latest records of the Assessor’s Office of Washoe County.

14.06 **Billing Time**

Bills for sewer service shall be rendered at the beginning of each billing period and are payable upon presentation. Charges for customer consumption are billed in arrears.

14.07 **Penalties**

All charges shall become due and payable upon presentation. Payments not received or postmarked by the U. S. Post Office on the envelope in which the payment was mailed by the last day of the billed cycle will become delinquent on the first day of the next billing cycle. All charges which become delinquent shall be subject to a penalty of ten percent (10%) for the first month delinquent. Customers’ payments shall be applied to their oldest balances first, including penalties.

14.08 **Represents Lien on Property**

Until paid, all rates, tolls and charges provided in this ordinance constitute a perpetual lien on and against the property served and may be foreclosed upon as provided by law.

14.09 **Collection by Suit**

As an alternative to any of the other procedures herein provided, District may bring an action against the person or persons who occupied or owned the premises when the service was rendered for the collection of the amount of the delinquent rate and all penalties and costs of collection including a reasonable attorney's fee.

14.10 **Collection with Utility Charges of District**

Where the person charged is a user of another utility owned and operated by the District, or through a franchise agreement, the charges may be collected together with and not separately from the charges for the other utility service(s) rendered by it. They may be billed upon the same bill and collected as one item at the discretion of the District.

14.11 **Discontinuance of Service upon Delinquency**

Upon delinquency, the other utility service shall be discontinued until full payment of the dual charges and penalties thereon and the charges for reinstatement of service. Full charges will apply during the period of “Discontinuance of Service upon Delinquency.”

14.12 **Checks and Electronic Funds Transfers (EFT) not Honored by Bank**

Checks and electronic funds transfers presented in payment of bills which are returned by a bank shall be treated as though no payment had been made, and an administrative charge as shown in Exhibit C will be levied by the District, plus any additional charges levied by the bank. Redemption of returned checks may be required to be by cash or equivalent. The customer must reimburse the District for any
returned check/electronic funds transfer fees charged by a bank to the District. Accounts with returned EFTs may no longer be eligible for the EFT payment option. Discontinuance of the EFT payment option shall be at the discretion of the Director of Public Works.

14.13 Service Charges

Any user of the District's sewage facilities shall pay to the District a sewer service charge in accordance with the schedule attached as Exhibit A. Monthly sewer charges shall begin as determined by the Director of Public Works. The Board of Trustees shall set the sewer service charges when approving the annual Capital Improvement Plan and Operating Budget.

14.14 Outside Users

Charges applicable to users outside the District when authorized to discharge sewage into District sewers shall be in an amount determined by the agreement between the District and the Outside User.

14.15 Multi-Unit Residential Accounts

The charge for multi-unit residential accounts using common meters shall be determined by multiplying the number of units by the fixed and capital improvement charge for a residential service plus the administrative customer service account charge plus the variable charges in accordance with Exhibit A. Mixed use service that has been determined to be billed as residential will be billed one base charge for each residential unit and each equivalent residential unit per 39 fixture units of commercial service. Fractions will be rounded to nearest whole number, example: 58 fixture units = 1.49 and rounded to 1.0 units, 59 fixture units = 1.51 and rounded to 2.0 units. The minimum equivalent residential unit amount shall be 1.0, (one).

14.16 Call-Out Service Charges

A customer requesting District assistance with owner-related sewer issues (i.e., blockage or backup on owner's sewer service line, sewer line tracing, etc.) may be charged for actual costs and labor and/or in accordance with Exhibit C. The District has the right to correct and repair owner related issues that puts public health and safety in imminent danger.

14.17 Disputed Bills

(1) In the case of a dispute between a Customer and the District as to the correct amount of any bill rendered by the District for sewer service furnished to the Customer, the Customer will deposit with the District the amount claimed by the District to be due.

(2) Failure to Make Deposit. Failure on the part of the Customer to make such deposit within fifteen (15) days after written notice by the District that such deposit be made or service may be discontinued, shall warrant the District in discontinuing the service to the Customer without further notice.

(3) Resolution of Dispute. In the event of dispute between the Customer and the District respecting any bill, charge or service, the District shall forthwith make such investigation as shall be required by the particular case, and report the result thereof to the Customer. In the event that the complaint cannot be satisfactorily adjusted, the District or the Customer may make application to the Board of Trustees for adjustment of the complaint, and the District shall notify the Customer in writing or otherwise that he has the privilege of appeal to the Board.

Any such appeal shall be made in writing within thirty (30) days of the District's written denial of relief, shall be signed by Customer or his duly designated agent, stating the
reason for the dispute, and shall be addressed to the Director of Public Works. Said thirty (30) day period shall commence to run on the date that the written notice of denial of relief is mailed to Customer.

14.18 Policy for Appeal for Relief from Excessive Sewer Charges

A. Customers are responsible for equipment as defined in this Ordinance. When customers, through no fault of their own, have incurred excessively high water bills due to breaking of water lines from freezing during the winter, natural disaster or construction activities not under contract by the property owner and the detection and correction of such a break could not have reasonably been accomplished in time to avoid the excessive water usage, the following policy shall apply.

B. An IGVID water customer who has an uncontrollable loss of water may apply to the District for relief under this policy once every five years. The Director of Public Works will review the matter and determine if the high overage was a result of an undetectable condition and was not a direct result of negligence or inattention of the property owner. Upon such a determination, the District will make an adjustment or credit the utility bill an amount equal to 75% of the water Tier 1 and Tier 2 consumption caused by the leak that exceeds the seasonal monthly average when the leak occurred. If the water did not reach the sewer system then an adjustment will be made equal to 75% of the sewer consumption caused by the leak that exceeds the seasonal monthly average. When calculating the residential variable sewer consumption for non-irrigation months the monthly usage for the billing period(s) where relief is given will be excluded. This is the usage that is used to cap the residential customer’s summer sewer rate.

C. In order to apply to the District for relief under this policy repairs must conform to Uniform Plumbing Code and IGVID Specifications.

D. Requests must be submitted in writing stating: address of property where leak occurred, was property occupied at the time of the leak, cause of leak, date leak was discovered, date leak was repaired, copies of repair invoices and receipts, letter of explanation if repairs made by customer, photographs and other information that may be required by the District. Written requests must be submitted within 30 days of the billing date. The maximum period of time allowable for relief is two consecutive months’ of consumption.

E. Typical leaks that may be eligible for credit of Tier 1, Tier 2 and Sewer Use charges include underground or unseen, unknown leaks occurring in underground piping between the meter and the structure and pipes under the structure that can be accessed through a crawl space, leaks that are part of an irrigation system, broken irrigation backflow devices caused by freezing, broken hose bibs and garden hoses, faulty humidifiers or boilers, faulty fill valves on pools and water features, plumbing damaged by construction related to the property, plumbing or fixture failures due to pressure fluctuations, faulty backflow preventers, or other issues that do not drain into the sewer system. These leaks are typically continuous in nature.

F. Typical leaks that may be eligible for credit of Tier 1 and Tier 2 charges but not Sewer Use charges include leaking toilets, leaking faucets or other issues that drain into the sewer system.

G. Excess water use or leaks resulting from accidental water use, the continuous use of water to prevent pipes from freezing, or any other type of normal use are not eligible for reimbursement.

Ordinance 2 - Sewer
As Adopted on April 25, 2017
ARTICLE 15 - DISCONTINUANCE OF SERVICE

15.01 Customer's Request for Discontinuance of Service

A Customer's water and sewer service shall only be discontinued under a Washoe County demolition permit. All water and sewer charges will be discontinued when the conditions of the demolition permit have been met for discontinuation of service up to and including the removal of the water meter and the capping of the sewer line.

15.02 Customers Request for Shut Off and Turn On of Service

A Customer may have their water service shut off by giving not less than five (5) days advanced notice in writing to the District. There will be no reduction in the monthly water or sewer charges during the shut off of service. The shut off and turn on will be charged a total of one (1) service call if the water meter is accessible and the work is performed during business hours. If the shut off and turn on is requested after business hours, then the Customer will be charged the service call rate in Exhibit C for the shut off and turn on each. If the water meter is inaccessible, the Customer will be billed additional labor and equipment charges for making the meter accessible for shut off and turn on.

15.03 For Nonpayment of Bills

A Customer's service may be discontinued for non-payment of a bill for service furnished if the account becomes delinquent, provided the District has given the Customer at least five (5) days prior written notice of such intention. During the discontinuance for non-payment, full monthly charges will apply. Written notice postings may be billed a posting service charge, in accordance with Exhibit C.

Premises to which charges have become delinquent may be disconnected, and in the instance of sewer charges only being delinquent, water service may be disconnected. If sewer service is disconnected, charges for costs, labor and materials of discontinuing and resuming service as determined by the Director of Public Works.

15.04 Liability for Bills

Failure to receive bill does not relieve Consumer of liability. Any amount due shall be deemed a debt to the District, and any person, firm, or corporation failing, neglecting or refusing to pay said indebtedness shall be liable to an action in the name of the District in any court or competent jurisdiction for the amount thereof.

15.05 For Noncompliance with Rules

The District may discontinue service to any Customer for violation of these rules after it has given the Customer at least five (5) days written notice of such intention.

15.06 For Infiltration or Illegal Connections

Where negligence, infiltration, illegal connection or discharge of harmful wastes into the collection system, on or from a Customer's premises, occurs, the District may make such corrections as may be indicated at Customer's expense, if such practices are not remedied within five (5) days after it has given the Customer written notice to such effect.

15.07 For Unsafe Apparatus or Where Service is Detrimental or Damaging to the District or its Customers
If any unsafe or hazardous condition is found to exist on the Customer's premises, or if the sewage or waste there-from, by apparatus or illegal or prohibited connections, apparatus, equipment or otherwise, is found to be detrimental or damaging to the District or its Customers, or where safety of water supply is endangered, or discharge to the sewer is dangerous to public safety, the service may be discontinued without notice. The District will notify the Customer immediately of the reasons for the discontinuance and the corrective action to be taken by the Customer before service can be restored. Corrective action will be required to occur within a time frame set forth by the District.

15.08 For Fraudulent Use of Service

When the District has discovered that a Customer has obtained service by fraudulent means, or has altered the sewer service for unauthorized use, the service to that Customer may be discontinued without notice. The District will not restore service to such Customer until that Customer has complied with all filed rules and reasonable requirements of the District and the District has been reimbursed for the full amount of the service rendered and the actual cost of the District incurred by reason of the fraudulent use.

15.09 Restoration of Service

A. During Regular Business Hours. The District will endeavor to restore service during regular business hours on the day of the request, if conditions permit; otherwise, the District will endeavor to make the reconnection on the next business day following the day the request is made.

B. Other Than Regular Business Hours. When a Customer has requested the reconnection at a time outside of regular business hours, the District will reasonably endeavor to so make the reconnection if practicable under the circumstances, but will be under no obligation to do so, unless an emergency exists. A charge based on costs, including overtime rates, shall be billed to the customer for services rendered outside of regular business hours.

15.10 Refusal to Serve

A. Conditions for Refusal. The District may refuse an Applicant for service under the following conditions:

1. If the Applicant for service is not within the boundaries of the Incline Village General Improvement District.

2. If the intended use of the service is of such a nature that it will be detrimental or injurious to existing Customers.

3. If the Applicant fails to comply with any of the rules as approved by the Board of Trustees.

4. If, in the judgment of the District, the Applicant's installation for utilizing the service is unsafe or hazardous or subject to freezing, or flooding, or of such nature that satisfactory service cannot be rendered.

5. Where service has been discontinued for fraudulent use, the District will not serve an Applicant until it has determined that all conditions of fraudulent use or practice have been corrected.

6. When the collection system or treatment facilities do not have capacity or the capability to receive and treat liquid waste without contamination of Lake Tahoe, or in violation of Federal, State and/or local government requirements.
B. **Notification to Customers.** When an Applicant is refused service under the provisions of this rule, the District will notify the Applicant promptly of the reason for the refusal to serve and of the right of the Applicant to appeal the District’s decision to the Board of Trustees.
EXHIBIT A
Schedule of Sewer Service Charges

Monthly sewer charges are the summation of the following components:

1. Fixed Charge = $17.55 X CAF (1) X number of units.
2. Administrative / Customer Service Account Charge = $3.65 per account.
3. Capital Improvement Charge = $30.25 X CAF (1) X number of units.
4. Variable Cost (2) = $3.00 per 1,000 gallons of water use (billed as sewer use charges)

(1) Capacity Adjustment Factor:

<table>
<thead>
<tr>
<th>Service Size for Billing Purposes</th>
<th>CAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Residential Customers</td>
<td>1.0</td>
</tr>
<tr>
<td>¼&quot;</td>
<td>1.0</td>
</tr>
<tr>
<td>1&quot;</td>
<td>1.67</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>3.33</td>
</tr>
<tr>
<td>2&quot;</td>
<td>5.33</td>
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<tr>
<td>3&quot;</td>
<td>10.00</td>
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<td>4&quot;</td>
<td>16.67</td>
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<tr>
<td>6&quot;</td>
<td>33.33</td>
</tr>
<tr>
<td>8&quot;</td>
<td>53.33</td>
</tr>
<tr>
<td>10&quot;</td>
<td>76.65</td>
</tr>
</tbody>
</table>

(2) Residential Variable Cost:

Variable sewer costs for residential customers are based on monthly water use (see #4, above) as follows:
During the non-irrigation months (December through April), the variable sewer cost is calculated using the metered water use value. During irrigation billing months (May through November), the variable sewer cost shall be the lesser of the metered water use value or the non-irrigation months’ average metered water use. The non-irrigation months’ average shall not be set at a value less than 3,000 gallons.

Typical monthly single-family residential sewer service charges with no metered water use:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Base rate (#1)</td>
<td>$17.30</td>
<td>$14.85</td>
<td>$15.20</td>
<td>$15.81</td>
<td>$16.52</td>
<td>$17.55</td>
</tr>
<tr>
<td>Capital rate (#3)</td>
<td>18.81</td>
<td>23.80</td>
<td>27.68</td>
<td>28.79</td>
<td>29.86</td>
<td>$30.25</td>
</tr>
<tr>
<td>Administrative fee (#2)</td>
<td>3.20</td>
<td>3.20</td>
<td>3.25</td>
<td>3.35</td>
<td>3.45</td>
<td>3.65</td>
</tr>
<tr>
<td><strong>Total Sewer:</strong></td>
<td><strong>$39.31</strong></td>
<td><strong>$41.85</strong></td>
<td><strong>$46.13</strong></td>
<td><strong>$47.95</strong></td>
<td><strong>$49.83</strong></td>
<td><strong>$51.45</strong></td>
</tr>
</tbody>
</table>
# EXHIBIT B
Schedule of Sewer Connection Charges According to Water Meter Service Size

<table>
<thead>
<tr>
<th>Water Service Size for Billing Purposes</th>
<th>Sewer Connection Charge</th>
<th>Sewer Retroactive Capital Improvement Charge</th>
<th>Sewer Charge Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>¾ inch</td>
<td>$2,930</td>
<td>$1,760</td>
<td>$4,690</td>
</tr>
<tr>
<td>1 inch</td>
<td>$4,890</td>
<td>$2,940</td>
<td>$7,830</td>
</tr>
<tr>
<td>1 ½ inch</td>
<td>$9,750</td>
<td>$5,860</td>
<td>$15,610</td>
</tr>
<tr>
<td>2 inch</td>
<td>$15,610</td>
<td>$9,380</td>
<td>$24,990</td>
</tr>
<tr>
<td>3 inch</td>
<td>$29,280</td>
<td>$17,600</td>
<td>$46,880</td>
</tr>
<tr>
<td>4 inch</td>
<td>$48,830</td>
<td>$29,340</td>
<td>$78,170</td>
</tr>
<tr>
<td>6 inch</td>
<td>$97,620</td>
<td>$58,640</td>
<td>$156,260</td>
</tr>
<tr>
<td>8 inch</td>
<td>$156,190</td>
<td>$93,840</td>
<td>$250,030</td>
</tr>
<tr>
<td>10 inch</td>
<td>$224,490</td>
<td>$134,870</td>
<td>$359,360</td>
</tr>
</tbody>
</table>
## EXHIBIT C
Miscellaneous Fee Schedule

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Check Fee</td>
<td>$85.00/hour</td>
</tr>
<tr>
<td>Inspections</td>
<td>$85.00/hour</td>
</tr>
<tr>
<td>Service Calls</td>
<td>$40.00 per half hour (half hour minimum) with equipment billed at cost.</td>
</tr>
<tr>
<td>Sewage Drop-off at Treatment Plant</td>
<td>$50.00/1,000 gallons</td>
</tr>
<tr>
<td>Administrative charge for check or fund transfer not honored by bank</td>
<td>$25.00/each</td>
</tr>
<tr>
<td>Posting Service Charge</td>
<td>$20.00/each</td>
</tr>
</tbody>
</table>
Resolution No. 1856

A RESOLUTION AMENDING ORDINANCE NO. 4
Incline Village General Improvement District

WHEREAS, on the 25th day of April, 2017, a public hearing was held by the Board of Trustees of the Incline Village General Improvement District to consider the adoption of amendments to Ordinance No. 4, titled "An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District;" and

WHEREAS, notice of said hearing was published as required by NRS 318.199; and

WHEREAS, testimony was presented as to the necessity for the adoption of the proposed amendments; and

WHEREAS, all interested parties were allowed at the public hearing and prior thereto, to present in writing or orally, information, views, and arguments; and

WHEREAS, the Board of Trustees, after considering all of the testimony, information, views and arguments, have determined that adoption of the proposed amendments is in the best interests of the District and is required.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, that it hereby amends Ordinance No. 4 as shown in Exhibit A attached hereto, effective immediately.

* * * * * * * * * * * * * * * * * * * * * * * * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 25th day of April, 2017 by the following vote:

AYES, and in favor thereof, Trustees:

NOES:

ABSENT:

__________________________
Tim Callicrate
Secretary

174A
EXHIBIT A

ORDINANCE NO. 4
ORDINANCE NO. 4

WATER ORDINANCE

AN ORDINANCE ESTABLISHING RATES, RULES AND REGULATIONS FOR WATER SERVICE BY THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

As Adopted on April 25, 2017
Resolution No. 1856
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ARTICLE 1 - GENERAL PROVISIONS

1.01 Short Title

This Ordinance may be cited as "Incline Village General Improvement District Water Ordinance" and is hereinafter referred to as "Ordinance."

1.02 Enabling Statutes

This ordinance is adopted pursuant to NRS 318.170, 318.197, and 318.205, together with NRS 318.100 through 318.101, 318.116 (10), 318.140, 318.145, 318.175, and 319.199.

1.03 Words and Phrases

For the purpose of this ordinance, all words used herein in the present tense shall include the future; all words in the plural number shall include the singular number; and all words in the singular number shall include the plural number.

1.04 Water System

The District will furnish a system, plant, works and undertaking used for and useful in obtaining, conserving and disposing of water for public and private uses, including all parts of the enterprise, all appurtenances to it, and lands, easements, rights in land, water rights, contract rights, franchises, and other water supply, storage and distribution facilities and equipment.

1.05 Separability

If any section, subsection, sentence, clause or phrase of this ordinance or the application thereof to any person or circumstances is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance or the application of such provision to other persons or circumstances. The Board hereby declares that it would have passed this ordinance or any section, subsection, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared to be unconstitutional.

1.06 Pressure Conditions

All applicants for service connections or water service shall be required to accept such conditions of pressure and service as are provided by the distributing system at the location of the proposed service connection, and to hold the District harmless for any damages arising out of low pressure or high pressure conditions or interruptions in service.

1.07 Maintenance of Water Pressure and Shutting down for Emergency Repairs

The Board shall not accept any responsibility for the maintenance of pressure, and it reserves the right to discontinue service while making repairs and when necessary for the protection of property. Consumers dependent upon a continuous supply should provide emergency storage.

1.08 Tampering With District Property

No one except an employee or representative of the District shall at any time in any manner operate the meter curb stops, valves, or gate valves of the District's system; or interfere with meters or their connections, lock-out tags, meter stakes, street mains or other parts of the water system. Penalty for
violation of this section may be fined as shown in Exhibit C. Mainline tapping accepted with a State of Nevada “A” contractor’s license issued by the Nevada State Contractors Board.

1.09 Posting

The adoption of this Ordinance shall be entered in the minutes of the Board and certified copies hereof shall be posted in accordance with the State of Nevada Open Meeting Law, NRS 241, Section 020, pertaining to posting requirements.

1.10 Relief on Application

When any person by reason of special circumstances, is of the opinion that any provision of this ordinance is unjust or inequitable as applied to his premises, he may make written application to the Board stating the special circumstances, citing the provision complained of, and requesting suspension or modification of that provision as applied to his premises. If such application were approved, the Board may, by resolution, suspend or modify the provision complained of, as applied to such premises, to be effective as of the date of the application and continuing during the period of the special circumstances.

1.11 Relief on Own Motion

The Board may, on its own motion, find that by reason of special circumstances any provision of this regulation and ordinance should be suspended or modified as applied to a particular premise and may, by resolution, order such suspension or modification for such premises during the period of such special circumstances, or any part thereof.

1.12 Penalty for Violation

For the failure of the Customer to comply with all or any part of this ordinance, and any ordinance, resolution or order fixing rates, charges and penalties of this District, the Customer’s service shall be discontinued and the water shall not be supplied such Customer until he shall have complied with the rule or regulation, rate or charge which he has violated or, in the event that he cannot comply with said rule or regulation, until he shall have satisfied the District that in the future he will comply with all the rules and regulations established by ordinance of the District and with all rates and charges of this District.

1.13 Ruling Final

All rulings of the Board shall be final. All rulings of the General Manager shall be final unless appealed in writing to the Board within fourteen (14) days. All rulings of the Director of Public Works shall be final unless appealed in writing to the General Manager within fourteen (14) days.

ARTICLE 2 - DEFINITIONS

2.01 Additional Definitions

For the purpose of this ordinance, additional terms not specifically defined herein shall have the meaning indicated in Chapter 1 of the most recently adopted edition of the plumbing code entitled "Uniform Plumbing Code", (UPC) compiled by the International Association of Plumbing and Mechanical Officials, copies of which are on file with the District.
2.02 **Administrative / Customer Service Account Charge**

Portion of the monthly billing assessed to each water account for administrative and customer service costs.

2.03 **Agent**

A person or firm, corporation, partnership or association duly authorized with supporting documentation to complete requirements and performances of this ordinance.

2.04 **Applicant**

A person, firm, association, corporation or governmental agency applying for water service.

2.05 **Application**

A written request for water service as distinguished from an inquiry as to the availability or charges for such service.

2.06 **Auxiliary Water Supply**

Any water supply on or available to the premises other than the District's potable water supply. These auxiliary water supplies may include water from wells, streams, lake, springs, creeks, rainfall collection systems, another purveyor's water supply water or any other water source which the District does not have sanitary control over.

2.07 **Average Month**

Shall mean thirty (30) days.

2.08 **AWWA**

The American Water Works Association.

2.09 **Billing Period**

The regular billing period will be monthly or at the discretion of the District.

2.10 **Board**

The Board of Trustees of the District.

2.11 **Building**

A structure used for human habitation or a place of business, recreation or other purpose containing water facilities.

2.12 **Capacity Adjustment Factor**

The relative flow of each water service size as compared to that of a ¾” service.
<table>
<thead>
<tr>
<th>Water Service Size</th>
<th>Capacity Adjustment Factor (CAF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot;</td>
<td>1.67</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>3.33</td>
</tr>
<tr>
<td>2&quot;</td>
<td>5.33</td>
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<td>3&quot;</td>
<td>10.00</td>
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<td>33.33</td>
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<tr>
<td>8&quot;</td>
<td>53.33</td>
</tr>
<tr>
<td>10&quot;</td>
<td>76.65</td>
</tr>
</tbody>
</table>

2.13 **Capital Improvement Charge**

That portion of the monthly billing to pay for capital costs of service. For billing purposes, commercial customers will be billed this rate multiplied by the appropriate capacity adjustment factor for their service size.

2.14 **Contractor**

An individual, firm, corporation, partnership or association duly licensed by the State of Nevada to perform the type of work to be done under the permit.

2.15 **County**

The County of Washoe, Nevada.

2.16 **Cross-Connection**

Any unprotected actual or potential connection or structural arrangement between a public or a consumer's potable water system and any other source or system through which it is possible to introduce into any part of the potable water system any used water, industrial fluids, gas, or substance other than the intended potable water with which the system is supplied. Bypass arrangements, jumper connections, removable sections, swivel or change over devices and other temporary or permanent devices through which or because of which backflow can occur are considered to be “cross connections.”

2.17 **Customer**

The person in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or in the absence of a signed instrument, by the receipt and payment of bills regularly issued in his name regardless of the identity of the actual user of the service. In the case of single family or individually metered multiple family residences, the customer shall be the owner of the property served, but the billing for service may be sent to the owner in care of his agent with signed authorization from the owner.

2.18 **Customer Service Line**

All piping between the house piping and the service connections.
2.19 Customer Service Valve

The control valve downstream of the meter and meter box on the owner’s property side of the service assembly.

2.20 Date of Presentation

The date upon which a bill or notice is postmarked or delivered to the Customer by the District.

2.21 Director of Public Works

The person appointed to perform the duties of Director of Public Works.

2.22 District

Incline Village General Improvement District (IVGID).

2.23 District Engineer

The Engineer appointed and acting for the District and shall be a Registered Civil Engineer in the State of Nevada.

2.24 Excess Water Charge

That portion of the monthly billing to pay excess costs of supplying water above baseline amounts. Excess amounts for customers are calculated in two steps: Tier 1 determines the cost for all water used greater than the gallon threshold set in Exhibit A multiplied by the capacity adjustment factor. Tier 2 determines the cost for all water used greater than the gallon threshold set in Exhibit A multiplied by the capacity adjustment factor.

2.25 Fixed Charge

That portion of the monthly billing to pay for fixed costs of services. For billing purposes, commercial customers will be billed this rate multiplied by the appropriate capacity adjustment factor for their service size.

2.26 Fixture Unit

As defined in the current adopted version of the Uniform Plumbing Code and the International Association of Plumbing and Mechanical Officials as approved by the Director of Public Works.

2.27 General Manager

Is the General Manager of the District.

2.28 House Piping

All piping and fittings installed within the house or building, up to and including the last fitting inside or outside the wall.
2.29 **Inspector**

That person so designated by the District Engineer to perform inspections, tests, fixture unit counts, and related work in determining compliance with IVGID construction specifications, standards and ordinances.

2.30 **Law**

Any statute, rule, ordinance, bylaw or regulation established by Federal, State, County, or Municipal authorities.

2.31 **Main Extension and/or Capacity Enhancement**

The extension or replacement of water distribution mains and necessary facilities beyond existing service facilities in accordance with the provisions of this ordinance applicable to main extensions and/or capacity enhancements.

2.32 **Meter Curb Stop**

The control valve on the inlet side of the meter, located within the meter box for use by District employees only.

2.33 **Metered Service**

Is a service for which charges are computed on the basis of measured quantities of water, sewage, or liquid wastes.

2.34 **Owner**

The person owning the property, or the person in whose name the legal title to the property appears, by deed duly recorded in the County Recorder's Office, or the person in possession of the property or building under claim of, or exercising acts of ownership over same for himself, or as executor, administrator, guardian or trustee of the Owner.

2.35 **Permanent Service**

A service which, in the opinion of the District, is of a permanent and established character. The use of water may be continuous, intermittent or seasonal in nature.

2.36 **Permit**

Any written authorization required pursuant to this or any other regulation of District for the installation of any water works.

2.37 **Person**

Any individual, partnership, corporation, governmental agency, or other organization operating as a single business entity.
2.38 Premises

All of the real property and services to a single integrated activity operating under one name to one or more buildings, locations or services, provided: (a) such buildings, locations or services are to a single unit of property; or (b) such buildings, locations or services are on two or more units of property immediately adjoining except for intervening public highways, streets, alleys or waterways.

2.39 Private Communal Water System

Any system served by District water under the responsibility for maintenance by others and ownership by others.

2.40 Public Service Recreation

Accounts where the primary irrigation water use is for outdoor parks and recreation accessible to the public, and as such are not subject to excess water charges as defined in Exhibit A. These include parks and recreation facilities, golf courses, snowmaking, and school playgrounds and fields. Customers may submit a written petition to the Director of Public Works requesting qualification as a Public Service Recreation irrigation account.

2.41 Regular Water Service

Water service and facilities rendered for normal domestic, commercial and industrial purposes on a permanent basis, and the water available therefore.

2.42 Service Classification

Shall be defined as follows:

A. **Commercial Service**: Service to Customers engaged in selling, warehousing, or distributing a commodity, in some business activity, or in a profession, or in some form of economic or social activity (offices, stores, clubs, schools, hotels, etc.) and for purposes that do not come directly under another classification of service.

Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential use on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a commercial service if the total square footage of the occupied building space is greater than 50% commercial. Garages, sheds, and other auxiliary spaces are not used for this calculation.

B. **Domestic Service**: Service to a residential Customer. Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential service on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a residential service if the total square footage of the occupied building space is greater than 50% residential. Garages, sheds, and other auxiliary spaces are not used for this calculation.

C. **Mixed Use Service**: Mixed use service has commercial and residential service. Mixed use premises may install two separate water and sewer services to separate the commercial from
the domestic uses and pay appropriate rates and connection fees for domestic and commercial service.

D. **Industrial Service**: Service to Customers engaged in a process which creates or changes raw or unfinished materials into another form or product (factories, mills, machine shops, pumping plants, etc., i.e., in extractive fabrication or processing activities).

E. **Irrigation Service**: Service to Customers for agricultural, floricultural or horticultural use shall be billed as a commercial service.

F. **Private Fire Protection Service**: means water service and facilities for building sprinkler systems, hydrants, hose reels and other facilities installed on private property for fire protection and the water available therefore.

G. **Public Fire Protection Service**: means the service and facilities of the entire water supply, storage and distribution system of the District, including the fire hydrants affixed thereto, and the water available for fire protection, excepting house service connections and appurtenances thereto.

H. **Single Family Residential Unit**: A single family residential unit shall mean a single family dwelling that is designed for residential occupancy by one or more persons for sleeping, eating, cooking and sanitation purposes.

This service classification can include a family operated business within or part of the family residence, and the supporting services to the family residence, and the supporting services to the family residential customer on the same un-subdivided premises as the family residential unit. The fixture unit count for these services shall be added to the single-family unit in determining connection charges.

I. **Multi-Family Residential Unit**: The place of residence of a single family dwelling within a multi-unit complex, Common Interest Community, mixed use service with greater than 50% square footage of residential area, or Condominium Hotel. The single family dwelling premises and the service thereto, whether a separate building, a multiple building, a townhouse, an apartment, a mobile home, a condominium or any other type of living unit that is designed for residential occupancy by one or more persons for sleeping, eating, cooking and sanitation purposes. Clubhouses, pool-houses, restaurants and similar facilities that are part of a multi-unit complex, Common Interest Community, or Condominium Hotel will be counted as additional units for billing purposes in determining base rates.

2.43 **Service Connections**

The point of connection is where the Customer’s service line connects with the District’s water meter. If the water meter is at a location other than the property line or easement boundary, the point of connection is where the customer’s piping connects to the District water supply piping at the property line or easement boundary. The water meter is the property of the District and may be placed at a location other than the property line or easement boundary for the convenience of the District. For unmetered connections such as fire hydrants the point of connection is where the Customer’s piping connects with the District water supply piping at the property line or easement boundary. The customer owns the water service connection.

The pipeline and appurtenant facilities such as the meter curb stop, meter and meter box, all used to extend water service from a main to premises, the laying thereof and the tapping of the main. Where
services are divided at the curb or property line to serve several customers, each such branch service shall be deemed a separate service connection.

2.44 Service Size for Billing Purpose

Water service size for billing purposes is a single size even when compound water meters are used. The water service size for billing purposes is determined by correlating the calculated demand for the customer service connection using the Uniform Plumbing Code or from standard engineering practice to a standard water meter flow rate capacity. This calculated water service size for billing purposes may vary from the actual meter size installed because certain site conditions necessitate the installation of a larger meter than required by the flow capacity and/or modern turbo meters span a very large range of flow rates.

2.45 Temporary Water Service

Water service and facilities rendered for construction work and other uses of limited duration, and the water available therefore.

2.46 Variable Cost

That portion of the monthly billing used to pay for the variable costs of service, which are calculated based on water use.

2.47 Water Main

A water line in a street, highway, alley or easement used for public and private fire protection and for general distribution of water.

2.48 Water Waste

Water waste is the negligent or wasteful discharge of water from a hose, sprinkler head, irrigation pipe, water main, indoor and outdoor plumbing fixtures and/or water service, which is flowing into the sanitary sewer system, street, roadside ditch, storm drain, driveway, adjacent property and/or sidewalk creating puddles, streams of water or flooding during an extended period of time.

2.49 Will-Serve Letter

As used herein a "will-serve" letter means a letter written by the District at the request of an applicant with respect to a subdivision, commercial or multi-family residential project to confirm (1) that the subdivision or project is within the District boundaries and (2) that, if water is available to serve the proposed connection(s) at the time service is requested under the standards set forth in Article 5, the District is willing to provide water service thereto upon compliance with all District requirements and payment of all applicable District fees and charges.

ARTICLE 3 - NOTICES

3.01 Notices to Customers

Notices from the District to a Customer will normally be given in writing, and either delivered by hand, electronically or mailed to him at his last known address. Where conditions warrant and in emergencies, the District may resort to notification either by telephone or messenger.
3.02 Notices from Customers

Notice from the Customer to the District may be given by him or his authorized representative in writing to the District's office.

ARTICLE 4 - WATER DEPARTMENT

4.01 Creation

A Water Department is hereby created comprised of the Board, General Manager, and Director of Public Works.

4.02 General Manager

The General Manager shall have full responsibility for the maintenance, operation and construction of the water works and system. He shall have full power and authority to employ and discharge all employees and assistants. He shall prescribe the duties of employees and assistants. He shall fix and alter the compensation of employees and assistants subject to approval by the Board. He shall have charge of all employees and assistants. He shall perform such other duties as are imposed from time to time by the Board, and shall report to the Board in accordance with the rules and regulations adopted by the Board.

4.03 Director of Public Works

The position of Director of Public Works is hereby created. He shall have charge of the Utilities of the District. This shall include all maintenance, operation and construction of the water works, and the billing for and collecting the charges herein provided. He shall perform such other duties as shall be determined by the General Manager.

A. Duties. The Director of Public Works shall compute, prepare and mail bills as hereinafter prescribed; make and deposit collections, maintain proper books of account, collect, account for and refund deposits, do whatever else is necessary or directed by the Auditor of the District to set up and maintain an efficient and economic bookkeeping system and perform any other duties now or hereafter prescribed by the Board.

(1) He shall regularly inspect all physical facilities related to District Water System, to see that they are in good repair and proper working order, and to note violations of any water regulations. He shall also perform the duties of water inspector.

(2) He shall set the design criteria for and provide approval of public and communal water systems and maintain compliance with all of the provisions of the ordinance, rules and regulations of the District.

B. Violation, Repairs. He shall report any violations or disrepair promptly to the General Manager. If the work required is in the nature of an emergency, he shall take whatever steps are necessary to maintain service to users pending action by the General Manager.

C. Supervision. He shall supervise all repairs or construction work authorized by the Board or General Manager, and performs any other duties prescribed elsewhere in the ordinance or which shall be hereafter prescribed by the Board or General Manager.
4.04 Inspections

The District shall perform inspections on all utility and residential construction within the District to assure compliance with IVGID standards and specifications. All existing residential, commercial, industrial, and irrigation services are subject to inspection for proper operation of backflow prevention, cross-connection control and pressure regulating devices. Inspection of existing devices shall be scheduled with the property owner or property manager. If the property owner or property manager refuses access, Article 4.06 of this Ordinance shall apply.

4.05 Performance of Duties

The foregoing duties of the Director of Public Works may be performed by the General Manager or by a designated employee or employees, as the General Manager may direct, so long as those decisions or actions that require professional engineering judgment are performed by a registered Professional Engineer.

4.06 Consequences of Denial of Entry or Access

Where an owner or user, after having received reasonable notice from the District, refuses to permit properly identified District personnel to enter or have access to premises or facilities in accordance with the above Sections, the District may forthwith give written notice of its intent to terminate water, sewer and trash service to such user. Such notice shall be given in accordance with Article 9 Billing and Article 10 Discontinuance of Service, and termination based on these Sections shall be treated as a termination for refusal of access under said Article 4.

4.07 Violation

Any person found to be violating any provision of this or any Ordinance, rule or regulation of the District, shall be served by the Inspector or other authorized person with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. Said time limit shall be ten (10) business days. The offender shall, within the period of time stated in such notice, permanently cease all violations. All persons shall be held strictly responsible for any and all acts of their agents or employees done under the provisions of this or any other Ordinance, rule or regulation of the District. Upon being notified by the Inspector of any violation of this Ordinance, the person or persons having charge of said work shall immediately correct the same.

A. **Amounts.** Violations of these Regulations shall be subject to civil monetary penalties established by

   (1) Applicable Nevada statutes or administrative code;

   (2) Nevada Environmental Protection Division and the District, and

   (3) By such penalty schedules as may from time to time be adopted by the District and appended to these Regulations.

B. **Continuing Violations.** For purposes of the computation of penalties, each day of a continuing violation of these Regulations shall be deemed to be separate violation.

4.08 Water Pressure and Supply

The District assumes no responsibility for loss or damage due to lack of water or pressure, either high or low, and merely agrees to furnish such quantities and pressures as are available in its general distribution system and as required by Nevada NRS rules and regulations. The District will
endeavor to give reasonable notice to customers before a curtailment of services; however, the District shall not be liable for shutdowns or variations to the system that occurs without prior notice by the District.

**ARTICLE 5 - APPLICATION FOR REGULAR WATER SERVICE**

5.01 **Form of Application**

A property owner or his agent shall make application for regular water service on the form provided for its intended use.

5.02 **Calculation of Fixture Units**

The number and type of fixture units shall be as defined in the Uniform Plumbing Code as adopted herein, with the exception of exterior landscaping irrigation systems. The fixture unit charge for exterior landscaping irrigation systems will only be assessed upon application for an irrigation meter. Other interpretations or calculations of fixture unit counts for fixtures not listed in the Uniform Plumbing Code shall be at the discretion of the General Manager or his designee.

5.03 **Undertaking of Applicant**

Such application will signify the Customer's willingness and intention to comply with this and other ordinances or regulations relating to the regular water service and to make payment for water service required.

5.04 **Payment for Previous Service, Special Assessments, Ad Valorem Taxes and Recreational Revenue Charges**

An application will not be honored unless payment in full has been made for water and other services previously rendered to the Applicant by the District, and unless all special assessments, ad valorem taxes and recreational revenue charges on the parcel of land to be served are paid current.

5.05 **Installation Charges**

Where a regular charge has been fixed for the type of service connection desired, such regular charge shall be paid in advance by the Applicant. Where there is no regular charge, the District reserves the right to require the Applicant to deposit an amount equal to the estimated cost of such service connection.

5.06 **Installation of Services**

Service installations will be made only to property abutting on distribution mains as have been constructed in public streets, alleys or easements, or to extensions thereof as herein provided. Services installed in new subdivisions prior to the construction of streets or in advance of street improvements must be accepted by the Applicant in the installed location. Any change in location or alterations of water services shall be borne by the Applicant.

5.07 **Changes in Customer's Equipment**

Customers making any material change in the size, character or extent of the equipment or operations utilizing water service, or whose change in operations results in a large increase in the use of water, shall immediately give the District written notice of the nature of the change, and, if necessary, amend their application.
5.08 **Size and Location**

The District reserves the right to determine the size of service connections and their location with respect to the boundaries of the premises to be served. The laying of Consumer's pipeline to the curb should not be done until the location of the service connection has been approved by the Director of Public Works or his designee.

5.09 **Meter Curb Stop**

Every service connection installed by the District shall be equipped with an approved valve on the inlet side of the meter. If a valve is damaged by the Consumer's use, repairs or replacement shall be at the Consumer's expense. The customer shall not operate the meter curb stop located on the inlet side of the meter located within the meter box.

5.10 **Domestic, Commercial and Industrial Service Connection**

It shall be unlawful to maintain a connection excepting in conformity with the following rules:

A. **Separate Building.** Each house or building under separate ownership must be provided with a separate service connection. Two or more houses under one ownership and on the same lot or parcel of land may be supplied through the same service connection, an additional minimum base rate will be applied to the single meter serving said houses, or a separate service connection may be provided for each building. The Board reserves the right to limit the number of houses or the area of land under one ownership to be supplied by one service connection.

B. **Single Connection.** Not more than one service connection for domestic or commercial supply shall be installed for one building, except as approved by the District.

C. **Different Owners.** A service connection shall not be used to supply adjoining property of a different owner or to supply property of the same owner across a street or alley.

D. **Divided Property.** When property provided with a service connection is divided, each service connection shall be considered as belonging to the lot or parcel of land which it directly enters and each other lot or parcel of land shall require a new service connection and metering device.

E. **Multiple Service.** A Common Interest Community or Condominium Hotel which consists of two or more assessors' parcels and will be managed by an Association shall install and maintain one service connection and metering device, provided, however, the District may limit the number of dwelling units that may be supplied through one service connection or device. A Common Interest Community, which consists of two or more assessors' parcels and is not or will not be managed by an Association, shall install and maintain a separate service connection and metering device to each dwelling unit within the development. A Common Interest Community or Condominium Hotel managed by an Association may elect, at their cost, to have installed and maintained a separate service connection and metering device for each dwelling unit within the development. In all cases, the Common Interest Community or Condominium Hotel shall be responsible for securing to the District all access easements the District deems necessary, prior to connection to the District's water system.
5.11 Service Connections

The service connections extending from the water main to the property line and including the meter, meter box, meter lid and meter curb stop, shall be maintained by the District except as otherwise stated. All pipes and fixtures extending or lying beyond the property line shall be installed and maintained by the owner of the property.

5.12 Individual Liability for Joint Service

Two or more parties who join in one application for service shall be jointly and severally liable for payment of bills and shall be billed by means of single periodic bills.

5.13 Special Cases

District will require a written contract with special guarantee from Applicants whose unusual characteristics of load would require excessive investment in facilities or whose requirements for service are of a special nature.

5.14 Water Used Without Service Application Being Made

A person taking possession of premises and using water from an active service connection without having made application to the District for water service shall be held liable for the water delivered from the date of such possession or the earliest date of occupancy which can be reasonably established. Where services are not metered, the quantity consumed will be estimated. If proper application for water service is not made upon notification to do so by the District, and if accumulated bills for service are not paid immediately, the service may be discontinued by the District without further notice.

5.15 Connection to System Required Within 540 Days of Application

Any application that has been accepted by the District shall be considered vacated if the Applicant fails to commence construction and connection to the District's water system within 540 days of such acceptance. The fees collected for such application shall be returned to the Applicant, upon written request, and a new application and payment of fees will be required before service will be provided. Connection fees shall be charged at the rate in effect on the day of application for a Building Permit from Washoe County. Connection(s) not made within 540 days will be subject to the current rates in effect at the time of connection. Previously paid connection fees shall be credited to the new connection fee rate. Payment of connection fees constitutes acceptance of a new service connection application by the District. No fees will be refunded after connection.

5.16 Changes in Use or Uses of Served Property

Any changes in the use or uses of properties served by regular water service which may affect the service classification under which it is served or the number of fixture units served must have the prior approval of the District. Examples of such changes would be adding plumbing fixtures not previously approved in applying for service; modifying a residence to accommodate more single family units than were approved, changes to irrigation systems, or such other changes that would similarly change the character of the building and/or grounds. Such changes in use shall be subject to the Connection Charge as contained in Article 5 of this ordinance and payment of such charges shall be made upon application for such change. If such change is made without application, it shall be considered to have been made in conflict with Article 9.09 and subject to the same corrective measures.

Ordinance 4 - Water
As Adopted on April 25, 2017
Effective on May 1, 2017, all parcels proceeding through a building permit that changes the square footage or the mix of commercial and residential use on the premise will be evaluated as either commercial or domestic service and billed connection fees and water and sewer rates accordingly. Premises that have both residential and commercial use shall be billed as a commercial service if the total square footage of the occupied building space is greater than 50% commercial. Premises that have both residential and commercial use shall be billed as a residential service if the total square footage of the occupied building space is greater than 50% residential. Garages, sheds, and other auxiliary spaces are not used for this calculation.

5.17 General

All costs and expenses incident to the installation and connection of any water service or other work for which a permit has been issued shall be borne by the Applicant, and shall be in addition to all fees, service and connection charges provided for in the District Water Ordinance. The Owner shall indemnify District for any loss or damage that may directly or indirectly be occasioned by the work. All work shall be made by or be authorized by the District. Any new construction, addition, remodel, or demolition requiring the issuance of a Washoe County Building permit shall require written approval and final acceptance by a District Inspector.

5.18 Connection Charge

The following charges are hereby established and shall be collected at the time of issuing the permit for a water connection. Connection fees shall be charged at the rate in effect on the day of application for a building permit from Washoe County. Connections not made within 540 days will be subject to the current rates in effect at the time of connection. Previously paid connection fees shall be credited to the new connection fee rate. Previously paid connection fees for service are non-refundable in all situations including reversion to acreage. Payment of connection fees constitutes acceptance of a new service connection application by the District. No fees will be refunded after connection.

A. Units Inside of District. Water connection fees shall be charged as shown in Exhibit B. Each dwelling of multiple dwellings on a single parcel shall constitute a separate unit. Mixed use services that has been determined to be billed as residential will be billed one connection charge for each residential unit and each equivalent residential unit per 39 fixture units of commercial service. Fractions will be rounded to nearest whole number, example: 58 fixture units = 1.49 and rounded to 1.0 units, 59 fixture units = 1.51 and rounded to 2.0 units. The minimum equivalent residential unit amount shall be 1.0, (one)

B. Fire Protection. There are no connection fees for fire protection.

C. Units Outside of District. Persons desiring connection of property located outside the District to the water system of the District shall pay to the District a connection charge at the rate of one and one-half (1½) times the minimum charge for a District customer. Nothing in this ordinance shall require the District to serve properties located outside the District.

D. Remodeling Connection Charges. If remodeling necessitates upgrade of the water meter connection fees shall be charged equal to the fee for that meter size as described in Item A above minus the water connection fee for the existing meter size. All existing residential connections are deemed ¾ inch unless a connection fee has been paid to the District for an upgrade.
E. **Plan Check Fee.** In accordance with the District's most recently adopted revision of the Uniform Plumbing Code, a plan check fee shall be required for all plans requiring the District's approval. Each plan revision requiring rechecking shall necessitate the charge of an additional plan check fee. Plan checking is performed for both water and sewer considerations concurrently. Only one plan check fee is collected per set of drawings, even if both water and sewer systems are affected. Plan check fees shall be invoiced at a rate as shown in Exhibit C, and are subject to change from time to time at the discretion of the Director of Public Works.

F. **Inspection Fee.** Inspection fees shall be at rate as shown in Exhibit C.

5.19 **Subdivisions**

A. **Application.** Any person desiring to provide a water system within a tract of land that he proposes to subdivide shall make written application to the District. Such application shall contain streets dedicated and accepted by the County and/or all utility extensions to service the project or subdivision.

B. **Contents.** The application shall state the number of the tract, the name of the subdivision, and its location. It shall be accompanied by a copy of the final map, and of the plans, profiles and specifications for the street work therein.

C. **Investigation.** Upon receiving the application, the District Engineer shall make an investigation and survey of the proposed subdivision and shall report his findings to the Board, including a recommendation as to the facilities required and the estimated cost of the proposed water system therefore.

D. **Specifications and Construction.** The size, type and quality of materials and location of the lines shall be specified by the Water Department and the actual construction will be done by the Water Department or by a contractor acceptable to it, supervised and inspected by the District.

E. **Adjustment.** Adjustments of any substantial difference between the estimated and actual number of feet of line installed shall be made at or before the completion of the installation, and any excess shall be refunded and any shortage will be paid to the District.

F. **Property of District.** All facilities shall be the property of the District and the total amount of credits and refunds shall not exceed the original deposit.

G. **Connections.** The subdivider shall, at his cost, provide all connections to houses constructed by him, as herein provided.

H. **Plan Checking Fee.** Any person requiring approval of plans by the District, or desiring plan checking shall pay to the District the following fee or fees. Plan checking fees shall be invoiced at a rate as shown in Exhibit C. If any portion of the plans after being checked is required to be redrawn or rechecked, the Applicant shall pay additional plan check fees.

5.20 **Will Serve Letters**

A. **Standards for Granting or Denial of Requests for "Will-Serve" Letters.**

(1) No "will-serve" letters shall be issued by the District for any project if, in the judgment of the Board, it is likely that the District will be unable to permit the project to be connected to the District's water system when application is made for connection. In
making this determination, the Board shall take into account the estimated amount of
water that will be required to serve the entire project at full development, the additional
connections the District is likely to have made to its water system before application for
connection for the project can properly be made, and the amount of water the District is
likely to have available at that time.

(2) No "will-serve" letters shall be issued for any project if, in the judgment of the Board,
the effect of permitting the project to be connected to the District's water system is that
it will be likely to prevent others who have already obtained "will-serve" letters from
the District, and who have proceeded with the development of their projects without
unreasonable delay, from being able to have their projects connected to the District's
water system. In making this determination, the Board shall take into account the
projects for which such letters are outstanding, the current status of those projects, and
the dates on which "will-serve" letters were issued by the District with respect to those
projects.

B. Effect of "Will-Serve" Letter. The issuance of a "will-serve" letter by the District or
previously paid connection fees shall not obligate the District to reserve a connection for the
project for which the letter has been issued, nor shall it confer any special preference or
entitlement for connection to or service from the District. This section is declarative of the
District's existing policy and practice with respect to "will-serve" letters.


(1) Requests for "will-serve" letters shall be considered by the Board on a case-by-case
basis. Any person requesting a "will-serve" letter from the District shall submit a
written request therefore to the District. The request shall include the following
information:

a. It shall identify by name, mailing address and telephone number the person
requesting a "will-serve" letter from the District.

b. It shall identify by lot, block, subdivision, assessor's parcel number, and service
address, the property with respect to which the "will-serve" letter is requested.

c. It shall state the existing zoning classification of the property and, if any zoning
change is proposed, the proposed zoning classification of the property.

d. It shall state the number of any residential units, and the approximate number of
square feet and the type of use of any commercial space to be included in the
project.

e. It shall disclose the anticipated starting and completion dates for the construction
of the project.

D. Standards for Granting or Denial of Applications for Connections.

(1) Applications for connections shall be considered by the District on a first-come, first-
served basis without reservation. Except as otherwise expressly provided herein and in
subparagraphs B through C of this Section, applications shall be entitled to priority
based on the date the application is filed and all applicable District connection fees are
paid; provided, however, that notwithstanding the foregoing or any other provision of
this Ordinance No. 4, approval of an application shall continue to be effective only if the
applicant commences construction within one hundred eighty (180) days unless the
District grants an extension of time. Time extensions may be granted where the
applicant shows the delay in commencement of construction has been caused by an
occurrence beyond his control and which is not attributable to his fault or neglect. All
applicants shall be required to complete construction within the time limit set forth in Article 5.14 of this Ordinance.

(2) Applications for connections shall not be granted unless the District has sufficient water to serve the connection without substantial risk of impairing service to existing customers. In making its determination, the impact of any required water conservation practices shall be taken into account.

(3) Notwithstanding subparagraphs above, this Section shall not be construed to prohibit the District from granting an application to any applicant who assigns to the District water rights to a quantity of water equal to the projected water demand of the requested water service.

E. **Required Assignment of Water Rights.**

(1) In addition to compliance with all other standards for granting applications for connections, all applicants shall be required to assign to the District any and all water rights for the parcel which may be used to help meet the projected water demand of the applicant's project.

(2) All applicants for multi-family residential, tourist accommodation unit, public service and commercial developments are required to assign water rights to IVGID in an amount sufficient to support the proposed development as a condition of project approval (i.e., issuance of will serve letter, sign off on condo plat, approval of plans, etc.) Water rights assigned to IVGID as a condition of project approval will not revert back to the applicant that assigned these rights. All assignment of water rights to IVGID shall be completed and approved by State's Engineers Office prior to IVGID approval of final plans. Water rights shall be dedicated to IVGID with the appropriate permit conditions as defined by the Director of Public Works.

F. **Procedure for Consideration of Applications for Connections.**

(1) Applications for Single Family Residential connections shall continue to be processed by staff. All other applications for connections shall be considered by the Board on a case-by-case basis. Applications to be considered by the Board shall be made on the District's regular application form and shall include the following additional information:

(2) The Applications shall state the existing zoning classification of the property and, if any zoning change is proposed, the proposed zoning classification of the property.

(3) The Application shall state the number of any residential units, and the approximate number of square feet and the type of use of any commercial space to be included in the project.

(4) The Application shall disclose the anticipated starting and completion dates for the construction of the project.

**ARTICLE 6 - APPLICATION FOR REGULAR WATER SERVICE WHEN MAIN EXTENSION AND/OR CAPACITY ENHANCEMENT ARE REQUIRED**

6.01 **Application for Main Extension and/or Capacity Enhancement**

The following rules are established for making main extensions and/or capacity enhancement:

A. **Application.** Any owner of one or more lots or parcels, or subdivider of a tract of land, desiring the extension of one or more water mains to serve such property, shall make a
written application therefore to the District, said application to contain the legal description of the property to be served and tract number thereof, and any additional information which may be required by the District, and be accompanied by a map showing the location of the proposed connections.

B. **Investigation.** Upon receipt of the application, the Director of Public Works shall make an investigation and survey of the proposed extension and/or enhancement and shall report his finding to the Board, including the estimated cost thereof.

C. **Ruling.** The Board shall thereupon consider said application and report, and after such consideration, reject or approve it.

D. **District Lines.** All extensions thus provided for, in accordance with those regulations, shall be and remain the property of the District.

E. **Dead-End Lines.** No dead-end lines shall be permitted, except at the discretion of the District Engineer, and in cases where circulation lines are necessary they shall be designed and installed by the Water Department as a part of the cost of the extension.

### 6.02 General

All costs and expenses incident to the installation and connection of any water service or other work for which a permit has been issued shall be borne by the Applicant, and shall be in addition to all fees, service and connection charges provided for in the District Water Ordinance. The Owner shall indemnify District for any loss or damage that may directly or indirectly be occasioned by the work. All work shall be made by or be authorized by the District.

### 6.03 Determination

If, in the opinion of the Board, the cost of a water main extension and/or enhancement is in excess of what the Board is prepared to advance, or it questions the economic advantage to the District of making such advance, then the entire cost of such improvement, including all off-site costs made necessary to provide the necessary service, shall be borne by the Applicant, subject to the Refund Agreement provided in Article 6.04 following.

### 6.04 Refund Agreement

A. Any property owner who shall subsequently apply for a permit to connect to said main extension and/or capacity enhancement shall pay to the District his proper pro rata of the cost thereof, the amount of which shall be determined by the Director of Public Works. The amount so paid shall be refunded by the District to the original applicant.

B. Upon termination of a ten (10) year period, any pro rata share shall become the property of the District.

### ARTICLE 7 - GENERAL USE REGULATIONS

#### 7.01 Number of Services per Premises

The Applicant may apply for as many services as may be reasonably required for his premises provided that the pipeline system for each service is independent of the others and that they not be interconnected.
7.02 Water Waste

A. No Customer shall knowingly or negligently cause water waste within the District service area. Where water is wastefully or negligently used on a property, the District may discontinue the service if such conditions are not corrected within 72-hours after giving notice to the customer, owner or designated property manager.

B. If service is disconnected due to failure to stop the waste, a turn-off fee (service call) will be charged. If the violation occurs again, the service may be disconnected and may not be restored until corrections are made to stop the waste. Continued violations may result in continued turn-offs. Fees and penalties are shown in Exhibit C.

7.03 Responsibility for Equipment on Customer Premises

All appurtenances installed by the District on private property for the purpose of rendering water service shall remain the property of the District and may be maintained, repaired or replaced by the Water Department without consent or interference of the Owner or occupant of the property. The property owner shall use reasonable care in the protection of the attributes. No payment shall be made for placing or maintaining said attributes on private property. Easements and rights-of-way are to be kept free of encroachment of any kind, and District shall have access to such areas, and any obstructions or encroachments in these areas shall be removed at the expense of the Customer and/or Owner. All meters and meter boxes must be clearly marked and accessible and are to be kept free of encroachment of any kind. Any obstructions, encroachments and/or inaccessibility conditions will be removed at the Customer’s and/or Owner’s expense, and shall become a charge on the customer’s bill. The District has no responsibility to return the site to anything but its natural, un-landscaped condition.

7.04 Damage to Water Distribution System

The Customer shall be liable for any damage to the water distribution system when such damage is from causes originating on the premises by an act of the Customer or his tenants, agents, employees, contractors, licensees or permittees, including the breaking or destruction of locks or tags by the Customer or others on or near a meter, and any damage to a meter that may result from hot water or steam from a boiler or heater on the Customer's premises. The District shall be reimbursed by the Customer for any such damage promptly on presentation of a bill. Damage to water system would also include, but not be limited to, damage to meter boxes, fire hydrants, water valves, lids, vaults and boxes, removal of meter location stakes, service lines and distribution system.

7.05 Ground Wire Attachments

All individuals or business organizations are forbidden to attach any ground-wire or wires to any plumbing which is or may be connected to a service connection or main belonging to the District. The District will hold the Customer liable for any damage to its property occasioned by such ground-wire attachments. Bonding to a copper water line will be accepted in accordance with the electrical code.

7.06 Customer Service Valve on the Customers Property

The Customer shall provide a valve on his side of the service installation, as close to the meter location as practicable, to control the flow of water to the piping on his premises. The Customer shall not use the meter curb stop to turn water on and off.
7.07 Relief Valves and Regulating Valves
As a protection to the Customer's or Owner's plumbing system, a suitable pressure relief valve and pressure regulating valve must be installed and maintained at the customer's or owner's expense. When check valves or other protective devices are used, the relief valve and an expansion tank shall be installed between the check valves and the water heater.

7.08 Service Size
Where increased meter and service sizes are required, the main is to be exposed by the Owner's contractor, and all work to be performed by the Owner's contractor, including materials. The District will endeavor to provide the location of the main.

7.09 Discontinued Service
The service of water to any premises may be immediately discontinued by the District if any defect is found in the check valve installations or other protective devices, or if it is found that dangerous unprotected cross-connections exist. Services will not be restored until such defects are corrected.

7.10 Interruptions in Service
The District shall not be liable for damage which may result from an interruption in service from a cause beyond the control of the District.

7.11 Ingress and Egress
Representatives from the District shall have the right of ingress and egress to the Customer's premises at reasonable hours for any purpose reasonably connected with the furnishing of water service.

7.12 Non-Existent Services
Where service lines do not exist from the main to the property line, the Applicant is responsible for service line installation and costs under the Ordinances, Rules and Regulations of the District.

7.13 Pools and Tanks
When an abnormally large quantity of water is desired for filling a swimming pool or for other purposes, arrangements must be made with the District prior to taking such water. Permission to take water in unusual quantities will be given only if it can be safely delivered through the District's facilities and if other consumers are not inconvenienced thereby.

7.14 Responsibility for Equipment
The Customer shall, at his own risk and expense, furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water, and the District shall not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence or wrongful act of the Customer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, operating or interfering with such equipment. The District shall not be responsible for damage to property caused by faucets, valves and other equipment that are open when water is turned on at the meter, either originally or when turned on after a temporary shutdown. Costs of repairs, replacements or disruption of services shall be borne by the Customer.
7.15 **Use of Siphons**

No siphon of any nature shall be operated from any service connected to the District's system.

7.16 **Periods of Water Shortage**

The District shall have the right to restrict the use of and apportion its available water supply during any emergency or other threatened or existing water shortage and may prohibit use of such water during such periods for specific uses which the District may from time to time find to be nonessential.

7.17 **Uniform Plumbing Code/IAPMO**

A. The following Uniform Plumbing Code provisions are made a part of this ordinance.

B. By this Ordinance revision all reference to and use of the current adopted version of the Uniform Plumbing Code and the International Association of Plumbing and Mechanical Officials (IAPMO) Installation Standards, as approved by the Director of Public Works and all other ordinances or parts of ordinances in conflict with the hereafter adopted new ordinance revision are herewith and hereby repealed.

C. District Ordinances 2 and 4, as accepted and amended, supersede any UPC requirements and definitions which differ.

7.18 ** Responsibility for Loss or Damage**

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

B. The person will be held responsible for damage to the District’s facilities and other property resulting from the use or operation of appliances and facilities on customer’s premises, including damage caused by broken or leaking connection lines or internal plumbing, steam, hot water, chemicals, electrical connections, pressure, etc.

C. Contractors, Owner’s agents, or other persons responsible for damage to District property shall be required to pay for repair, replacement or other compensation resulting from such damages.

D. The District assumes no responsibility for loss or damage due to water loss or pressure. The District merely agrees to furnish such capacity in its general distribution system as required by the Nevada NRS rules and regulations. The District will endeavor to give reasonable notice to customers before curtailment of services. However, the District shall not be liable for shutdown or variations to the system that occur without prior notice by the District.

**ARTICLE 8 - METERS**

8.01 **Meter Charge**

Meters will be installed on all services. This ordinance establishes the minimum meter size to be one (1) inch. Upon required change of size by the District or by customer request for upgrade from the
previous standard of 3/4" meter size (or for any size upgrade that has properly been invoiced), flat rate services will not be allowed. Meter charges, will be billed in accordance with Exhibit C.

A. All meter charges are based upon materials and labor costs, and are subject to change at the direction of the Director of Public Works if increased or decreased labor and materials costs so warrant. Only duly authorized District employees or contractors with a State of Nevada class “A” license issued by the State of Nevada Contractors Board pre-approved by the District Engineer will be authorized to install service connections. Meter installations of larger than 2 inches will be charged at actual cost of the meter.

8.02 Meter Installations

All service connections shall include the installation of approved water metering devices. New construction and/or upgrades of meter size within the District are 1-inch minimum. Meters will be installed at the property line and shall be owned by the District and installed and removed at its expense. The installation of meters for approved fire protection services shall be at the discretion of the District. The District will pay no rent or other charge for a meter or other facilities, including connections. The seal of any meters sealed by the District shall not be altered or broken except by one of its authorized employees or agents.

8.03 Change in Location of Meters

Meters moved or raised for the convenience of the Customer will be relocated at the Customer’s expense. Meters moved to protect the District’s property will be moved at its expense.

8.04 Adjustment for Meter Errors - Over Registering

If a meter tested at the request of a Customer is found to be registering greater than actual consumption the Customer shall be refunded no more than 6 months of overbilling.

8.05 Adjustment for Meter Errors - Under Registering

If a meter tested at the request of a Customer is found to be registering less than actual consumption the District may bill the Customer for the amount of the undercharge for no more than six months.

8.06 Non-Registering Meters

If a meter is found to be not registering, the charges for service shall be based on the estimated consumption, whichever is greater. Such estimates shall be made from previous consumption for a comparable period or by such other method as is determined by the District and its decision shall be final.

ARTICLE 9 - BILLING

9.01 Billing

The regular billing period will be at the discretion of the District.

9.02 Meter Reading

Meters shall be read as nearly as possible on the same day of each billing period.
9.03 **New Connections**

Upon connection to the District’s water distribution system, the applicable sewer service charges shall begin on the first day of the next billing period following installation of the water meter.

9.04 **Disconnection**

When requested by Customer, sewer service charges shall be discontinued only upon physical disconnection from the distribution system as defined by Article 10 of this Ordinance.

9.05 **Transfer of Ownership**

Services are not discontinued upon transfer of ownership. District will not prorate charges on account upon transfer of ownership. Upon notification of pending sale or transfer of a property, District will obtain final water meter consumption reading on the date specified by the title company. If notification is not received from the title company for a final read the current property owner is liable for the previous charges on the account.

9.06 **Person Responsible for Payment**

All charges, fees and amounts due and payable shall be billed to the owner of the premises, whether or not the owner is also the occupant. For the purposes of the Ordinance, determination of lot or parcel ownership shall be based upon the latest records of the Assessor’s Office of Washoe County.

Bills for the base rate for water service shall be rendered at the beginning of each billing period and are payable upon presentation. Charges for consumption are billed in arrears.

9.07 **Penalties**

All charges shall become due and payable upon presentation. Payments not received or postmarked by the U. S. Post Office on the envelope in which the payment was mailed by the last day of the billed cycle shall become delinquent on the first day of the next billing cycle. All charges which become delinquent shall be subject to a penalty of ten percent (10%) for the first month delinquent. Customers’ payments shall be applied to their oldest balances due including penalties first.

9.08 **Represents Lien on Property**

Until paid, all rates, tolls and charges provided in this ordinance constitute a perpetual lien on and against the property served and may be foreclosed upon as provided by law.

9.09 **Billing of Separate Meters Not Combined**

Separate bills will be rendered for each meter installation except where the District has, for its own convenience, installed two or more meters in place of one meter. Where such installations are made, the meter readings may be combined for billing purposes.

9.10 **Water Used Without Service Application Being Made**

A person taking possession of premises and using water from an active service connection without having made application to the District for water service shall be held liable for the water delivered from the date of the last recorded meter reading, and if the meter is found inoperative, the quantity consumed will be estimated. If proper application for water service is not made upon notification to
do so by the District, and if accumulated bills for service are not paid immediately, the service may be discontinued by the District without further notice.

9.11 **Damages Through Leaking Pipes and Fixtures**

Owner or Owner’s agent must be present at the property at the time scheduled by the Owner or Owner’s agent for the District to turn on the water service unless a written form of consent and release of liability is submitted to the District prior to turning on the meter. The District will in no case be liable for damages occasioned by water leaking or running from open or faulty fixtures, or from broken or damaged pipes or any other appurtenances within or outside of the building structure.

9.12 **Policy for Appeal for Relief from Excessive Water Charges**

A. Customers are responsible for equipment as defined in this Ordinance. When customers, through no fault of their own, have incurred excessively high water bills due to breaking of water lines from freezing during the winter, natural disaster or construction activities not under contract by the property owner and the detection and correction of such a break could not have reasonably been accomplished in time to avoid the excessive water usage, the following policy shall apply.

B. An IVGID water customer who has an uncontrollable loss of water may apply to the District for relief under this policy once every five years. The Director of Public Works will review the matter and determine if the high overage was a result of an undetectable condition and was not a direct result of negligence or inattention of the property owner. Upon such a determination, the District will make an adjustment or credit the utility bill an amount equal to 75% of the water Tier 1 and Tier 2 consumption caused by the leak that exceeds the seasonal monthly average when the leak occurred. If the water did not reach the sewer system then an adjustment will be made equal to 75% of the sewer consumption caused by the leak that exceeds the seasonal monthly average. When calculating the residential variable sewer consumption for non-irrigation months the monthly usage for the billing period(s) where relief is given will be excluded. This is the usage that is used to cap the residential customer’s summer sewer rate.

C. In order to apply to the District for relief under this policy repairs must conform to Uniform Plumbing Code and IVGID Specifications.

D. Requests must be submitted in writing stating: address of property where leak occurred, was property occupied at the time of the leak, cause of leak, date leak was discovered, date leak was repaired, copies of repair invoices and receipts, letter of explanation if repairs made by customer, photographs and other information that may be required by the District. Written requests must be submitted within 30 days of the billing date. The maximum period of time allowable for relief is two (2) consecutive months of consumption.

E. Typical leaks that may be eligible for credit of Tier 1, Tier 2 and Sewer Use charges include underground or unseen, unknown leaks occurring in underground piping between the meter and the structure and pipes under the structure that can be accessed through a crawl space, leaks that are part of an irrigation system, broken irrigation backflow devices caused by freezing, broken hose bibs and garden hoses, faulty humidifiers or boilers, faulty fill valves on pools and water features, plumbing damaged by construction related to the property, plumbing or fixture failures due to pressure fluctuations, faulty backflow preventers, or other issues that do not drain into the sewer system. These leaks are typically continuous in nature.
F. Typical leaks that may be eligible for credit of Tier 1 and Tier 2 charges but not Sewer Use charges include leaking toilets, leaking faucets, or other issues that drain into the sewer system.

G. Excess water use or leaks resulting from accidental water use, and the continuous use of water to prevent pipes from freezing, or any other type of normal use are not eligible for reimbursement.

9.13 Checks and Electronic Funds Transfers (EFT) not honored by Bank

Checks and electronic funds transfers presented in payment of bills that are returned by a bank shall be treated as though no payment had been made, and an administrative charge as shown in Exhibit C will be levied by the District, plus any additional charges received from the bank. The Customer must reimburse the District for any returned check/electronic funds transfer fees charged by a bank to the District. Accounts with returned EFTs may no longer be eligible for the EFT payment option. Discontinuance of the EFT payment option shall be at the discretion of the Director of Public Works.

9.14 Collection by Suit

A. **Suit.** As an alternative to any of the other procedures herein provided, all unpaid rates and charges and penalties herein provided may be collected by suit. As an additional procedure, District shall have all rights as provided by law.

B. **Costs.** Defendant shall pay all costs of suit in any judgment rendered in favor of District, including a reasonable attorney's fee.

9.15 Collection with Other Utility Charges

A. **With Utility Charges of District.** Where the person charged is a user of another utility owned and operated by the District, or through a franchise agreement, the charges may be collected together with and not separately from the charges for the other utility service(s) rendered by it. They may be billed upon the same bill and collected as one item at the discretion of the District.

B. **Discontinuance of Service upon Delinquency.** Upon delinquency, the other utility service shall be discontinued until full payment of the account charges and penalties thereon and the charges for re-continuance of service, has been received by the District.

9.16 Service Rates

A. **Rates.** For all users within the District, Residential, Irrigation and Commercial rates as shown in Exhibit A shall apply. The Board of Trustees shall set the water service charges when approving the annual Capital Improvement Plan and Operating Budget.

1) **Non-District Service.** Where water service is provided for Customers not within the boundaries of the Incline Village General Improvement District, a service charge of two hundred percent (200%) of bulk water for construction.

2) **Fire Protection.** Public fire protection rates shall be billed to the responsible fire protection agencies at the rate determined in the contract between the District and the fire protection agency.
B. **Multi-Unit Residential Accounts.** The charge for multi-unit residential accounts using common meters shall be determined by multiplying the number of units by the fixed and capital improvement charge for a residential unit plus the administrative customer service account charge, plus variable and excess charges, plus defensible space charge in accordance with Exhibit A. Mixed use service that has been determined to be billed as residential will be billed one base charge for each residential unit and each equivalent residential unit per 39 fixture units of commercial service. Fractions will be rounded to nearest whole number, example: 58 fixture units = 1.49 and rounded to 1.0 units, 59 fixture units = 1.51 and rounded to 2.0 units. The minimum equivalent residential unit amount shall be 1.0, (one).

C. **Bulk Water for Construction.** Where water is required for construction and obtained from fire hydrant or other location required by the District, a charge shall be made as shown in Exhibit C as measured by the water meter installed for that purpose.

D. **Call-Out Service Charges.** A customer requesting District assistance with Customer-related water issues (i.e., interior water leak, problem with irrigation system, water shut off at meter because customer cannot locate the customer service valve, etc.) may be billed a Call-Out Service charge, at the discretion of the Director of Public Works.

**ARTICLE 10 - DISCONTINUANCE OF SERVICE**

10.01 **Customer's Request for Discontinuance of Service**

A Customer's water and sewer service shall only be discontinued under a Washoe County demolition permit. All water and sewer charges will be discontinued when the conditions of the demolition permit have been met for discontinuation of service up to and including the removal of the water meter and the capping of the sewer line.

10.02 **Customer's Request for Shut Off and Turn On of Service**

A Customer may have their water service shut off by giving not less than five (5) days advanced notice in writing to the District. There will be no reduction in the monthly water or sewer charges during the shut off of service. The shut off and turn on will be charged a total of one (1) service call if the water meter is accessible and the work is performed during business hours. If the shut off and turn on is requested after business hours, then the Customer will be charged the service call rate in Exhibit C for the shut off and turn on each. If the water meter is inaccessible, the Customer will be billed additional labor and equipment charges for making the meter accessible for shut off and turn on.

10.03 **For Non-Payment of Bills**

A Customer's service may be discontinued for non-payment of a bill for service furnished if the account becomes delinquent, provided the District has given the Customer at least five (5) days prior written notice of such intention. During the discontinuance for non-payment, full monthly charges will apply. Written notice postings may be billed a posting service charge, in accordance with Exhibit C.

10.04 **Liability for Bills**

Failure to receive bill does not relieve Customer of liability. Any amount due shall be deemed a debt to the District, and any person, firm, or corporation failing, neglecting or refusing to pay said
indebtedness shall be liable to an action in the name of the District in any court or competent jurisdiction for the amount thereof.

10.05 Resumption of Service Charge

Where service has been discontinued for violation of these rules or for nonpayment of bills, the cost of discontinuing and resuming service shall be at the expense of the Customer.

A. Made During Regular Business Hours. The Utility will endeavor to resume service during regular business hours on the day of the request, if conditions permit; otherwise, the District will endeavor to resume service on the next regular business day following the day the request is made.

B. Made at Other Than Regular Business Hours. When a Customer has requested that the service be resumed at a time outside of regular business hours, the District will reasonably endeavor to resume service if practicable under the circumstances but will be under no obligation to do so, unless an emergency exists. A charge based on costs, including overtime rates, shall be billed to the customer for services rendered outside of regular business hours.

C. Presence of Owner or Authorized Representative. During requested resumption of service, the owner or their authorized representative is required to be on site, unless a written form of consent and release of liability allows the District to turn the meter on.

10.06 Unsafe Apparatus

Water service may be refused or discontinued to any premises where apparatus or appliances are in use which might endanger or disturb the service to other customers.

10.07 Cross-Connections

Water service may be refused or discontinued to any premise where a cross-connection exists that is in violation of State, Federal or local laws.

10.08 Fraud or Abuse

Service may be discontinued if necessary to protect the District against fraud or abuse.

10.09 For Noncompliance with Rules

The District may discontinue service to any Customer for violation of these rules after it has given the Customer at least five (5) days written notice of such intention. In case of emergency, unauthorized use, water waste, or where safety of water supply is endangered, service may be discontinued or curtailed immediately without notice.

ARTICLE 11 - PUBLIC FIRE PROTECTION

11.01 Use of Fire Hydrants

Fire hydrants are for use by the District or by organized fire protection agencies pursuant to contract with the District. Other parties desiring to use fire hydrants for any purpose must first secure a permit from the District, prior to use and shall operate the hydrant in accordance with instructions issued by the District. Unauthorized use of hydrants will be prosecuted according to law.
11.02 **Hydrant Rental**

A charge, to be determined by contract between the District and organized fire protection agencies, will be imposed for hydrant maintenance and water used for public fire protection.

11.03 **Moving of Fire Hydrants**

When a fire hydrant has been installed in the location specified by the proper authority, the District has fulfilled its obligation. If a property owner or other party desires a change in the size, type or location of the hydrant, he shall bear all costs of such changes, without refund. Any change in the location of a fire hydrant must be approved by the proper authority.

**ARTICLE 12 - PRIVATE FIRE PROTECTION SERVICE**

12.01 **Payment of Cost**

The Applicant for private fire protection service shall pay the total actual cost of installation of the service from the distribution main to the Customer's premises to meet the requirements of the District. Requirements of the District include, but are not limited to, detector check meter, meter box, valve and valve box, and construction materials acceptable to the District.

12.02 **Combined Systems Prohibited**

There shall be no connection between a fire protection system and any other water distribution system on the premises.

12.03 **Use**

There shall be no water used through the fire protection service except to extinguish fires and for testing the firefighting equipment.

12.04 **Water Used for Fire Fighting not to be Charged**

A. In those instances wherein private fire protection is provided from a metered domestic water service line, the volume of water used for fire protection (fire fighting) will be estimated and that estimated volume shall be deducted from the monthly domestic service meter reading - during which the fire protection use was incurred.

B. Estimation will be based on the averaging of the domestic water service meter reading of the 3 months before the fire. This average shall be the basis for determining the volume of fire fighting water consumed for which there will be no charge.

12.05 **Water for Fire Storage Tanks**

Occasionally water may be obtained from a private fire service for filling a tank connected with the fire service, but only if written permission is secured from the District in advance and an approved means of measurement and backflow protection are available. The regular water rates will be applied.

12.06 **Violation of Agreement**

If water is used from a private fire service in violation of the agreement or of these regulations, the District may, at its option, discontinue and remove the service at Owner’s expense.
12.07 **Water Pressure and Supply**

The District assumes no responsibility for loss or damage due to lack of water or pressure, either high or low, and merely agrees to furnish such quantities and pressures as are available in its general distribution system. The service is subject to shutdowns and variations required by the operation of the system.

12.08 **Rules**

The following rules shall apply to fire service connection:

A. **Additional Service.** The District shall have the right to take a domestic, commercial or industrial service connection from the fire service connection at the curb to supply the same premises as those to which the fire service connection belongs. The District shall charge all fees associated with each service connection.

B. **Backflow Prevention.** The District reserves the right to require installation of an approved backflow prevention assembly.

12.09 **Responsibility of Equipment**

A. The Customer shall, at his own risk and expense, furnish, install and keep in good and safe condition all equipment that may be required for receiving, controlling, applying and utilizing water for private fire protection service, and the District shall not be responsible for any loss or damage caused by the improper installation of such equipment, or the negligence or wrongful act of the Customer or of any of his tenants, agents, employees, contractors, licensees or permittees in installing, maintaining, operating or interfering with such equipment. This shall include but not limited to valves, detector check meter, meter box, valve box and service piping.

### ARTICLE 13 - TEMPORARY SERVICE

13.01 **Duration of Service**

Temporary service connections shall be disconnected and terminated within six (6) months after installation unless an extension of time is granted in writing by the District. Deposit for hydrant meter rental shall be forfeit if meter is not returned within six (6) months.

13.02 **Deposit**

The Applicant shall deposit, in advance, the estimated cost of installing and removing the facilities required to furnish said service exclusive of the cost of salvageable material.

13.03 **Installation and Operation**

All facilities for temporary service to the Customer connection shall be inspected by the District and shall be operated in accordance with its instructions.

13.04 **Responsibility for Meters and Installations**

The Customer shall use all possible care to prevent damage to the meter or to any other loaned facilities of the District which are involved in furnishing the temporary service from the time they are installed until they are removed, or until 48 hours notice in writing has been given to the District that the contractor or other person is through with the meter or meters, and the installation. If the
meter or other facilities are damaged, the cost of making repairs shall be paid by the Customer. If application has been made for water connection services, the customer must arrange to make water connection in a timely manner to avoid use of the fire hydrant.

13.05 Supply From Fire Hydrant

An Applicant for temporary use of water from a fire hydrant must secure a permit, as provided in Article 11.01, therefore from the District and pay the regular fee charged for the use of a meter to be installed on said hydrant; provide himself with a hydrant wrench necessary to operate such hydrant and a proper air gap installed on the connected equipment, and pay for the water used in accordance with the meter readings, at the rates prescribed by the District.

13.06 Unauthorized Use of Hydrants

Tampering with any fire hydrant for the unauthorized use of water there from, or for any other purpose, is a misdemeanor, punishable by law.

13.07 Credit

The Applicant shall pay the estimated cost of service in advance or shall be otherwise required to establish credit.

ARTICLE 14 - PUBLIC AND PRIVATE COMMUNAL WATER SYSTEM CONSTRUCTION

14.01 Permit Required

No person shall construct, extend, or connect to any Public Water System without first obtaining a written permit from District and paying all fees and connection charges and furnishing bonds as required. The provision of this section requiring permits shall not be construed to apply to contractors constructing water systems and appurtenances under contracts awarded and entered into by District.

14.02 Plans, Profiles and Specifications Required

The application for a permit for Public Water System construction shall be accompanied by complete plans, profiles and specifications, complying with all applicable ordinances, rules and regulations of the District, prepared by a Professional Engineer registered in the State of Nevada, showing all details of the proposed work based on an accurate survey of the ground. The application, together with the plans, profiles and specifications, shall be examined by the District Engineer who shall approve them as filed or require them to be modified as he deems necessary for proper installation.

14.03 Easements or Rights-of-Way

In the event that an easement is required for the extension of the Public Water System or the making of connections, the Applicant shall procure and have accepted by the Board a proper easement or grant of right-of-way sufficient in law to allow the laying and maintenance of such extension or connection. Easements or rights-of-way are reserved for the servicing of utilities, and no structure or building shall be placed within or over easements or rights-of-way, nor shall these areas be occupied or used in any manner as to restrict or deny access for repairs or maintenance, and all costs of removing or replacing land surfaces, landscaping or other occupancies shall be charged to the property owner.
14.04 Persons Authorized to Perform Work

Only properly licensed contractors shall be authorized to perform the work of Public Water System construction within the District. The District will not accept dedication of any Public Water System, or portions thereof, unless the construction has been performed by the holder of a Class A contractor’s license issued by the Nevada State Contractor’s Board. All terms and conditions of the permit issued by the District to the Applicant shall be binding on the Contractor.

14.05 Compliance with Local Regulations

Any person constructing a water system within a street shall comply with all State, County, District or city laws, ordinances, rules, and regulations pertaining to the cutting of pavement, opening, barricading, lighting and protecting of trenches, backfilling and repaving thereof, and shall obtain all permits and pay all fees required by the department having jurisdiction, prior to the issuance of a permit by the District.

14.06 Protection of Excavation

The Applicant shall maintain such barriers, lights and signs as are necessary to give warning to the public at all times that a water system is under construction and of each dangerous condition to be encountered as a result thereof. He shall also likewise protect the public in the use of the sidewalk against any such conditions in connection with the construction of the water system. Streets, sidewalks, parkways and other property disturbed in the course of the work shall be reinstalled in manner satisfactory to the District and the County or any other person having jurisdiction there over.

14.07 Design and Construction Standard

A. Minimum standards for the design and construction of water systems within the District shall be in accordance with the STANDARD SPECIFICATIONS FOR INCLINE VILLAGE WATER, SEWER, AND PRIVATE COMMUNAL UTILITY SYSTEMS heretofore or hereafter adopted by District, copies of which are on file in the District office. The District Engineer may permit modifications or may require higher standards where unusual conditions are encountered.

B. Reproducible "Record" drawings, in PDF format, stamped and prepared by a Professional Engineer registered in the State of Nevada, showing the actual location of all mains, house connections, hydrants, valves and appurtenances, shall be filed with the District before final acceptance of the work.

14.08 Completion of Water System Required

Before any acceptance of any water line by the District, the water line shall be tested and shall be complete in full compliance with all requirements of the STANDARD SPECIFICATIONS FOR INCLINE VILLAGE WATER, SEWER, AND PRIVATE COMMUNAL UTILITY SYSTEMS and to the satisfaction of the District Engineer.

ARTICLE 15 - CAPITAL IMPROVEMENT CHARGE

15.01 Capital Improvement Charge

A water capital improvement charge shall be billed to each residential, irrigation and commercial water service, as shown in Exhibit A.
The capital improvement charge represents each customer's contribution to the overall capital improvement of the total utility infrastructure for replacement and upgrade. Annually, the long term capital improvement costs are adjusted in the Capital Improvement Plan to meet the needed utility replacements and upgrades. The capital improvement charge may be adjusted annually by the Board of Trustees during the review and approval of the annual Capital Improvement Plan and Annual Budget.

15.02 Duration

The monthly water capital improvement charge is to take effect July 1, 1992.

15.03 Unimproved Parcels

The Water Capital Improvement Charge will also apply to undeveloped parcels. The charge shall be due when an application for connection to the water system of the District is made. The total retroactive Capital Improvement Charge is shown in Exhibit B. Larger services will be adjusted higher by the capacity ratio.

ARTICLE 16 - BACKFLOW AND CROSS CONNECTION REGULATIONS

16.01 General Policy

A. Purpose. The purpose of this Article is:

(1) To protect any public potable water supply of the District from the possibility of contamination or pollution by isolating within the customer's internal distribution system or the customer's private water system such contaminants or pollutants which could backflow into the public water systems; and

(2) To promote the elimination or control of existing cross-connections, actual or potential, between the consumer's in-plant potable water system and non-potable water system, plumbing fixtures and industrial piping systems; and

(3) To provide for the maintenance of a continuing Cross Connection Control Program which will systematically and effectively prevent the contamination or pollution of all potable water systems within the jurisdiction of District. This program shall also meet the requirements of the Safe Drinking Water Act Amendments of 1986 Public Law 99-339, Nevada Administrative Code section 445A.67185 to 67255, and the current adopted version of the Uniform Plumbing Code as approved by the Director of Public Works, and meets all of the laboratory and field performance specifications of the Foundation for Cross-Connection Control and Hydraulics Research of the University of Southern California (hereinafter referred to as USCFCCC&HR), and the American Water Works Association manual M14 with AWWA C506-84 Standards for Reduced Pressure Principle Assemblies, Double Check Valve assemblies, spill proof vacuum breakers, atmospheric vacuum breakers, air gaps, and pressure vacuum breaker backflow prevention devices including any existing or future amendments.

B. Responsibility. The Director of Public Works, or his designee, shall be responsible for the protection of the public potable water system from contamination or pollution due to the backflow of contaminants or pollutants through the water service connection. If, in the judgment of said Director of Public Works, an approved backflow prevention assembly is required at the customer's water service connection, or within the customer's private water system, the Director of Public Works or his designated agent shall give notice in writing to said customer to install such an approved assembly(s) at specific locations on the customer's premises. Immediately upon receipt of the notice, the customer shall install such assembly.
at the customer's sole expense. Failure or refusal on the part of the consumer to make such installation and to have such tested yearly, or as required by the District by a certified backflow prevention assembly tester approved by the District’s backflow administrator and maintained in good working order shall constitute grounds for discontinuing water service to the premises until such requirements have been satisfactorily met.

C. **Non-Liability of District.** The District shall not be responsible for any loss or damage directly or indirectly resulting from or caused by the proper, improper, or negligent installation, operation, use, repair, or maintenance of, or interfering with, any protective device by any customer of the District or any other person.

D. **Shared Responsibility.** Customers must share in the responsibility for the protection of the potable water system. Customers must maintain their water piping system so that pollutants do not backflow into the District water mains. It is also the customer's responsibility to report any possible hazard that may affect the District water mains. Reports should be made to the Director of Public Works as soon as a hazard is detected.

### 16.02 Backflow Definitions

A. **Approved.** Accepted by the Director of Public Works as meeting an applicable specification contained in this ordinance, or as suitable for the proposed use.

B. **Auxiliary Water Supply.** Any water supply on or available to the premises other than the District's approved public water supply and which is within District's water service area shall constitute an auxiliary water supply. Any intakes from Lake Tahoe or groundwater supply wells that are within the District's water service area that are not in direct control of District shall constitute auxiliary water supplies.

C. **Backflow.** The reversal of normal flow of water caused by either back-pressure or back-siphoning.

D. **Approved Backflow Prevention Devices.** An assembly or means to prevent backflow that has been manufactured in conformance with the standards established by the American Water Works Association entitled:

1. AWWA M14 and C506-84 Standards for Reduced Pressure and Double Check Valve Backflow Prevention Devices and spill proof vacuum breakers, pressure vacuum breakers and air gaps;

2. and have met the laboratory and field performance specifications of the USCFCCC&HR established by

3. Specifications of Backflow Prevention Assemblies, Section 10 of the most current issue of the Manual of Cross Connection Control.

4. Any AWWA and USCFCCC&HR standards and specifications, including existing and future amendments, are hereby adopted by the District and made a part hereof by reference.

5. The following testing laboratory has been qualified by the Director of Public Works to test and certify backflow preventers.

   a. Foundation for Cross Connection Control and Hydraulic Research

   b. University of Southern California, Los Angeles, California
E. **Air-gap.** The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing, fixture, or other device and the flood level rim of said vessel. An approved air-gap shall be at least double the diameter of the supply pipe, measured vertically, above the overflow rim of the vessel, and in no case less than one inch. Any air gap placed near sidewalls, ribs or similar obstructions shall be a distance greater than three times the diameter of the effective opening.

F. **Reduced Pressure Principle Assembly.** An assembly of two independently acting approved check valves with resilient seated shut off valves together with a hydraulically operating, mechanically independent differential pressure relief valve located between the two check valves and properly located test cocks for testing each valve. The entire assembly shall meet the design and performance specifications as determined by laboratory and field evaluation programs resulting in the approval of said assembly by the USCFCCC&HR. The assembly shall operate to maintain the pressure in the zone between the two check valves at an acceptable level less than the pressure on the public water supply side of the assembly. At the cessation of a normal flow, differential relief valves shall operate to maintain the reduced pressure in the zone between the check valves by discharging to the atmosphere. When the inlet pressure is two pounds per square inch or less, the relief valve shall open to the atmosphere. To be approved, these assemblies must be readily accessible for in-line testing and maintenance and be installed in a location where no part of the assembly will be submerged.

G. **Double Check Assembly Valve.** An assembly of two independently operating approved check valves with resilient seated shut-off valves on each end of the check valves. The assembly must also meet the specifications for approval by the USCFCCC&HR, plus properly located test cocks for the testing of each check valve. The entire assembly shall meet the design and performance specifications as determined by a laboratory and field evaluation program resulting in an approval by the USCFCCC&HR. To be approved, these assemblies must be readily accessible for in-line testing and maintenance.

H. **Pressure Vacuum Breaker Assembly.** This assembly shall include an approved internally loaded check valve and a loaded air opening to atmosphere on the discharge side of the check valve between two resilient seated shut-off valves. This assembly may only be used in irrigation systems that do not inject contaminants into the irrigation systems. Use will be limited to irrigation systems only.

I. **Contamination.** An impairment of the quality of the potable water by materials to a degree which creates an actual or potential hazard to the public health.

J. **Cross-Connection.** Any physical connection or arrangement of piping or fixtures between two otherwise separate piping systems, one of which contains potable water and the other non-potable water or industrial fluids of questionable safety, through which, or because of which backflow may occur into the potable water system.

K. **Hazard, Degree of.** The term is derived from an evaluation of the potential risk to public health and the adverse effect of the hazard upon the potable water system.

1. **Hazard - Health.** Any condition, device, or practice in the water supply system and its operation which could create or may create a danger to the health and well being of the water consumer.

2. **Hazard - Pollution.** An actual or potential threat to the physical properties of the water system or the consumer’s potable water system, which constitutes a nuisance or is
aesthetically objectionable or could cause damage to the system or its appurtenances, but which is not dangerous to human health.

L. **Spill-Resistant Vacuum Breaker.** An assembly containing an independently operating internally loaded check valve and independently operating loaded air inlet valve located on the discharge side of the check valve. The assembly is to be equipped with a properly located resilient seated test cock, a properly located bleed/vent port and tightly closing resilient seated shut-off valves attached to each end of the assembly. This assembly is designed to protect against a non-health hazard (i.e., pollutant) or a health hazard (i.e., contaminant) under a back-siphonage condition only.

16.03 **Requirements**

A. **Policy.**

(1) No water service connection to any premises may be installed or maintained by the District unless the water supply is protected as required by State laws and regulations and this ordinance. Service of water to any premises may be discontinued by the District if a backflow prevention assembly has been removed, bypassed, or if an unprotected cross-connection exists on the premises. Service will not be restored until such conditions or defects are corrected.

(2) The customer’s system shall be open for inspection at all reasonable times to authorized representatives of District to determine whether cross-connections or other structural or sanitary hazards exist. When such a hazard becomes known, the Director of Public Works may deny or discontinue service to the premises by providing for a physical break in the service line until the customer has corrected the condition(s) in conformance with state law and local ordinances relating to plumbing and water supplies and any regulations adopted pursuant thereto.

(3) An approved backflow preventer shall be installed on each service line to a customer’s water system at or near the property line or immediately inside the building being served; but, in all cases, before the first branch line leading off the service line, wherever the following conditions exist:

a. In the case of premises having an auxiliary water supply, the public water system shall be protected by installing an approved backflow preventer in the service line appropriate to the degree of hazard. No cross-connection between the auxiliary water supply and the public water system shall be made.

b. In the case of premises on which any industrial fluids or any other objectionable substance is handled in such a fashion as to create an actual or potential hazard to the public water system, the public system shall be protected against backflow from the premises by installing an approved backflow preventer in the service line appropriate to the degree of hazard.

c. In the case of premises having (1) internal cross-connection that cannot be permanently corrected or controlled, or (2) intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not dangerous cross-connections exist, the public water system shall be protected by installing an approved backflow preventer in the service line.

d. Any customer wishing to fill water trucks or other equipment shall fill out a District application for service and have that equipment inspected and approved by a representative of the District. An approved air-gap must be installed before
filling from the potable water supply. Violation of this section shall result in a fine shown in Exhibit C and disqualification from service.

(4) A customer’s service may be discontinued for non-compliance, provided the District has given the Customer at least five (5) days prior written notice of such intention. During the discontinuance for non-compliance, full monthly charges will apply. The District will bill the customer for posting a written notice of non-compliance in accordance with Exhibit C. Water shut-off and turn-on charges due to non-compliance will apply in accordance with Exhibit C.

B. Type of Backflow preventer. The type of backflow preventer required shall depend upon the degree of hazard which exists as follows:

(1) Where there is an auxiliary water supply, a minimum of a double check valve assembly will be required.

(2) Where there is any pollution hazard, the public water system shall be protected with a minimum of an approved double check valve assembly.

(3) Where there is any health hazard, the public water system shall be protected by an approved air gap or an approved reduced pressure principle assembly. Hospitals, sewage treatment plants and structures with chemical additives in fire sprinkler systems are examples of these type premises.

(4) Where access is denied or is impossible or impractical to make a cross-connection survey, the public water supply shall be protected with an approved air gap or an approved reduced pressure principle assembly depending on the degree of hazard.

C. Approval Required. Any backflow preventer required herein shall be a model and size approved by the Director of Public Works. Any below-grade applications must be approved by the District prior to installation.

D. Inspections.

(1) It shall be the joint duty of the District and the Customer at any premises where backflow prevention assemblies are installed to have certified inspections and operational tests made upon installation and at least once a year thereafter or as determined necessary by the Director of Public Works. In those instances where the Director of Public Works deems the hazard to be great enough he may require testing at more frequent intervals. All inspections and tests shall be performed by a certified District employee or certified tester approved by the District. All testers shall be approved by the District and carry a current Backflow General Testers license approved by the State of Nevada and the District. All testers will follow the rules and procedures of the current adopted version of the Manual of Cross Connection Control issued by USCFCCC&HR. The District requires that a 3.0 PSID buffer be maintained on all reduced pressure assemblies. The District reserves the right to disqualify any tester from testing within the District for failure to adhere to the policies and standards set forth by the District and this Ordinance. All gauges shall meet the requirements of the current adopted version of The Manual of Cross Connection Control and be calibrated on an annual basis to meet manufactures recommendations. The current calibration records shall be submitted with any test performed within the District. It shall be the responsibility of the Director of Public Works to make sure the tests are made in a timely manner, all test forms shall be submitted to the District compliance department within two (2) business days. All extensions must be approved by the District. The customer shall bear the cost of the inspection, repairs and testing. Records of testing and repairs shall be kept by the District Utilities Department when said work is
completed for a period of three years.

(2) All industrial, commercial, residential, multi-residential and all other properties with backflow devices installed and requiring testing according to this Ordinance shall provide access upon request to any authorized representative of the District to perform such testing or provide acceptable test results to the District from an approved State of Nevada backflow tester, pre-approved by the Director of Public Works, of the customer's choice.

(3) It shall be the joint duty of the District and the Customer at any premises where there is an auxiliary water supply to have a cross-connection survey completed upon installation and at least once a year thereafter or as determined necessary by the Director of Public Works. In those instances where the Director of Public Works deems the hazard to be great enough he may require a cross-connection survey at more frequent intervals. All cross-connection surveys shall be performed by a certified District employee or certified specialist approved by the District. All specialists shall be approved by the District and carry a current Backflow Specialist license approved by the State of Nevada and the District. All specialists will follow the rules and procedures of the current adopted version of the Manual of Cross Connection Control issued by USCFC&HR. The District reserves the right to disqualify any specialist from performing cross-connection surveys within the District for failure to adhere to the policies and standards set forth by the District and this Ordinance. It shall be the responsibility of the Director of Public Works to make sure the cross-connection surveys are made in a timely manner, all survey results shall be submitted to the District compliance department within two (2) business days. All extensions must be approved by the District. The customer shall bear the cost of the cross-connection survey. Records of cross-connection survey shall be kept by the District Utilities Department when said work is completed for a period of three years.

E. **Charges for Backflow Testing.** Charges for backflow testing/repairs performed by the District shall be a minimum rate, or actual cost, labor and materials, as determined by the Director of Public Works and/or in accordance with Exhibit C.

F. **Exclusions.** All presently installed backflow prevention assemblies which do not meet the requirements of this section, but which were approved devices for the purposes described herein at the time of installation and which have been properly maintained, shall, except for the inspection and maintenance requirements, be excluded from the requirements of these rules so long as the Director of Public Works is satisfied that they will protect the public water system. Whenever such device is moved, removed, or requires more than minimum maintenance or when the District finds that the maintenance constitutes a hazard to health, the unit shall be replaced by an approved backflow prevention assembly meeting the requirements of this section. Any plumbing improvements requiring a building permit will require that the rules of this ordinance be observed.

**ARTICLE 17 - WATER CONSERVATION REQUIRED UNDER CERTAIN EMERGENCY CONDITIONS**

17.01 **General Policy**

When in the opinion of the Board of Trustees circumstances require water conservation by District customers, the Board may impose one or more of the following conditions after consideration of those circumstances at a regular public hearing after notice to the customers as provided for in NRS 318.199.
A. **Limited Conservation**

(1) Restrict watering to evening and morning hours. Watering is allowed between the hours of 7 p.m. and 11 p.m., and between 5 a.m. and 9 a.m. There is no restriction to hand watering using hoses with self-closing nozzles.

(2) Prohibit wash-down of driveways, sidewalks, parking lots and other impervious surfaces.

B. **Moderate Conservation**

(1) All items under Limited Conservation.

(2) Restrict landscape irrigation to alternate days. Odd-numbered addresses allowed to water on odd-numbered calendar days; even-numbered addresses allowed to water on even-numbered calendar days. No irrigation allowed on the 31st day of the month.

(3) Limit use of water from fire hydrants to actual fire fighting use.

(4) Hand-washing of vehicles allowed only with hoses equipped with self-closing nozzles.

C. **Strict Conservation**

(1) All items under Moderate Conservation.

(2) No landscape or lawn irrigation under any circumstances.

(3) No new lawn or landscape installation.

(4) No wash-down of automobiles, trucks, vans or other motorized equipment except at commercial washing facilities that recycle wash water.

(5) Impose an excess consumption charge of 300% of the existing rate per 1,000 gallons for water use in excess of the base rate.

D. **Circumstances Under Which Conservation May be Required**

(1) The Board, upon its findings that one or more of the following emergency conditions are present, may impose any or all of the above-mentioned restrictions:

   a. Water scarcity condition exists or is likely to exist.

   b. Failure of water production, storage or distribution system(s).

   c. Demand for service in excess of the District's authorized water rights.

   d. Order of any agency of the federal, state or local government having jurisdiction in such matters.

   e. Any other condition that may require such action.

**ARTICLE 18 - LANDSCAPING**

18.01 **Intent**

The intent of this section is to implement landscaping standards which will result in the conservation of water, and eliminate water waste.

18.02 **Applicability**

This section applies to all new construction, remodeling where the building and deck footprint increases by more than 15%, any irrigation meter application, all Washoe County irrigation system permit applications, and/or an improvement requiring an increase of the service line or meter.
18.03 Requirements

All applicants must submit a landscaping plan as part of the permit process. The landscaping plan must identify turf coverage, irrigation systems, plant selections, water features, maintenance schedules, and installer/owner information.

18.04 Design and Construction Standards

Minimum standards for the planning, design, and construction of landscape irrigation systems within the District shall be in accordance with the LANDSCAPING STANDARDS copies which are on file in the District office. The District Engineer may permit or require modifications where special or unusual conditions are encountered.

18.05 Completion of Work Required

Before final approval of the work, or turn-on of the irrigation system, the landscape plan shall be
EXHIBIT A
Schedule of Water Service Charges

Monthly water charges are the summation of the following components:

1. Fixed Charge = $10.65 X CAF \(^{(1)}\) X number of units.
2. Administrative / Customer Service Account Charge = $3.65 per account.
3. Capital Improvement Charge = $14.47 X CAF \(^{(1)}\) X number of units
4. Variable Cost = $1.45 per 1,000 gallons of water use. [billed as water use charges]
5. Excess water charge \(^{(2)}\)
   a. First Tier: Additional Cost = $0.95 per 1,000 gallons for all water use greater than 20,000 gallons X CAF \(^{(1)}\) X number of units, in addition to the Variable Cost (#4), above.
   b. Second Tier: Additional Cost = $1.26 per 1,000 gallons for all water use greater than 60,000 gallons X CAF \(^{(1)}\) X number of units, in addition to Variable Cost (#4) and First Tier Cost (#6a), above.
6. Defensible Space Fee = $1.05 X number of units.
   a. The defensible space fee is to pay 50% of the IVGID share of costs for fuels treatment on IVGID lands that will enhance the protective boundary from destructive wildfire that could threaten the communities of Incline Village and Crystal Bay. The other 50% share of this cost is paid by the IVGID Recreation Facility Fee.

\(^{(1)}\) Capacity Adjustment Factor:

<table>
<thead>
<tr>
<th>Service Size for Billing Purposes</th>
<th>CAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Residential Customers</td>
<td>1.0</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>1.0</td>
</tr>
<tr>
<td>1&quot;</td>
<td>1.67</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>3.33</td>
</tr>
<tr>
<td>2&quot;</td>
<td>5.33</td>
</tr>
<tr>
<td>3&quot;</td>
<td>10.00</td>
</tr>
<tr>
<td>4&quot;</td>
<td>16.67</td>
</tr>
<tr>
<td>6&quot;</td>
<td>33.33</td>
</tr>
<tr>
<td>8&quot;</td>
<td>53.33</td>
</tr>
<tr>
<td>10&quot;</td>
<td>76.65</td>
</tr>
</tbody>
</table>

\(^{(2)}\) Designated Public Service Recreation irrigation accounts are not assessed excess water charges.

Typical monthly single-family residential water service charges with no metered water use:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Base Rate (#1)</td>
<td>$10.78</td>
<td>$9.50</td>
<td>$9.55</td>
<td>$9.74</td>
<td>$10.00</td>
<td>$10.65</td>
</tr>
<tr>
<td>Capital Rate (#2)</td>
<td>12.59</td>
<td>13.28</td>
<td>13.69</td>
<td>13.96</td>
<td>14.36</td>
<td>14.47</td>
</tr>
<tr>
<td>Administrative Fee (#2)</td>
<td>3.20</td>
<td>3.20</td>
<td>3.25</td>
<td>3.35</td>
<td>3.45</td>
<td>3.65</td>
</tr>
<tr>
<td>Defensible Space Fee (#6)</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
</tr>
<tr>
<td>Total Water:</td>
<td>$27.62</td>
<td>$27.03</td>
<td>$27.54</td>
<td>$28.10</td>
<td>$28.86</td>
<td>$29.82</td>
</tr>
</tbody>
</table>
## EXHIBIT B
Schedule of Water Connection Charges
According to Water Meter Service Size

<table>
<thead>
<tr>
<th>Water Service Size for Billing Purposes</th>
<th>Water Connection Charge</th>
<th>Water Retroactive Capital Improvement Charge</th>
<th>Water Charge Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>¾ inch</td>
<td>$1,460</td>
<td>$1,670</td>
<td>$3,130</td>
</tr>
<tr>
<td>1 inch</td>
<td>$2,440</td>
<td>$2,780</td>
<td>$5,220</td>
</tr>
<tr>
<td>1 ½ inch</td>
<td>$4,860</td>
<td>$5,550</td>
<td>$10,410</td>
</tr>
<tr>
<td>2 inch</td>
<td>$7,770</td>
<td>$8,880</td>
<td>$16,650</td>
</tr>
<tr>
<td>3 inch</td>
<td>$14,580</td>
<td>$16,670</td>
<td>$31,250</td>
</tr>
<tr>
<td>4 inch</td>
<td>$24,320</td>
<td>$27,790</td>
<td>$52,110</td>
</tr>
<tr>
<td>6 inch</td>
<td>$48,620</td>
<td>$55,560</td>
<td>$104,180</td>
</tr>
<tr>
<td>8 inch</td>
<td>$77,780</td>
<td>$88,900</td>
<td>$166,680</td>
</tr>
<tr>
<td>10 inch</td>
<td>$111,800</td>
<td>$127,770</td>
<td>$239,570</td>
</tr>
</tbody>
</table>
# EXHIBIT C
## Miscellaneous Fee Schedule

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backflow Inspections</td>
<td>$60.00 each device, up to 1 hour. $60.00 each additional labor hour. Repair parts at cost.</td>
</tr>
<tr>
<td>Inspections</td>
<td>$85.00/hour</td>
</tr>
<tr>
<td>Plan Checking</td>
<td>$85.00/hour</td>
</tr>
<tr>
<td>Meter Charges</td>
<td></td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>$330.00</td>
</tr>
<tr>
<td>1-1/2&quot; Meter</td>
<td>$500.00</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>$610.00</td>
</tr>
<tr>
<td>Service Calls</td>
<td>$40.00 per half hour (half hour minimum) with equipment billed at cost.</td>
</tr>
<tr>
<td>Tampering with equipment</td>
<td>$100.00 minimum. Will include cost of repair or replacement of equipment, if required.</td>
</tr>
<tr>
<td>Water Waste Penalty</td>
<td>$100.00</td>
</tr>
<tr>
<td>Mainline Tapping if performed by IVGID</td>
<td>Cost plus 15%</td>
</tr>
<tr>
<td>Temporary Service Meter Rental Charges</td>
<td></td>
</tr>
<tr>
<td>Hydrant Meter</td>
<td>$1,000/deposit $40.00/mo.</td>
</tr>
<tr>
<td>1.5&quot; Meter</td>
<td>$100/deposit $20.00/mo.</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>$100/deposit $15.00/mo.</td>
</tr>
<tr>
<td>Bulk Water for Construction</td>
<td>$1.45/1000 gallons</td>
</tr>
<tr>
<td>Violation of air-gap requirement on water truck or other equipment</td>
<td>$500.00</td>
</tr>
<tr>
<td>Administrative charge for checks or electronic fund transfers not honored by bank</td>
<td>$25.00/each</td>
</tr>
<tr>
<td>Posting Service Charge</td>
<td>$20.00/each</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance

SUBJECT: Review, discuss, and possibly augment the District's Operating Budget for fiscal 2016-2017 by $720,000, through the use of additional revenue of $2,700,000 for Community Services Special Revenue Fund and by $215,000 in revenue and expense for Internal Services for the current fiscal year, to cover additional expenses incurred providing a higher volume of services and to deal with consequences of extraordinary winter conditions.

STRATEGIC PLAN: Long Range Principle #2 – Finance
Long Range Principle #5 – Assets and Infrastructure

DATE: April 17, 2017

I. RECOMMENDATION

Staff recommends that the Board of Trustees makes a motion to:

1. Adopt Resolution 1859 augmenting the 2016-17 Incline Village General Improvement District Budget, including $720,000 for the Community Services Special Revenue Fund and $215,000 for the Internal Services Fund, by utilizing additional resources from the increased revenue of the Community Services Special Revenue Fund and the Internal Services Fund, for the express purpose of providing resources for costs incurred providing a higher volume service over that included in the May 2016 authorized budget, and to cover costs relative to care and condition of District assets following an extraordinarily harsh winter including flood and snowfall events.
Review, discuss, and possibly augment the District’s Operating Budget for fiscal 2016-2017 by $720,000, through the use of additional revenue of $2,700,000 for Community Services Special Revenue Fund and by $215,000 in revenue and expense for Internal Services for the current fiscal year, to cover additional expenses incurred providing a higher volume of services and to deal with consequences of extraordinary winter conditions.

2. Authorize Staff to execute all documents and directing the District Clerk to file notice of the augmentation within the State of Nevada Department of Taxation Guidance.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #2 – Finance – With allocated resources, equate service expectations and the capability to deliver.

- Comply with Nevada Revised Statutes and Administrative Code requirement for the budget process and document content.

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.

III. BACKGROUND

The District Community Services Special Revenue Fund contains the budget for most recreation venues. For the fiscal 2016-2017 budget year, the actual revenues have exceeded budget by at least $2,700,000 largely due to the great ski season at the Diamond Peak Resort. Higher volumes of sales of items that relate to cost of goods sold, as opposed to admission fees, then create a higher volume of costs. The higher level of activity can affect more cost categories. The District’s budget compliance is determined based upon total expenditures for the Fund. Compliance is not measured on the net result, nor automatic because there is more revenue. However, when more revenue provides the opportunity, the Board of Trustees need only make a finding and augment the budget for the additional costs as long as they are within the available resources.

IV. BID RESULTS

There is no bid requirement for this action.
Review, discuss, and possibly augment the District's Operating Budget for fiscal 2016-2017 by $720,000, through the use of additional revenue of $2,700,000 for Community Services Special Revenue Fund and by $215,000 in revenue and expense for Internal Services for the current fiscal year, to cover additional expenses incurred providing a higher volume of services and to deal with consequences of extraordinary winter conditions.

V. FINANCIAL IMPACT AND BUDGET
Augmentation of a fiscal budget is allowed when additional resources are available beyond those budgeted. Due to the substantial increase in skier visits and the related revenue, the Community Services Special Revenue Fund should end the year with additional revenues of approximately $2,700,000. With the increase level of use and volume of customers comes additional labor and costs to deliver those services. The fiscal 2016-2017 budget was approved with scalability in mind. However, the scalability that has occurred realized increases well in excess of those authorized expenditures as necessary to comply with State Statutes. The amount of additional expenditures for the Community Services Special Revenue Fund is conservatively at $720,000. The same fantastic winter conditions that have aided in having a great ski season have also caused the need for maintenance of our facilities. Many of the care and condition expenditures incurred to recover from the harsh winter, may be performed or administered by the Buildings Maintenance department of the Internal Services Fund. Therefore, the augmentation action includes $215,000, adding both the revenue for work charged out and costs incurred to produce this work.

VI. ALTERNATIVES
The Board of Trustees could act to authorize different amounts of either revenue, expenditures or both. However, to not act at all would almost certainly set up the District for non-compliance for its fiscal 2016-2017 budget due to excess expenditure. Compliance is determined at the fund level against total expenditures. The cost of goods sold has already been incurred delivering the product or service. Those sales are included in the increased revenue. Returning District assets to their proper care and condition for use by the community is a basic function that must be maintained. It is also only reasonable to ask that be accomplished from revenue realized during the time the condition developed and not from future resources.

VII. BUSINESS IMPACT
This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.
Review, discuss, and possibly augment the District's Operating Budget for fiscal 2016-2017 by $720,000, through the use of additional revenue of $2,700,000 for Community Services Special Revenue Fund and by $215,000 in revenue and expense for Internal Services for the current fiscal year, to cover additional expenses incurred providing a higher volume of services and to deal with consequences of extraordinary winter conditions.

VIII. COMMENTS

The District has already completed an augmentation on March 23 that specifically dealt with one purchase. That augmentation is already on file with the State of Nevada. The revised budget for this action, will start from that augmentation and labeled as such on Form 4413LGF.

Form 4413LGF reflects only a total increase of expenditures of $920,000 because approximately $15,000 of the Internal Services Charges will be to funds that are not being augmented.
RESOLUTION NO. 1859

A RESOLUTION TO AUGMENT THE 2016-2017 BUDGET OF INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

WHEREAS, total resources of the Community Services Special Revenue Fund for the Incline Village General Improvement District were budgeted to be $27,440,988 on July 1, 2016; and

WHEREAS, the total available resources are now determined to be $30,140,988, and

WHEREAS, said additional unanticipated resources are as follows: $2,700,000 in additional charges for services for operations of the Diamond Peak Ski Resort, and

WHEREAS, there is a need to apply $920,000 of these excess resources in the Community Services Special Revenue Fund to expenditures arising from the higher volume of activity along with costs incurred from weather conditions, and

WHEREAS, the District’s Internal Services Fund will manage the repair work and bill other funds for those services, in an estimated amount of $215,000, which constitutes additional resources, and

WHEREAS, there is a need to apply the additional resources of the Internal Services Fund to repair expenditures in the amount of $215,000,

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Incline Village General Improvement District shall augment its 2016-2017 budget by appropriating $920,000 of additional charges for services from the Community Services Special Revenue for uses in that fund, and shall augment its 2016-2017 budget by appropriating by appropriating $215,000 from the Internal Services Fund for uses in that fund. A detailed schedule (Form 4413LGF) for each fund is attached to this Resolution and by reference is made a part thereof.

IT IS FURTHER RESOLVED, that the District Clerk shall forward the necessary documents to the Department of Taxation, State of Nevada.

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 25th day of April, 2017, by the following vote:

AYES, and in favor thereof, Trustees
NOES,
ABSENT,

Kendra Wong, Chairwoman
IVGID Board of Trustees

ATTEST By: ________________________
Susan A. Herron
IVGID District Clerk
### Incline Village General Improvement District Revised Budget for Fiscal 2016-2017
Based on Action by the Board of Trustees April 25, 2017

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>AS AUGMENTED March 23, 2017FINAL BUDGET</th>
<th>REVISIONS</th>
<th>REVISED REVENUE RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Championship Golf Course</td>
<td>3,571,100</td>
<td>-</td>
<td>3,571,100</td>
</tr>
<tr>
<td>Mountain Golf Course</td>
<td>709,300</td>
<td>-</td>
<td>709,300</td>
</tr>
<tr>
<td>Facilities (Chateau &amp; Aspen Grove)</td>
<td>280,100</td>
<td>-</td>
<td>280,100</td>
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<tr>
<td>Ski</td>
<td>7,482,600</td>
<td>2,700,000</td>
<td>10,182,600</td>
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<tr>
<td>Community Programming</td>
<td>1,242,000</td>
<td>-</td>
<td>1,242,000</td>
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<tr>
<td>Parks</td>
<td>54,400</td>
<td>-</td>
<td>54,400</td>
</tr>
<tr>
<td>Tennis</td>
<td>166,500</td>
<td>-</td>
<td>166,500</td>
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<tr>
<td>Punch Card Utilized</td>
<td>(517,500)</td>
<td>-</td>
<td>(517,500)</td>
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<tr>
<td>Facility Fee</td>
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<td></td>
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<tr>
<td>Championship Golf Course</td>
<td>679,106</td>
<td>-</td>
<td>679,106</td>
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<tr>
<td>Mountain Golf Course</td>
<td>441,828</td>
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<td>441,828</td>
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<tr>
<td>Facilities (Chateau &amp; Aspen Grove)</td>
<td>466,374</td>
<td>-</td>
<td>466,374</td>
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<tr>
<td>Ski</td>
<td>605,468</td>
<td>-</td>
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<tr>
<td>Community Programming</td>
<td>1,284,574</td>
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<td>1,284,574</td>
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<tr>
<td>Parks</td>
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<tr>
<td>Tennis</td>
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<td>Recreation Administration</td>
<td>1,390,940</td>
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<td>1,390,940</td>
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<td>Operating Grants</td>
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<td>Cell Tower Leases</td>
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<td>Interfund services (green spaces)</td>
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<td>-</td>
<td>72,500</td>
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<tr>
<td>Intergovernmental (high sch. fields)</td>
<td>24,900</td>
<td>-</td>
<td>24,900</td>
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Schedule B - Community Services Special Revenue Fund
REVISED REVENUE SCHEDULE

Page 1 of 6

FORM 4413LGF

Form
Last Revised 12/12/2016

229
<table>
<thead>
<tr>
<th>REVENUES</th>
<th>AS AUGMENTED March 23, 2017 FINAL BUDGET</th>
<th>REVISIONS</th>
<th>REVISED REVENUE RESOURCES</th>
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<td>SUBTOTAL REVENUE ALL SOURCES</td>
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<td>OTHER FINANCING SOURCES</td>
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<tr>
<td>Operating Transfers in (Sch T)</td>
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<td>From the General Fund</td>
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<td>Investment earnings</td>
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<td>Other</td>
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<td>SUBTOTAL OTHER FINANCING SOURCES</td>
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<td>BEGINNING FUND BALANCE</td>
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<td>Reserved</td>
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<tr>
<td>Unreserved</td>
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<tr>
<td>TOTAL BEGINNING FUND BALANCE</td>
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<tr>
<td>Prior Period Adjustments</td>
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<tr>
<td>Residual Equity Transfers</td>
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<td>TOTAL AVAILABLE RESOURCES</td>
<td>27,440,988</td>
<td>2,700,000</td>
<td>30,140,988</td>
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</table>
### Incline Village General Improvement District Revised Budget for Fiscal 2016-2017
Based on Action by the Board of Trustees April 25, 2017

<table>
<thead>
<tr>
<th>EXPENDITURE BY FUNCTION AND ACTIVITY</th>
<th>AS AUGMENTED FINAL BUDGET</th>
<th>REVISIONS</th>
<th>REVISED EXPENDITURES</th>
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<tbody>
<tr>
<td><strong>Championship Golf Course</strong></td>
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<td>Salaries and Wages</td>
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<td>Employee Benefits</td>
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<td>Services and Supplies</td>
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<td>2,291,354</td>
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<td><strong>Mountain Golf Course</strong></td>
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<td>Salaries and Wages</td>
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<td>Employee Benefits</td>
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<td>Services and Supplies</td>
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<td><strong>Facilities (Chateau &amp; Aspen Grove)</strong></td>
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<td>Salaries and Wages</td>
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<td>Services and Supplies</td>
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<td>30,000</td>
<td>356,718</td>
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<td><strong>Ski</strong></td>
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<td>Salaries and Wages</td>
<td>2,352,951</td>
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<td>Services and Supplies</td>
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<td>3,533,115</td>
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<td><strong>Community Programming (incl Rec Ctr)</strong></td>
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<td>Salaries and Wages</td>
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<td>Services and Supplies</td>
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<td><strong>Parks</strong></td>
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<td>Salaries and Wages</td>
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<td>Services and Supplies</td>
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<td><strong>Tennis</strong></td>
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<td>Employee Benefits</td>
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<td><strong>Community Services Administration</strong></td>
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<tr>
<td>Services and Supplies</td>
<td>174,322</td>
<td>-</td>
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Schedule B - Community Services Special Revenue Fund

REVISED EXPENDITURES

Page 3 of 6

FORM 4413LGF

Form

Last Revised 12/12/2016

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### Incline Village General Improvement District Revised Budget for Fiscal 2016-2017

Based on Action by the Board of Trustees April 25, 2017

<table>
<thead>
<tr>
<th>EXPENDITURE BY FUNCTION AND ACTIVITY</th>
<th>AS AUGMENTED March 23, 2017 FINAL BUDGET</th>
<th>REVISIONS</th>
<th>REVISED EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td></td>
<td></td>
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</tbody>
</table>

**SUBTOTAL EXPENDITURES**

15,240,476 920,000 16,160,476

**OTHER USES**

- Contingency (not to exceed 3% of total expenditures) 450,000 - 450,000

- Operating Transfers
  - Comm. Serv. Cap. Projects (Fac. Fee) 2,618,240 - 2,618,240
  - Comm. Serv. Debt Serv. (Fac. Fee) 1,309,120 - 1,309,120
  - Comm. Serv. Cap. Proj. (Carry Over) 751,000 - 751,000


**SUBTOTAL OTHER USES**

5,576,360 - 5,576,360

**ENDING FUND BALANCE**

- Reserved
- Unreserved 6,624,152 1,780,000 8,404,152

**TOTAL ENDING FUND BALANCE**

6,624,152 1,780,000 8,404,152

**Prior Period Adjustments**

- Residual Equity Transfers

**TOTAL FUND COMMITMENTS AND FUND BALANCE**

27,440,988 2,700,000 30,140,988

---

Schedule B - Community Services Special Revenue Fund
REVISED EXPENDITURES

Page 4 of 6
<table>
<thead>
<tr>
<th>PROPRIETARY FUND</th>
<th>As Approved</th>
<th>REVISIONS</th>
<th>REVISED REVENUES AND EXPENSES</th>
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<tr>
<td>Operating Revenue</td>
<td>May 18, 2016</td>
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<tr>
<td>Charges for Services:</td>
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<tr>
<td>Interfund:</td>
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<td>Fleet Services</td>
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<td>Services &amp; Supplies</td>
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<td>Depreciation/Amortization</td>
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<td>Nonoperating Revenues</td>
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<td>Interest Earned</td>
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<td>Property Taxes</td>
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<td>Subsidies</td>
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<td>Total Nonoperating Revenues</td>
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<tr>
<td>Nonoperating Expenses</td>
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<tr>
<td>Interest Expense</td>
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<tr>
<td>Total Nonoperating Expenses</td>
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<td>Net Income before Operating Transfers</td>
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<td>(79,297)</td>
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<td>Operating Transfers (Schedule T)</td>
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<td></td>
</tr>
<tr>
<td>In</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Out</td>
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<tr>
<td>Net Operating Transfers</td>
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<tr>
<td>NET INCOME</td>
<td>(79,297)</td>
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<td>(79,297)</td>
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<td>PROPRIETARY FUND</td>
<td>As Approved</td>
<td>REVISIONS</td>
<td>REVISED STATEMENT OF CASH FLOWS</td>
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<td>-------------</td>
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<td>-------------------------------</td>
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<td></td>
<td>May 18, 2016</td>
<td>FINAL BUDGET</td>
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<td><strong>A. CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
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<tr>
<td>Receipts from customers and users</td>
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<td>-</td>
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<tr>
<td>Receipts from interfund Services</td>
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<td>Payments to and for employees</td>
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<td>(1,933,311)</td>
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<td>Payment to vendors</td>
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<td>a. Net cash provided by (or used for) operating activities</td>
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<td><strong>B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</strong></td>
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<td></td>
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<tr>
<td>b. Net cash provided by (or used for) noncapital financing activities</td>
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<td>-</td>
<td>-</td>
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<td><strong>C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</strong></td>
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<td></td>
</tr>
<tr>
<td>c. Net cash provided by (or used for) capital and related financing activities</td>
<td>-</td>
<td>-</td>
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<td><strong>D. CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
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<td>Investment Earnings</td>
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<tr>
<td>d. Net cash provided by (or used in) investing activities</td>
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<td>NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)</td>
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<td>CASH AND CASH EQUIVALENTS AT June 30, 2017</td>
<td>86,882</td>
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</table>

Incline Village General Improvement District

**SCHEDULE F-2 STATEMENT OF CASH FLOWS**

**FUND INTERNAL SERVICES**
MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

THROUGH: Joseph J. Pomroy, P.E.
Director of Public Works

FROM: Bradley A. Johnson, P.E.
Director of Asset Management

SUBJECT: Review, discuss, and possibly enter into an Intergovernmental Grant Administration Agreement with South Tahoe Public Utility District

STRATEGIC PLAN: Long Range Principle #5 – Assets and Infrastructure

DATE: April 14, 2017

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

1. Enter into an Intergovernmental Grant Administration Agreement (IGAA) with South Tahoe Public Utility District that provides the District with $72,266 in federal grant funds to support planning, design, and construction of water system improvements that have a direct relationship to fire suppression.

2. Authorize the Chair of the Board of Trustees to sign the agreement based on a review by General Counsel and Staff.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.
Review, discuss, and possibly enter into an Intergovernmental Grant Administration Agreement with South Tahoe Public Utility District

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.

- The District will maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District’s workforce.

III. BACKGROUND

South Tahoe Public Utility District (STPUD) developed the Lake Tahoe Community Fire Prevention Partnership among the public water purveyors of Lake Tahoe. This partnership was formed out of the member agencies of the Tahoe Water Supplier’s Association and its purpose is to obtain appropriations from the Federal Government through the United States Forest Service for planning, design, and construction of water system improvements that have a direct relationship to wildland fire suppression. The inclusion of all the public water purveyors has elevated the regional significance of this effort and acknowledges the threat of catastrophic fire to the Tahoe Basin. The public water purveyors included in the partnership are South Tahoe PUD, North Tahoe PUD, Tahoe City PUD, IVGID, Kingsbury GID, Round Hill GID, Douglas County, and Lakeside Park Association.

In 2008, STPUD staff and their legislative advocate obtained $1,000,000 in matching funds for STPUD to construct water system improvements in 2008 to improve water infrastructure related to fire suppression.

The success of that first year’s appropriation, the formation of the Partnership, and the severity of the Angora Fire resulted in the authorization of $5,000,000 in the 2009-10 federal budget for the Partnership. The Board of Trustees approved entering into an IGAA with STPUD at the April 8, 2009 meeting that provided IVGID with $1,174,770 in 50% matching funds from the Partnership. These grant funds supported the completion of the 2009 Watermain Replacement and Fireflow Enhancement Project, the 2010 Fireflow Enhancement Project, the Burnt Cedar Emergency Generator Upgrade Project, and the completion of final design and purchase of pumps for the 2010 Water Pump Station Improvements Project.

The Partnership received an additional $5,000,000 authorization in the 2010-11 federal budget. The Board approved entering into a second IGAA with STPUD at the August 25, 2010 meeting that provided IVGID with $1,168,742 in 50% matching funds. These grant funds supported the completion of the 2010 Water Pump Station Improvements Project as well as the 2011 Watermain Replacement
Review, discuss, and possibly enter into an Intergovernmental Grant Administration Agreement with South Tahoe Public Utility District and Fireflow Enhancement Project and the 2013 Watermain Replacement and Fireflow Enhancement Project.

During the 2011-12 federal budget the partnership received an additional $1,000,000 authorization. The Board approved entering into a third IGAA with STPUD at the October 12, 2011 meeting that provided IVGID with $233,748 in 50% matching funds. These grant funds supported the completion of the 2013 Watermain Replacement and Fireflow Enhancement Project.

During the 2012-13 federal budget the partnership received an additional $900,000 authorization. The Board approved entering into a fourth IGAA with STPUD at the October 10, 2012 meeting that provided IVGID with $210,311 in 50% matching funds. These grant funds supported the completion of the 2013 Watermain Replacement and Fireflow Enhancement Project.

During the 2013-14 federal budget the partnership received an additional $765,000 authorization. The Board approved entering into a fifth IGAA with STPUD at the September 25, 2013 meeting that provided IVGID with $179,019 in 50% matching funds. These grant funds supported the completion of the 2014 Watermain Replacement and Fireflow Enhancement Project.

During the 2014-15 federal budget the partnership received an additional $650,000 authorization. The Board approved entering into a sixth IGAA with STPUD at the July 30, 2014 meeting that provided IVGID with $151,033 in 50% matching funds. These grant funds supported the completion of the 2014 Watermain Replacement and Fireflow Enhancement Project.

During the 2015-16 federal budget the partnership received an additional $1,000,000 authorization. The Board approved entering into a seventh IGAA with STPUD at the June 24, 2015 meeting that provided IVGID with $228,872 in 50% matching funds. These grant funds supported the completion of the 2016 Watermain Replacement and Fireflow Enhancement Project.

During the 2016-17 federal budget the partnership received an additional $800,000 authorization. The Board approved entering into an eighth IGAA with STPUD at the July 27, 2016 meeting that provided IVGID with $183,029 in 50% matching funds. These grant funds supported the completion of the 2016 Watermain Replacement and Fireflow Enhancement Project as well as the 2017 Watermain Replacement and Fireflow Enhancement Project currently underway.
Review, discuss, and possibly enter into an Intergovernmental Grant Administration Agreement with South Tahoe Public Utility District

At the March 23, 2017 meeting, the Board approved amending the 2015 and 2016 IGAA's with STPUD to increase the grant funds allocated to IVGID by $71,327 and $57,068 accordingly. These additional grant funds also supported the completion of the 2016 Watermain Replacement and Fireflow Enhancement Project as well as the 2017 Watermain Replacement and Fireflow Enhancement Project currently underway.

Based on the continued success of the program and through the combined efforts of IVGID’s legislative advocate, Marcus Faust, working with the Nevada Delegation in Congress and STPUD Staff and their legislative advocate working with the California Delegation in Congress; the Partnership has received an additional $500,000 for the 2017-18 Federal fiscal year. This amount is $200,000 greater than the amount originally proposed by the USFS resulting in an IVGID allocation larger than the amount reported to the Board of Trustees during the 2017 Watermain Replacement and Fireflow Enhancement Project contract award at the March 23, 2017 meeting.

Based on the cost sharing formula for all of the agencies in the Partnership, IVGID can receive up to $72,266 in matching federal funds for water infrastructure improvements related to fire suppression. IVGID will need to complete $144,532 of water system improvements to receive the reimbursement of $72,266. The agreement is effective starting May 1, 2017 and the District has until April 30, 2019 to complete eligible work.

STPUD has entered into a Grant Agreement with the United States Forest Service for the full $500,000. IVGID must enter into this IGAA with STPUD in order to receive its share of the funding. The agreement also outlines the obligations and procedures that are required to meet the requirements of eligibility under the Grant Agreement.

This Grant Agreement will help fund the construction of the 2017 Watermain Replacement and Fireflow Enhancement Project which replaces aging and failing underground pipe with larger diameter pipe to improve available fireflows to the community. It is important to make expenditures as expeditiously as possible to tout the benefits of the program and to demonstrate our commitment to the Partnership. Continued Partnership success can lead to additional funding in future years.
Review, discuss, and possibly enter into an Intergovernmental Grant Administration Agreement with South Tahoe Public Utility District

IV. **BID RESULTS**

Not applicable.

V. **FINANCIAL IMPACT AND BUDGET**

Entering into the IGAA makes $72,266 available to IVGID for water system improvements related to fire suppression. This will support District expenditures in the 2017/2018 fiscal year while completing necessary improvement to the District’s water system to aid in protecting the community from wildland fire. This grant funding requires matching funds from IVGID.

To date the District has received a total of $3,730,185 in grant funding through the Partnership; summarized in the table below:

<table>
<thead>
<tr>
<th>Federal Budget Year</th>
<th>Grant Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$1,174,770</td>
</tr>
<tr>
<td>2010-11</td>
<td>$1,168,742</td>
</tr>
<tr>
<td>2011-12</td>
<td>$233,748</td>
</tr>
<tr>
<td>2012-13</td>
<td>$210,311</td>
</tr>
<tr>
<td>2013-14</td>
<td>$179,019</td>
</tr>
<tr>
<td>2014-15</td>
<td>$151,033</td>
</tr>
<tr>
<td>2015-16 (amended)</td>
<td>$300,199</td>
</tr>
<tr>
<td>2016-17 (amended)</td>
<td>$240,097</td>
</tr>
<tr>
<td>2017-18</td>
<td>$72,266</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,730,185</strong></td>
</tr>
</tbody>
</table>

All told, these reimbursements have saved the District’s residential and commercial ratepayer a total of approximately $414 ($46 annually) over the nine years of the funding partnership.

VI. **ALTERNATIVES**

Not enter into the IGAA which would result in not receiving federal appropriations for water system improvements related to fire suppression.
VII. COMMENTS

This has been a collaborative effort of the public water purveyors at Lake Tahoe working together using the long standing relationship developed from the Tahoe Water Supplier’s Association.

VIII. BUSINESS IMPACT

This item is not a “rule” within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.
MEMORANDUM

TO: Board of Trustees

THROUGH: Steve Pinkerton
General Manager

Sharon Heider
Director of Community Services

FROM: Indra Winquest
Director of Parks & Recreation

SUBJECT: Review, discuss and possibly approve the 2017 Red, White and Tahoe Blue (RWTB) Memorandum of Understanding (MOU) for the July 1 – 4, 2017 events

DATE: April 13, 2017

I. RECOMMENDATION

That the Board of Trustees makes a motion to authorize the District General Manager to execute the 2017 MOU with RWTB, a Nevada Non Profit. This agreement has been reviewed by District General Counsel.

II. BACKGROUND

2017 will be the 11th Anniversary of RWTB. The history of the events and services has been an evolution as has the relationship between IVGID and RWTB. The core annual events such as the parade, live entertainment, and the fireworks provide a festive atmosphere for our local residents, their guests and visitors. Additionally, other small events have been relatively consistent including the rubber duck races, community fair, Veteran’s Tribute(s) and Beer and Brats. Although attendance varies from year to year, overall growth over the ten years has been significant. During this time, IVGID Staff has worked with RWTB to take some of the pressure off the beaches and either eliminate or move activities away from the beaches in an attempt to reduce some of the congestion and make the atmosphere more manageable for District Staff. This effort has been successful over the past three years.

Based on the overall growth, existing events and services and the current relationship between IVGID and RWTB, it is critical to solidify and document the relationship between both parties. This 2017 MOU will achieve this and continue
to create a framework for the future that identifies the expectations and agreements between the two parties. Overall, both parties have a common goal to create a safe and festive holiday experience with the best interest of the community as the highest priority. At the February 4, 2016 Board Workshop, the 2016 MOU was discussed in detail and the Board of Trustees gave Staff direction to develop a MOU with RWTB to be brought back to the Board of Trustees. The 2016 MOU was approved at the April 27, 2016 BOT meeting. With this approval, IVGID and RWTB began the schedule of going year-by-year with their MOU’s; the attached 2017 MOU has been updated with changes made to match the RWTB event schedule for 2017.

III. **FINANCIAL IMPACT AND BUDGET**

The financial impact to the District is not significant in relation to the value the community receives from the partnership between IVGID and RWTB. All cost recovery fees required by IVGID will be included in the MOU annually to be approved by the Board of Trustees.

IV. **ALTERNATIVES**

The Board of Trustees can approve the 2017 MOU based on required revisions or direct Staff to continue to operate the relationship with RWTB under resolution 1701.

V. **COMMENTS**

Staff is recommending approving this 2017 MOU between IVGID and RWTB. This partnership has strengthened in recent years and both parties are committed to providing a safe and quality experience for the community and our visitors. In the event that this 2017 MOU changes or stated requirements are not met, Staff will update the Board of Trustees as needed and/or bring back an updated version of the 2017 MOU for review and possible approval.

In 2017, RWTB continues to make adjustments that focus primarily on a strengthened community atmosphere with low or no cost events, many that benefit local nonprofits, and business partners. The 2017 MOU provides an opportunity to document a detailed evolution of the relationship between the two parties. This ensures transparency, structure and identified responsibilities.
MEMORANDUM OF UNDERSTANDING BETWEEN
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
AND RED WHITE AND TAHOE BLUE, INC.
TO PROVIDE THE 2017 4TH OF JULY EVENTS

ARTICLE I
PURPOSE OF THIS MEMORANDUM OF UNDERSTANDING

1.1. This Memorandum of Understanding (MOU) establishes a cooperative working relationship between the following entities: INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT ("IVGID") a Nevada quasi-public agency and RED WHITE AND TAHOE BLUE, INC. ("RWTB") a Nevada Nonprofit organization.

1.2. This MOU is intended to form a framework for cooperation between IVGID and RWTB.

1.3. This MOU sets forth the parameters of the relationship between IVGID and RWTB during the events that will take place in the District from July 1, 2017, to July 4, 2017, which includes IVGID providing venues, facilities and Staff to facilitate and support RWTB programs, events, activities and services to the community.

1.4. This MOU will further establish a means for IVGID to recover costs for services provided by IVGID to RWTB including but not limited to Staff wages (fully burdened), material costs and facility fees.

1.5. This MOU will memorialize RWTB’s responsibility to secure and provide certain documentation to IVGID, including but not limited to:

1.5.1. The Special Use Event Permit approved/issued by Washoe County;
1.5.2. Government agency documentation including but not limited to North Lake Tahoe Fire Protection District (NLTFPD), Washoe County Sheriff's Department (WCSD), United States Coast Guard (USCG) and Nevada Highway Patrol (NHP);
1.5.3. Certificates of insurance for all RWTB programs, events, activities, and services;
1.5.4. Proof of current 501(c)(3) status;
1.5.5. Applicable health permits; and
1.5.6. Applicable building permits

Proposed at the 04/25/2017
IVGID BOT Meeting
MEMORANDUM OF UNDERSTANDING BETWEEN
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1.6 RWTB is familiar with and agrees to comply with all federal, state, regional, and local Laws and Regulations as they apply to the planned events, activities, and RWTB operations. IVGID shall not be responsible for monitoring or enforcing RWTB’s compliance with any Laws or Regulations.

ARTICLE II
VALUE TO THE INCLINE VILLAGE AND CRYSTAL BAY COMMUNITY

2.1 The stated mission is the 2017 11th Anniversary Red White & Tahoe Blue (RWTB) 4th of July Celebration “Celebrating Our Country’s Independence While Promoting Community Spirit, Charitable Causes, and Our Local Merchants”. The District finds sufficient value to the community to enter into this MOU.

2.2 This year, the RWTB Board chose to return to the simplicity of a true community event seeking participation and approval from the residents rather than worldwide recognition. To that end, most activities are free, family friendly, and open to the public. With the exception of the Fireworks and Para-rescue Demonstration on Incline Beach, the events are planned in locations that do not require an IVGID pass, all but eliminating the beach access issues experienced in past years. Additionally, both the Fireworks and Para-rescue Demonstration can be viewed from various vantage points in the Incline Village and Crystal Bay community.

2.3 The following are the events that have been planned for this year’s celebration:

Saturday, July 1, 2017

- Flag Raising Ceremony, NLTFPD Station 11
  - Value: Free formal flag raising
  - Facilitators/Partners: RWTB, Boy Scout Troop 37, IV/CB Vets, NLTFPD, IVGID
- NLTFPD Pancake Breakfast, NLTFPD Station 11
  - Value: Free pancake breakfast for the entire community
  - Facilitators/Partners: RWTB, NLTFPD and donors Manny and Marge Sylvester, IVGID’s Waste Not

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- Beer & Brats, Aspen Grove
  o Value: Social event to benefit the Incline Tahoe Foundation (ITF) who’s primary beneficiary are the venues served by IVGID
  o Facilitators/Partners: RWTB, ITF, IVGID (by supplying the facility)
- Flag Retirement Ceremony, Hyatt Regency Lake Tahoe Pier – Lakeside East
  o Value: To honor “Old Glory” during a free, moving, educational ceremony regarding proper disposal of our nation’s flag
  o Facilitators/Partners: RWTB, Hyatt Regency Lake Tahoe, Boy Scout Troop 37, Incline Village Crystal Bay Veterans Club [IV/CB Vets] (a program of the IVGID Seniors)
- 10th Anniversary Tahoe Salutes our Heroes and Kids Bike Parade, Tahoe Boulevard to Village Green
  o Value: Free down home, grassroots community parade
  o Facilitators/Partners: RWTB, WCSD, NHP, IVGID (by supplying the facility and logistical support)
- Children’s Patriotic Chalk Drawing, The Potlatch Parking Lot
  o Value: Free Children’s sidewalk art opportunity
  o Facilitators/Partners: RWTB, The Potlatch
- Ice Cream Contest, Susie Scoops
  o Value: Free Children’s activities
  o Facilitator/Partners: RWTB, Susie Scoops

**Sunday, July 2, 2017**
- Community Fair & Opening Ceremony, Village Green
  o Value: Hometown, family friendly community fair providing an outreach/vendor opportunity for local non-profits, service organizations and local businesses
  o Facilitators/Partners: RWTB, IVGID (by supplying the facility and logistical support)
- Veterans Lunch & Ceremony, Aspen Grove
  o Value: Providing a luncheon to celebrate and honor our Veterans, free to Veterans, active duty and families of fallen heroes
  o Facilitators/Partners: Sponsors Cornerstone Community Church, IV/CB Vets (a program of the IVGID Seniors) Brimm’s Catering, IVGID (by supplying the facility and logistical support)
- Wine & Cheese, Aspen Grove

Proposed at the 04/25/2017
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- Value: Social Community Wine Tasting Event to benefit RWTB Fireworks
  Facilitator/Partners: RWTB, Incline Village Preschool, IVGID (by supplying the facility and logistical support)

- Entertainment 6:00pm – 9:00pm, Village Green Free Toccata Symphony Concert
  Value: To provide free entertainment for the community
  Facilitators/Partners: RWTB, , IVGID (by supplying the facility and logistical support)

**Monday, July 3, 2017**
- Free Community Fair & Entertainment 12:00pm – 9:00pm, Village Green
  Value: Free entertainment for the community
  Facilitators/Partners: RWTB, Marine Band of San Diego, Rare Earth and other local and Regional Entertainment, TOCCATA, IVGID (by supplying the facility and logistical support)

**Tuesday, July 4, 2017**
- Tahoe Firecracker Trail Trek, Incline Middle School
  Value: 5k run to benefit Incline High School Athletics
  Facilitators/Partners: RWTB, Incline High and Middle Schools, IVGID (by supplying the facility and logistical support)
- Veteran’s Pancake Breakfast, Aspen Grove
  Value: Community Pancake Breakfast to benefit the IV/CB Vets projects
  Facilitators/Partners: RWTB, IV/CB Vets, IVGID (by supplying the facility and logistical support)
- Free Community Fair and Live Music Entertainment 12:00pm – 9:00pm, Village Green
  Value: Free entertainment for the community
  Facilitators/Partners: RWTB, Left Coast Country Band, David and the Drivers, The Donna Axton Band, Legally Blue Blues Band, Patriots in Blue Air National Guard Band, Air National Guard Band of the West, IVGID (by supplying the facility and logistical support)

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- Veterans Tribute on the Beach and Para-rescue Demonstration, Incline Beach
  - Value: Patriotic recognition of our veterans with a spectacular air and water demonstration by the U.S. Air Force. Free to IVGID passholders
  - Facilitators/Partners: Cornerstone Community Church, Brimm’s Catering, IV/CB Vets, U.S. Air Force, IVGID (by supplying the facility and logistical support)

- Rubber Duck Races, Village Green
  - Value: Family, friendly competition benefiting RWTB Fireworks and The Noon Rotary Club’s philanthropic programs
  - Facilitators/Partners: Rotary Club, RWTB, IVGID (by supplying the facility and logistical support)

- Best Fireworks in the Country, Incline Beach Choreographed with the Marine Band of San Diego
  - Value: Spectacular fireworks
  - Facilitators/Partners: RWTB, Lantis Fireworks, NLTFPD, IVGID (by supplying the facility and logistical support)

ARTICLE III
COMMITMENTS & RESPONSIBILITIES

3.1 Both parties mutually agree to engage in good faith efforts in service to what is in the best interest of the Incline Village/Crystal Bay community and they will be committed to seeking the best uses of community resources.

3.2 RWTB agrees to:
   3.2.1 Work directly with IVGID delegated Staff to coordinate requests for use of District resources.
   3.2.2 Provide clear and concise communication in a timely manner
   3.2.3 Provide required documentation, including:
      - Proof of Current 501(c)(3) status
      - Certificate of Insurance listing IVGID as additionally insured with a minimum coverage policy of one million dollars ($1,000,000.00)

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TO PROVIDE THE 2017 4TH OF JULY EVENTS

- Approved Washoe County Special Event Permit (signed copy must be provided to IVGID before the annual MOU will be approved)
- Washoe County Health Permits for any providers of food service to the public
- Signed IVGID facility use agreement.

3.2.4 RWTB will provide IVGID with annual list of Board officers to include title and contact information.

3.2.5 RWTB to pay agreed upon fees associated with facility fees, staffing/labor costs, material costs and other associated services including guest access fees to the beaches (all individuals must be direct guests of an IVGID Pass Holder to access the beaches) when due but no later than sixty (60) days post event.

3.2.6 RWTB to agree to IVGID requirements to perform agreed upon daily facility/venue daily maintenance including turf and building maintenance and inspections.

3.2.7 RWTB will agree to adhere to IVGID requirements for hours of event operations including amplified sound curfews.

3.2.8 RWTB agrees to meet all IVGID required safety and cleanliness standards during and after using venues/facilities and any other associated District resources.

3.2.9 RWTB will provide a post event financial Profit and Loss Statement to IVGID within sixty (60) days of the final annual event.

3.2.10 RWTB will provide an annual list and nature of relationship of all agency associations including non profits, businesses, and community groups within sixty (60) days of the final event annually.

3.3 IVGID agrees to:

3.3.1 Provide a senior management staff liaison to the RWTB Board to provide appropriate communication and collaborative effort.

3.3.2 Provide safe and well maintained facilities/venues for RWTB events and activities.
3.3.3 Provide agreed upon and approved requests for paid and non paid services including but not limited to facility/venue use, Staff/labor, materials and other associated resources.

3.3.4 Provide IVGID staff approved marketing and educational assistance via IVGID venues, websites, social media and any other agreed upon resources annually.

3.3.5 Provide RWTB 5 parking spaces at the Village Green/Aspen Grove parking lot and 12 parking spaces at the Recreation Center.

3.3.6 IVGID will issue RWTB 3 golf carts for use upon requested for RWTB events and services only beginning July 1, 2017 and with required return by 5pm July 5th, 2017. Operators/Drivers must be 18 years or over and an official RWTB staff member. RWTB is responsible for the safety of their staff and the public.

3.4 2016 IVGID approved venue use:

3.4.1 July 1, 2017
- Community Parade staging at Preston Park set up 7am – 12pm exit and end location at the Recreation Center
- Beer and Brats at Aspen Grove set up 3pm – 10pm exit (amplified music must cease by 9pm)

3.4.2 July 2, 2017
- Community Village Fair, Music entertainment Free Toccata Symphony Concert set up 3pm – 10pm exit (amplified music must cease by 9pm)
- Veterans Lunch at Aspen Grove set up 11am – 4pm exit
- Wine and Cheese event at Aspen Grove set up 3pm – 10pm exit.

3.4.3 July 3, 2017
- Community Village Fair, Music Entertainment, Food & beverage operations set up 7am – 10pm exit (amplified music must cease by 9pm)

3.4.4 July 4th, 2017
- Community Village Fair, Music Entertainment, Food & Beverage operations set up 7am – 12am exit (Amplified
music must cease simultaneously with ending of fireworks display)

- Veterans Para-Rescue demonstration and Veterans Tribute activities at Incline Beach, set up 10am – 4pm exit
- Veterans Club Pancake Breakfast at Aspen Grove set up 5am – 12pm exit
- Rubber Duck Races at Village Green
- Fireworks display at Ski Beach 9:45pm – 10:30pm

3.5 RWTB agrees to pay IVGID for:

3.5.1 Parks Senior Maintenance Staff – 25 hours total July 1-4 at $21 per hour = $525.00
3.5.2 Four (6) light towers to be ordered by IVGID Parks Staff for Village Green/Beaches – At cost, invoice to be provided
3.5.3 Damage/Cleaning Deposit of $5,000.00 by June 30th, 2017 to be returned upon successful inspection from applicable IVGID Staff of all facilities/venues used.

ARTICLE IV
GENERAL CONSIDERATIONS

4.1 Nothing in this MOU will be construed as affecting the authorities of the participants or binding beyond their respective authorities.

4.2 This MOU shall become effective upon full execution by the parties and shall expire on July 5, 2017. Thereafter, this MOU will be presented annually, by April 30th, to the IVGID Board of Trustees for approval. The Board of Trustees reserves the right to refuse or delay approval for any reason. An updated MOU will be presented annually to the Board of Trustees.

4.3 RWTB is not a legal representative of IVGID for any purpose whatsoever. RWTB does not have any right or authority to assume or create any obligation or responsibility, express or implied, to make any commitments on behalf of IVGID and may not bind IVGID in any manner.
MEMORANDUM OF UNDERSTANDING BETWEEN
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TO PROVIDE THE 2017 4TH OF JULY EVENTS

4.4 This MOU is a preliminary expression of mutual cooperation and intent. It is not intended to be a binding contract and is not enforceable against either party, nor against any elective or appointive board, commission, member, officer, employee, or other agent of IVGID.

ARTICLE V
TERMINATION

5.1 Any one of the parties, in writing, may terminate its portion of this MOU in whole, or in part, at any time before the date of expiration with or without cause by providing thirty (30) days notice in writing to the other party of the intention to do so.

ARTICLE VI
HOLD HARMLESS AND INDEMNIFICATION

6.1 In consideration of the commitments and responsibilities undertaken by IVGID under this MOU, RWTB hereby agrees to indemnify and hold harmless IVGID and the District’s agents and employees, from any and all claims by others for the ownership of same and the value thereof. Said indemnity to include costs and attorney’s fees should the above indemnitees be required to litigate the matter addressed herein.

ARTICLE VII
NOTICE

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
Steven J. Pinkerton
General Manager
Incline Village General Improvement District
893 Southwood Boulevard, Incline Village, NV 89451
P: 775-832-1206
F: 775-832-1122
sjp@ivgid.org

Copy to:
RKG LAWYERS

Proposed at the 04/25/2017
IVGID BOT Meeting
MEMORANDUM OF UNDERSTANDING BETWEEN
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
AND RED WHITE AND TAHOE BLUE, INC.
TO PROVIDE THE 2017 4TH OF JULY EVENTS

936 Southwood Boulevard, Incline Village, NV 89451
Attention of Jason D. Guinasso, Esq.

RED WHITE AND TAHOE BLUE, INC.
Brad Perry
Chairman
Post Office Box 3789, Incline Village, NV 89450
P: 775-315-2004

ARTICLE VIII
TERM

This MOU is hereby entered into this ____ day of __________, 2017 and the date of termination shall be July 5, 2017 (see 4.2 above).

ARTICLE IX
EXECUTION OF MOU BY AUTHORIZED REPRESENTATIVES

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, a Nevada quasi-public agency

By: ________________________________________________
Steven J. Pinkerton
General Manager
Incline Village General Improvement District

RED WHITE AND TAHOE BLUE, INC. a Nevada Nonprofit organization

By: ________________________________________________
Brad Perry
Chairman
Red White and Tahoe Blue, Inc.

Proposed at the 04/25/2017 IVGID BOT Meeting
MEMORANDUM OF UNDERSTANDING BETWEEN
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
AND RED WHITE AND TAHOE BLUE, INC.
TO PROVIDE THE 2017 4TH OF JULY EVENTS

APPROVED AS TO FORM:

By: _____________________________________________

Jason D. Guinasso, Esq.
General Counsel
Incline Village General Improvement District

Proposed at the 04/25/2017
IVGiD BOT Meeting 11
MEMORANDUM

TO: Board of Trustees

FROM: Steven J. Pinkerton
General Manager

SUBJECT: Review, discuss, and take possible action on the proposed modification to the 30-year ground lease with Parasol Tahoe Community Foundation (PTCF) AND provide feedback on the D.W. Reynolds Non-Profit Center Feasibility Report dated April 18, 2017

STRATEGIC PLAN
REFERENCES: Long Range Principles #2 - Finance, #3 - Workforce, #5 - Assets and Infrastructure

DATE: April 17, 2017

I. RECOMMENDED ACTION

That the Board of Trustees review the enclosed Feasibility Report and provide additional direction regarding the proposed lease modification with the Parasol Tahoe Community Foundation (PTCF) and;

Confirm the scheduling of a specific agenda item for the May 10, 2017 meeting agenda. The agenda item would be conducted similar to the way we hold a public hearing where we receive feedback from the public. The agenda item would be publicly advertised, communicated via social media, and other communication vehicles available to the District.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #2 - Finance - Report results and demonstrate value
Long Range Principle #2 - Finance - Develop and maintain a long term plan to sustain financial resources
Long Range Principle #3 - Workforce - Comply with State and Federal regulations
Long Range Principle #3 - Continue to provide a safe environment and continue to strive for low workers compensation incidents
Long Range Principle #5 - Maintain, renew, expand and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
Long Range Principle #5 - Maintain, procure and construct District assets to ensure safe and accessible operations for the public and the District’s workforce.
Review, discuss, and take possible action on the proposed modification to the 30-year ground lease with Parasol Tahoe Community Foundation (PTCF) AND provide feedback on the D.W. Reynolds Non-Profit Center Feasibility Report dated April 18, 2017

Long Range Principle #5 - Conduct planning and design, in advance of undertaking projects or procurement, to ensure new District assets meet operational requirements and enhance the customer experience.

Long Range Principle #5 - Comply with regulatory requirements and industry standards.

III. BACKGROUND

On January 12, 2000, IVGID executed a 30-year ground lease with three (3) 23-year options for 1.5 acres of land (later amended to 2.36 acres) within the Incline Park property.

The ground lease was for $1 per year and contingent upon PTCF operating a non-profit center on the site. Subsequently, PTCF raised approximately $14 million to construct, furnish and maintain the Donald W. Reynolds Community Non-Profit Center. The 31,500 +/- square foot building was completed in 2002. Since that time, PTCF has operated the non-profit center consistent with the lease terms.

IV. CURRENT SITUATION

Recently, PTCF sent a letter to the Board of Trustees indicating an interest in possibly modifying the existing Ground Lease.

The letter stated:

...the Parasol Board of Directors has spent the past year taking an in-depth look at our work in the community and brainstorming new opportunities to effectively meet the changing needs of the community in the future.

One of the opportunities identified by our board would require a modification of the Land Lease currently in place between Parasol and the Incline Village General Improvement District (IVGID). Our board believes that this option would not only broadly serve the whole community it would also address pressing issues currently facing the district.
Review, discuss, and take possible action on the proposed modification to the 30-year ground lease with Parasol Tahoe Community Foundation (PTCF) AND provide feedback on the D.W. Reynolds Non-Profit Center Feasibility Report dated April 18, 2017

As a follow up to this letter, IVGID approached PTCF and learned more about their interest in modifying the lease.

PTCF is interested in focusing more of their energies on their core mission which is functioning as a non-profit public charity dedicated to supporting service agencies in the Lake Tahoe region. They would like to shift both monetary and financial resources, which are dedicated to bricks and mortar functions, and dedicate those resources to their core mission. Freeing up these resources would increase the amount of financial support that PTCF could provide to the region.

Under this scenario, they would no longer serve as the landlord for the Donald W. Reynolds Community Non-Profit Center. They would financially support their grantees instead of granting them space. Consequently, they would no longer meet the land use requirements of the ground lease.

PTCF would like to engage the District in a dialogue wherein the use of the building improvements would be shifted to the property owner (IVGID) and the lease would be modified to reflect this new arrangement. PTCF would like to remain as a tenant in the building and has offered to assist IVGID in facilitating service agencies' access to the shared-use facilities in the building. While PTCF would also like a small portion of the building to continue as a non-profit center, the majority of the space in the building could be used by IVGID for their programming and office space needs.

As part of the lease modification, PTCF would like to receive adequate consideration for the remaining life of the building improvements. By tapping the value of the building improvements, PTCF would have additional resources to provide to community non-profits.

IVGID is in the process of assessing its programming and facility needs via the Community Services Master Plan. Both the current plan and the previous plan, that was adopted in 2000, identified the need for more programming space and District office space. The PTCF proposal could potentially be a very cost-effective means to address IVGID's current deficiencies for both programming and office space.

At the April 13, 2017 Board of Trustees Meeting, in response to the lease modification request, the Board of Trustees directed staff to provide a summary report on the feasibility of the proposed modification.
Review, discuss, and take possible action on the proposed modification to the 30-year ground lease with Parasol Tahoe Community Foundation (PTCF) **AND** provide feedback on the D.W. Reynolds Non-Profit Center Feasibility Report dated April 18, 2017

The Feasibility Report along with a number of source documents requested by the Board is attached to this report.

V. **CONCLUSION**

The attached Feasibility Report provides a comprehensive summary of the potential benefits and costs of the proposed lease modification. The report recommends a number of next steps if the Board of Trustees is interested in seriously considering the request for the lease modification.

If the Board is interested in further review of this proposal, Staff would need direction on what additional information is required for the Board’s further deliberation on this matter.

In addition, Staff requests final confirmation that the Board would like to have a specific agenda item on their May 10, 2017 meeting agenda (see attached draft). If confirmed, Staff will publicize the agenda item in our local newspaper as well as much social media outreach as possible.
D.W. Reynolds Non-Profit Center

Feasibility Report

Prepared for the IVGID Board of Trustees

April 18, 2017
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EXECUTIVE SUMMARY

The outline below provides the IVGID Board of Trustees with a preliminary analysis of the issues related to the proposed lease modification. Staff is in the process of performing additional due diligence regarding all of the issues outlined above. Prior to making a final recommendation, Staff will be gathering more information regarding the existing building conditions, rental arrangements, financial terms, moving costs, and the value of the 893 Southwood Boulevard building.

BACKGROUND

On January 12, 2000, Incline Village General Improvement District (IVGID) executed a 30-year ground lease with the Parasol Tahoe Community Fund (PTCF) as it is now known for three (3) 23-year options for 1.5 acres of land (later amended to 2.36 acres) within the Incline Park property.

The ground lease was for $1 per year and contingent upon PTCF operating a non-profit center on the site. Subsequently, PTCF raised approximately $14 million to construct, furnish and sustain the Donald W. Reynolds Community Non-Profit Center. The 31,500 +/- square foot building was completed in 2002. Since that time, PTCF has operated the non-profit center consistent with the lease terms.

CURRENT SITUATION

Recently, PTCF sent a letter to the IVGID Board of Trustees indicating an interest in possibly modifying the existing Ground Lease.

The letter stated:

...the Parasol Board of Directors has spent the past year taking an in-depth look at our work in the community and brainstorming new opportunities to effectively meet the changing needs of the community in the future.

One of the opportunities identified by our board would require a modification of the Land Lease currently in place between Parasol and the Incline Village General Improvement District (IVGID). Our board
believes that this option would not only broadly serve the whole community it would also address pressing issues currently facing the district.

As a follow up to this letter, IVGID approached PTCF and learned more about their interest in modifying the lease.

PTCF is interested in focusing more of their energies on their core mission which is functioning as a non-profit public charity dedicated to supporting service agencies in the Lake Tahoe region. They would like to shift both monetary and financial resources, which are dedicated to bricks and mortar functions, and dedicate those resources to their core mission. Freeing up these resources would increase the amount of financial support that PTCF could provide to the region.

Under this scenario, they would no longer serve as the landlord for the Donald W. Reynolds Community Non-Profit Center. They would financially support their grantees instead of granting them space. Consequently, they would no longer meet the land use requirements of the ground lease.

PTCF would like to engage IVGID in a dialogue wherein the use of the building improvements would be shifted to the property owner (IVGID) and the lease would be modified to reflect this new arrangement. PTCF would like to remain as a tenant in the building and has offered to assist IVGID in facilitating service agencies’ access to the shared-use facilities in the building. While PTCF would also like a small portion of the building to continue as a non-profit center, the majority of the space in the building could be used by IVGID for their programming and office space needs.

As part of the lease modification, PTCF would like to receive adequate consideration for the remaining life of the building improvements. By tapping the value of the building improvements, PTCF would have additional resources to provide to community non-profits.

IVGID is in the process of assessing its programming and facility needs via the Community Services Master Plan. Both the current plan and the previous plan that was adopted in 2000 identified the need for more programming space and IVGID
office space. The PTCD proposal could potentially be a very cost-effective means to address IVGID's current deficiencies for both programming and office space.

At the April 13, 2017 IVGID Board of Trustees Meeting, in response to the lease modification request, the IVGID Board of Trustees directed Staff to provide a summary report on the feasibility of the proposed modification.

**PTCD LEASE**

As noted above, on January 12, 2000, IVGID executed a 30-year ground lease with PTCD for three (3) 23-year options for 1.5 acres of land (later amended to 2.36 acres) within the Incline Park property.

The ground lease was for $1 per year and contingent upon PTCD operating a non-profit center on the site. Subsequently, PTCD raised approximately $14 million to construct, furnish and sustain the Donald W. Reynolds Community Non-Profit Center. The 31,500 +/- square foot building was completed in 2002. Since that time, PTCD has operated the non-profit center consistent with the lease terms.

The lease and the amendment to the lease are attached to the document.

**D.W. REYNOLDS GRANT**

The D.W. Reynolds Foundation (DWR) provided a $6.6 million grant which provided the majority of the funding for the construction of the facility. The PTCD provided the balance of the funds necessary for furnishings, fixtures and equipment, site work, landscaping, parking and fees as well as funding for the Capital Replacement and Endowment Funds.

The grant was contingent upon the building functioning as a non-profit center defined as an economical and collaborative environment for non-profit organizations. PTCD Staff has been in contact with the grantor and they have provided guidance regarding the proposed lease modification.

DWR would require that Donald W. Reynolds Non-Profit Center retain the naming rights for the building. Also, DWR would require PTCD to remain in the building and that a portion of the office space continue to be dedicated to non-profits. In
addition, the landlord would be required to charge rents at less than market rate for the non-profit tenants.

**RESTRICTIVE COVENANT**

Section XV of the lease references the existence of a restrictive covenant on the Incline Park parcel of which the lease encumbers 2.36 acres.

The restrictive covenant was placed on the property when Boise Cascade sold the property to IVGID in 1977. The Deed’s Covenants, Conditions and Restrictions (CCR’s) limit the use of the property to the following uses: *“...park and recreational and related purposes and for no other purposes.”* As part of the lease transaction with PTCF, an amendment to the CCR’s was executed by Boise Cascade’s successor in interest and said amendment reiterates the foregoing mentioned restriction, excepting however, *“the construction of a building for the use of the Parasol Foundation, Parasol Foundation collaborators or the Parasol Foundation legal successors.”*

**BUSINESS PLAN**

Section XIII, A.3 (b) requires the PTCF to operate the building consistent with the Business Plan attached to the Lease, originally dated March 2001 and updated in April, 2009. The updated Donald W. Reynolds Community Non-Profit Center Business Plan describes the Purpose and Goals of the Donald W. Reynolds Community Non-Profit Center and includes attachments such as five years of actual and budgeted operating costs, selection criteria for Resident Organizations (building tenants) and sample meeting room use agreements.

The updated 2009 Donald W. Reynolds Community Non-Profit Center Business Plan is attached.

In June 2012, the Tahoe-Collaborative Association of Non-Profits (T-CAN), the successor of the Parasol Community Collaboration (PCC), which was an association of local collaborating non-profits, independently determined that their mission had been achieved and subsequently ceased operations. Therefore, currently PTCF supports both resident and non-resident local non-profit
organizations alike through in-kind grants for office space, storage space, and meeting room use.

THE DONALD W. REYNOLDS NON-PROFIT CENTER

The building was completed in 2002. It is a two-story building with approximately 31,500 square feet of gross building space. The total square footage is evenly allocated between the first and second floor. The building has one elevator and has pedestrian entrances on both the first and second floor. The building is of high quality construction, appears to be in excellent condition, and shows no apparent signs of deferred maintenance.

The first floor has a main lobby, a large meeting room, a large storage area portioned into twenty five (25) units, a commercial kitchen with a walk in refrigeration and freezer, two loading docks with access from the rear of the building, a craft room, open office areas, and both men’s and women’s restrooms.

The second level includes a large meeting room, two sets of men’s and women’s restrooms, open office space, a staff lounge, a formal board room, an Information Technology (IT) secure server room, central mail and processing area, a suite set up for secure entry, and an outdoor terrace area.

The building was designed for flexibility to maximize multi-user space and systems. While the building functions as office space for multiple users, the majority of the building is dedicated common areas and meeting spaces.

There is an on-site asphalt parking lot adjacent to the building with approximately seventy eight (78) parking spaces (five (5) which are Americans with Disabilities Act accessible). The parking area provides vehicular access to IVGID’s parks maintenance facility and provides pedestrian access to IVGID sports fields.

A recent appraisal with more details about the building is attached to this report.

The appraiser estimated that the replacement cost new less depreciation for the building would be $9,650,000.
D.W. Reynolds Non-Profit Center Feasibility Report

ANNUAL BUILDING OPERATIONAL COSTS

Currently, PTCF spends approximately $164,000 per year on building, grounds, and maintenance staff. Approximately twenty seven percent (27%) of that cost is for utilities (electricity, gas, water, sewer and garbage).

In addition, PTCF has set aside $1,324,300 in a Capital Replacement Fund as required by the DWR grant.

RESIDENT ORGANIZATIONS

The following eleven (11) resident non-profit organizations are currently occupying office space in the building.

1. American Red Cross of Northern Nevada
2. Classical Tahoe
3. Girls on the Run-Sierras
4. Lake Tahoe Shakespeare Festival
5. Rotary District 5190 Community Fund
6. Simmaron Research
7. SOS Outreach
8. Tahoe Fund
9. Tahoe Institute for Natural Science
10. Tahoe Prosperity Center
11. Tahoe SAFE Alliance

Annually, PTCF issues renewable Resident Grants to local non-profit organizations serving Incline Village/Crystal Bay/Kings Beach. These in-kind grants are valued based on office rents for comparable local office space. Resident organizations are required to pay a grant match of seventy cents ($0.70) per square foot per month and the PTCF in-kind grant covers the balance. PTCF resident grants include all utilities and custodial services. In addition, nineteen (19) organizations have storage units in the first-floor storage area provided by PTCF in-kind grants at no cost to the organizations.
PROGRAMMING

Any organization recognized by the Internal Revenue Service as tax exempt and serving the Incline Village/Crystal Bay/Kings Beach area is allowed to use the meeting rooms and training facilities at no cost and must provide a deposit and proof of insurance naming PTCF as additionally insured.

Approximately forty five (45) community organizations take advantage of the community rooms in the building.

PROPOSED LEASE MODIFICATION

As noted in the introduction, PTCF would like to focus on its Community Foundation efforts and transfer responsibility for the building operation and maintenance to the Lessor (IVGID).

Via this transfer, IVGID would also have the ability to use a portion of the facility for its own operations and share a portion of the community portions of the facility with PTCF.

Due to the restrictions in the DWR grant, PTCF would be required to keep its operation in the building, keep a portion of the office space for Resident Organizations, and continue to provide non-exclusive use of the community meeting space to local community tax exempt organizations.

As the owner and operator of the facility, IVGID would be the recipient of the income received for space rentals. However, IVGID would be bound by the terms of the grant and be required to charge non-profits less than market rate for the facilities.

Given these restrictions, IVGID would not be receiving the beneficial use of the entire building and its improvements. The lease modification would spell out the portions of the facility restricted for the non-profit center and PTCF, the terms for the non-exclusive use of meeting space, and the length of time for which IVGID would be required to operate under these conditions.
PTCF has also proposed that IVGID provide consideration for the improvements for which IVGID would receive beneficial use. The consideration proposed by PTCF is $5.5 million which could be paid by IVGID in up to seven (7) installment payments.

**IVGID OFFICE SPACE NEEDS**

Since at least 1999, IVGID has been planning to replace its fully depreciated Administration Building (Anne Vorderbruggen Building) at 893 Southwood Boulevard. The facility has a number of serious deficiencies and a series of analyses have demonstrated the building is functionally and structurally obsolescent. Additionally, the building is not compliant with the Americans with Disabilities Act for both the public and employees, has sections with high levels of radon, and a portion of the building was constructed with asbestos containing materials. Building replacement would be necessary in order to address the problems with the building.

The 10,500 square foot building is also not adjacent to other IVGID facilities and the property is zoned commercial and not restricted to government use.

Previous studies have recommended disposing of the 2.35 acre parcel and using the sales proceeds towards the construction of a new building adjacent to the Recreation Center.

Staff has ordered an updated appraisal of the property. Given the condition of the building, the previous appraisal determined that the highest and best use was as a residential development site. Staff estimates that the current value of the property could be between $2 million and $3 million.

Previous studies assumed that a new, modern facility would require about 12,000 gross square feet. The PTCF appraisal estimated the cost for new office construction at approximately $350 per square foot. Based on this estimate, a new IVGID Administration Building could cost approximately $4.2 million.
893 SOUTHWOOD BOULEVARD OPERATIONAL COST

IVGID currently spends $156,000 annually to operate and maintain the building. Given its current condition, IVGID has also allocated $271,200 in Fiscal Year 2016/2017 five year Capital Improvement Plan (CIP) in order to keep the building in a habitable condition. Given the issues noted in the previous paragraph, the CIP doesn’t contemplate any improvements to the building to address the structural and functional issues. Several of these projects need to be decided on very soon to maintain reasonable building condition (restroom improvements and roof and flooring replacements).

This building also serves as the backbone for IVGID’s IT infrastructure. IT staff has been decentralizing our IT hardware for a number of years and virtualizing our servers to minimize our hardware needs. Nearly all of the IT system is portable and isn’t committed, long term, to needing residence in the 893 Southwood Boulevard building.

IVGID PROGRAMMING NEEDS

As IVGID assesses its needs via the Community Services Master Plan, there have already been a number of existing needs identified which could be addressed with increased access to the D.W. Reynolds Community Non-Profit Center.

For example, the Recreation Center only has one fitness room. The staff space at the Recreation Center could be moved to the D.W. Reynolds Community Non-Profit Center and reconfigured for fitness use. It could also allow the public areas adjacent to the counter to be repurposed into more functional space as well.

The commercial kitchen at the D.W. Reynolds Community Non-Profit Center could be used for cooking classes, wine pairing seminars, and as a part of the curriculum for children’s camps.

Both youth and senior programs could take advantage of the meeting space. It could reduce the need to maintain meeting space at Aspen Grove and allow the building to be better configured for social functions.
Currently, IVGID has no space available for arts and crafts and enrichment programs. The meeting facilities at the D.W. Reynolds Community Non-Profit Center could address this need as well as many other special programs which IVGID is not able to offer due to a shortage of multipurpose space.

Use of the expansive community meeting facilities along with the ability to access office space would greatly reduce the need to build new programming space at the Recreation Center and Aspen Grove.

The recent cost estimates for the Beach House at Incline Beach reinforced the significant cost potential for building new special purpose space. Staff estimates that the ability to access D.W. Reynolds Community Non-Profit Center facilities would reduce current space needs by approximately 6,000 square feet. At a conservative estimate of $350 per square foot, the D.W. Reynolds Community Non-Profit Center could save over $2 million in future facility needs.

**AVAILABLE FUNDING**

There are four sources of funding which could go towards the modification of the PTCF lease. Since this is located on park property it would be a transaction under the Community Services Special Revenue Fund.

*IVGID’s General Fund, Fund Balance.* There is currently $1.8 million dollars in the General Fund. The IVGID Board of Trustees Policy (Policy Number 7.1.0) and the Nevada Revised Statutes minimum for a General Fund reserve is under $200,000. This leaves as much as $1.6 million in reserves that could be made available through a transfer.

*Excess Funds available in IVGID’s Worker’s Compensation Fund.* IVGID has shifted from a self-insured Workers Compensation Fund to the Nevada Insurance Pool Fund. IVGID recently performed an actuarial to determine how much cash was needed to sustain any ongoing claims in the self-insured fund. The State has reviewed and approved the recommendations of the actuarial study and Staff will be making a recommendation to IVGID’s Board of Trustees to return approximately $800,000 to IVGID’s fund balances and $665,000 of those proceeds are intended for Community Services and could be used towards the lease modification.
Sales Proceeds from the sale of the 893 Southwood Boulevard site. As noted above, sale of the property could net two to three million dollars. These funds would not be immediately available as the purchaser would need twelve to twenty four months to gain entitlements for development of the property. Requiring an up-front all cash purchase of the site would likely yield a much lower sale price.

Community Services Fund, Fund Balance. While IVGID's Five Year plan outlines a program which allocates the majority of the fund balance towards existing needs, projects could be re-prioritized in order to help fund the lease modification.

ONGOING COST OF LEASE MODIFICATION

As noted above, a rebuild or move from the 893 Southwood Boulevard building is inevitable. In addition, the Recreation Center is now twenty five years old and will likely be retrofitted over time to meet the changing needs of the community.

Assuming long term responsibility for the D.W. Reynolds Community Non-Profit Center could reduce the future costs of replacement, renovation or expansion of the above referenced facilities.

However, adding a building the size of the D.W. Reynolds Community Non-Profit Center to IVGID's assets will require an immediate increase in the amount of staffing and cost dedicated to building and facilities and not at some point in the future.

While the operational costs of the new building were enumerated above – and it is likely that some of the cost will be offset by rental and program revenue—IVGID will need to add support staff hours to maintain and operate the building. There will also be staff time dedicated to property management as well.

In addition, while the building is relatively young and appears to be in excellent condition, the mechanical and structural systems in the building will need to be eventually replaced.

For a building of this size, a good rule of thumb is to assume that over the next two decades, there will need to be a capital investment of about twenty percent (20%) of the value of the building – which would be approximately two million dollars.
D.W. Reynolds Non-Profit Center Feasibility Report

IVGID would likely incur a similar long term cost if a new Administration Building was built or the Recreation Center was expanded.

However, as an existing building, we will likely incur capital replacement costs sooner. While you can never predict the exact cost or timing, staff will further investigate this cost via a comprehensive condition assessment and maintenance evaluation if the IVGID Board of Trustees is interested in further pursuing the lease modification. Doing so would require the expenditure of IVGID funds on outside consultants to support the effort.

MOVING EXPENSE

Just as noted above, at some point, IVGID is likely going to bear the cost of moving functions out of 893 Southwood Boulevard and the Recreation Center. The lease modification would likely shift these costs into the next two fiscal years.

Unlike a new building, the D.W. Reynolds Community Non-Profit Center already has extensive tenant improvements in place and all the meeting facilities are already fully furnished. In addition, IVGID has existing office fixtures that could be moved into D.W. Reynolds Community Non-Profit Center. If the IVGID Board of Trustees is interested in further pursuing the lease modification, Staff will assess the space allocation and determine the need for any additional tenant improvements and furniture reconfigurations to meet IVGID’s operational needs. Again, doing so would require the expenditure of IVGID funds on outside consultants to support the effort.

Also, as noted above, the IT system at 893 Southwood Boulevard is both modular and virtual and shouldn’t be an extraordinary expense. The biggest issue for IT would be the timing of getting fiber into the D.W. Reynolds Community Non-Profit Center from Incline Way and keeping the IVGID network functional during the move. There would also be some expense associated with reconfiguring the server space and upgrading the electrical service within that space.

ATTACHMENTS

1. Letter from PTCF to IVGID Board of Trustees dated March 17, 2017
2. Original lease between PTCF and IVGID

April 18, 2017
3. Amendment to lease between PTCF and IVID
4. 2009 Business Plan for the Donald W. Reynolds Community Non-Profit Center
5. IVID Board of Trustees Policy (Policy Number 7.1.0)
6. Appraisal dated January 16, 2017
8. Draft first page of the agenda for May 10, 2017 – Item C. Special Public Comments Section
D.W. Reynolds Non-Profit Center

Feasibility Report

Attachment 1
Letter from PTCF to IVGID Board of Trustees dated March 17, 2017
March 17, 2017

Incline Village General Improvement District Board of Trustees
C/O Kendra Wong, Chairwoman
893 Southwood Blvd.
Incline Village, NV 89451

Dear Chairwoman Wong,

I am writing on behalf of the Parasol Tahoe Community Foundation (Parasol) Board of Directors. As you may be aware, Parasol recently celebrated its 20th anniversary of serving the community and is now looking forward to celebrating the 15th anniversary of the opening of the Donald W. Reynolds Community Non-Profit Center (DWR Center) this summer. Such major milestones signal an opportunity for a community foundation to pause, reflect and review its past accomplishments, evaluate its current programs, and strategize goals for the best ways to serve the community going forward. Therefore, the Parasol Board of Directors has spent the past year taking an in-depth look at our work in the community and brainstorming new opportunities to effectively meet the changing needs of the community in the future.

One of the opportunities identified by our board would require a modification of the Land Lease currently in place between Parasol and the Incline Village General Improvement District (IVGID). Our board believes that this option would not only broadly serve the whole community it would also address pressing issues currently facing the district. We would welcome the opportunity to discuss this option with IVGID in more detail at your earliest convenience. If IVGID still has an interest in pursuing this opportunity, our board has appointed Ron Alling as our point person on this matter and he can be reached at 775-588-6676.

Thank you for your kind consideration and we looking forward to the possibility of better serving the community through our ongoing partnership.

Respectfully,

David Hardie
Chairman

948 Incline Way
Incline Village, NV 89451
775-298-0100
parasol.org
D.W. Reynolds Non-Profit Center

Feasibility Report

Attachment 2
Original lease between PTCF and IVGID
IVGID-PARASOL FOUNDATION OF INCLINE VILLAGE LEASE

THIS LEASE ("Lease") is made and entered into effective this 12th day of January, 2000, by and between the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (hereinafter "LESSOR"), as Lessor, and the Parasol Foundation, Inc., a Nevada Corporation d.b.a. THE PARASOL FOUNDATION OF INCLINE VILLAGE, a Nevada nonprofit corporation (hereinafter "LESSEE"), as Lessee.

RECITALS

A. Lessee has approached Lessor, requesting that Lessor consider leasing to Lessee a parcel of Lessor's public land, for Lessee's proposed Nonprofit Center, and related facilities.

B. Lessee wishes to lease for the public benefit from Lessor certain public land for the purpose of operating a Nonprofit Center and related facilities pursuant to the provisions contained in this Lease.

C. The subject development is to be known as the Donald W. Reynolds Community/Nonprofit Center (herein called the "NONPROFIT CENTER").

D. Lessor, a quasi municipal corporation formed under NRS 318.010, et seq., is willing to lease a parcel of its public land for Lessee's stated purpose.

E. Lessor is the owner of the premises composed of approximately one and one-half (1 ½) acres adjacent to the Incline Village Middle School parking lot and Incline Way, situated below Tahoe Boulevard-Nevada State Highway Route 28, Incline Village General Improvement District, Washoe County, Nevada, being a portion of Assessor's Parcel No. 127-030-15, with legal description attached hereto as Exhibit "A", and made a part hereof by reference.
F. Lessee, through its duly authorized officers, agents and representatives, is very pleased with the above-referenced parcel; has inspected the subject property; is fully aware of its condition; and acknowledges that said parcel will meet Lessee's needs.

G. On May 28, 1997, as part of its regular meeting agenda, IVGID’s Board of Trustees formally agreed to lease the subject realty to Lessee, provided that all pre-conditions and conditions are met and strictly adhered to by Lessee.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Lessor and Lessee agree as follows:

I

LEASE OF PREMISES

Lessor leases to Lessee, and Lessee leases from Lessor, that certain real property and improvements situated thereon, owned by IVGID, and fully described in Recital E, above, on the terms and conditions hereinafter set forth.

II

TERM: OPTION TO EXTEND

A. Term. The term of this Lease shall commence on the 12th day of January, 2000, and be for a term of thirty (30) years, ending at 12:01 a.m. of the last day thereof. This thirty (30) year term shall be referred to herein as “Initial Term.” If Lessor is unable to deliver possession of the premises at the commencement date set forth above, Lessor will not be liable for any damage claimed to be caused by the delay, nor will this Lease be void or voidable, but Lessee will not be liable for any rent until possession is delivered. Lessee may terminate this Lease if possession is not delivered within thirty (30) days of the commencement of this Initial Term.
B. **Option to Extend Lease.** Lessee shall have the option to extend the lease term, for three (3) additional, twenty-three (23) year options to renew/extend. Notwithstanding anything herein contained to the contrary, in no event shall the Initial Term extend beyond thirty (30) years without a prior written extension in writing signed by both parties or their designee(s), which shall be conditioned upon Lessee’s meeting the criteria/requirements/conditions and terms discussed in the several sections hereinbelow. Specifically, all of the three (3) such extensions shall be on the following conditions:

1. **Lessee shall not be in default.** At the time Lessee gives Lessor Lessee’s written notice of election to extend or renew this Lease, as provided herein, Lessee shall not be materially in default of any of its obligations under this lease. If Lessee is in default of any of the material obligations at the time it gives written notice of intent to extend the Initial Term, or any options thereafter, the notice shall be ineffective.

2. **Type and nature of notice.** Lessee shall give the Lessor written notice of its election to exercise the extension no later than six (6) months before the expiration of the Initial Term, and any proposed renewals thereafter. The Lessee’s notice may be personally delivered to the Lessor or mailed to the Lessor; provided, however, if the notice is mailed it must be mailed postage prepaid, certified mail, return receipt requested, to the addressee provided in this Lease or at any such other addresses Lessor may in writing later direct. The time of deposit in the mail shall not constitute sufficient notice to Lessor, as notice is deemed to be effective only upon receipt thereof by the Lessor. No attempt to exercise the
option to extend Initial Term, or any others, by Lessee in a manner other than as provided in this paragraph shall be effective.

3. **Standing to extend Lease.** If Lessee is not in default of any of the material obligations hereunder and if notice of the Lessee's intent to exercise the option to extend Lease is given in accordance with this Lease, and the parties agree in writing to the extension, the Lease shall be extended on the same terms as herein provided, subject to the laws of the State of Nevada or of the United States of America, and/or the relevant ordinances, laws, regulations, and/or codes of any other governmental entity. Lessor's consent to any such extension shall not be unreasonably withheld.

III

RENT

A. **Payment of Rent.** Lessee has heretofore paid the sum of One Dollar ($1.00), which shall constitute the first year's rent, for the period of the 12th day of January, 2000, to the 12th day of January, 2001. Absent agreement in writing; absent a subsequently passed law, ordinance, code or regulation of any other relevant governmental entity, the total annual rent for the Initial Term shall be One Dollar ($1.00), payable to Lessor at the address designated in this Lease or at such other place as the Lessor may designate in writing. The rent shall be paid without prior notice or demand in annual installments, in advance, on or before the first (1st) day of each year of this Lease, including any extension hereof.

B. **Rental Amount; Adjustments.** Depending upon the applicable laws then in effect, or any written agreement between the parties, the rent shall remain at One Dollar ($1.00) per year.
C. **Late penalty; related item.** In the event the rent is not paid thirty (30) days after due date, Lessee agrees to pay a late charge of Five Dollars ($5.00). The late charge period is not a grace period, and Lessor is entitled to make written demand for any rent if not paid when due.

D. **Taxes: Assessments.**

1. **Personal Property Taxes.** If applicable, Lessee shall pay before delinquency all taxes, assessments, license fees, and other charges that are levied and assessed against Lessee's personal property installed or located in or on the Premises, and that become payable during the term of this Lease.

2. **Real Property Taxes.**

   (a) The Nonprofit Center must be operated on a not-for-profit basis. Should the non-profit status of Lessee change, if applicable, without prejudice to Lessor's right to terminate this Lease and any extension of it, Lessee shall pay all real property taxes and general and special assessments ("Real Property Taxes") levied and assessed against the Premises. It is understood by the parties that incidental to its loss of tax exempt status, Lessor shall have the unqualified right to terminate this Lease, under Article XIII(A)(16), below. Whether or not Lessor shall take timely action to terminate this Lease, Lessor shall not be deemed to have waived its right to terminate the Lease.

   (b) If at any time during the course of this Lease, IVGID's real property shall become subject to taxation, or IVGID becomes exposed to other taxes by virtue of its ownership of the subject leased parcel, then Lessee agrees to timely pay all such taxes. Should Lessee fail to timely pay said taxes, and
Lessor is required to pay same, Lessor shall be reimbursed by Lessee for Lessor's payments and for all expenses regarding any such payments, including attorney's fees and costs. Any such failure on the part of Lessee shall constitute an additional and separate material ground for termination of this Lease.

(c) If applicable, if any general or special assessment is levied and assessed against the Premises, Lessor shall pay the assessment in full. If Lessor pays the assessment in full, Lessee shall pay to Lessor, each time a payment of Real Property Taxes or assessments is made, a sum equal to what Lessor has paid, plus any costs incurred by Lessor in the process. Lessor agrees to not impose any recreational assessment against the subject real property or its improvements during the course of this Lease, including any extension hereof.

(d) If applicable, Lessee at its sole cost shall have the right, at any time, to seek a reduction in the assessed evaluation of the Premises or to contest any Real Property Taxes that are to be paid by it according to the terms of this Lease. Lessor shall not be required to join in any proceeding or contest brought by the Lessee unless the provisions of any law require that the proceeding or contest be brought by or in the name of Lessor or any owner of the Premises. In that case, Lessor shall join in the proceeding or contest, or permit it to be brought in the Lessor's name as long as the Lessor is not required to bear any costs. On final determination of the proceeding or contest, the Lessee shall immediately pay or discharge any
decision or judgment rendered, together with all costs, charges, interest, and penalties, incidental to the decision or judgment.

IV

USE; LIMITATIONS ON USE

A. Use of premises. Lessee shall use the premises for the purposes of conducting thereon a Nonprofit Center, and related facilities, activities, seminars, work shops, lectures, and occasional fund raising events. Lessee shall not use or permit said premises, or any part thereof, to be used for any other purpose or purposes, without the express prior written consent of Lessor. Again, special use of the facility not related to the aforementioned activities, such as concerts, shall require prior written approval of Lessor or its designee.

B. Lessee's limitations. Lessee shall not do, bring, or keep anything in or about the premises that will cause a cancellation of any insurance, or increase an insurance covering the premises. Lessee shall, at Lessee's sole cost, comply with any and all laws, ordinances and any other relevant requirements pertaining to the use of said premises of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance covering property and persons which and who are its responsibility hereunder.

C. Compliance with laws. Lessee shall comply with all laws concerning the premises or Lessee's use of the premises, including, without limitation, unless contrary to provisions herein, the obligation at Lessee's cost to alter, maintain, or restore the Premises in compliance and in conformity with all laws relating to the condition, use, or occupancy of the premises during the terms.

D. Waste; Activities Prohibited. Lessee shall not use the premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to owners, neighbors, or
government entities. Without Lessor's express, prior written consent, Lessee shall not conduct or permit any flea market or bazaar on the premises.

V.

MAINTENANCE; REPAIRS; PROGRAM ENDOWMENT

A. **Lessor's Responsibilities.** Lessor shall have no obligations whatsoever regarding the construction, maintenance, repair or capital replacement of any building, things, improvements, or items associated with Lessee's use of the subject realty.

B. **Lessee's Responsibilities**

1. **General Obligations.** Lessee shall, at all times during the term hereof, or any extensions of the term, and at Lessee's sole cost and expense, keep, maintain and repair the premises, including, but not limited to all improvements located in and about the premises, in good and sanitary order and condition.

2. **Costs for Construction; others.** Any and all costs and expenditures related to the planning, design, permitting, construction, operation and maintenance, but not limited thereto, regarding the Nonprofit Center facility, except Lessor's staff time which will be contributed in support of these efforts, primarily undertaken by Lessee, shall be solely borne by Lessee.

3. **Grounds Maintenance.** Lessee shall maintain all exterior areas in a neat, orderly manner at all times. The exterior of the premises shall not be used for storage of any kind whatsoever. Lessee shall maintain all landscape and planter areas in a neat and professional manner at all times.

4. **Condition of Premises.** Lessee hereby waives all rights to make repairs at the expense of Lessor. By undertaking its possession of the premises, except where
inconsistent with other language contained hereafter or anywhere herein, Lessee shall be deemed to have accepted the premises in an "as is" condition, and Lessee agrees to the last day of said term or sooner termination of this Lease, to surrender the premises with appurtenances in the same condition as when received, reasonable wear and tear excepted.

5. Trade or Like Fixtures. Any and all improvements made to the premises during the initial term, including all options to extend this lease as referenced in Section II(B), will, and which are affixed to the realty and are not readily movable shall belong to Lessor upon termination of this lease, including all options to extend this lease as referenced in Section II(B). Upon termination of this Lease, if any such improvements are removable, Lessee may remove all or a portion of the improvements, including fixtures, but shall pay for all costs necessary to repair any damage to the premises occasioned by the removal.

6. Nonprofit Center and Facilities. The upkeep and ongoing maintenance of the Nonprofit Center and facilities shall be of a level similar to and compatible with Lessor's facilities, as well as being consistent with industry standards.

7. Annual Expenses; Losses. In order to absorb any expenses or potential losses concerning the operation of the Center annually, Lessee warrants that it is committed to raising an amount sufficient to cover these losses. Lessee agrees that it has and will continue to commit to its continued fund-raising to cover any annual expenses and/or cash losses it may incur. Such endowment and fund-raising activities shall continue until the endowment absorbs any such annual expenses and/or cash losses for a minimum of five (5) consecutive years, at which
time Lessor's Board of Trustees shall have the absolute right to determine whether the endowment alone is sufficient to meet any future anticipated losses, such evaluation to take into consideration comparable non-profit entities, and their endowment forums.

(a) The term "Annual" is defined as the end of Lessee's federal tax year.

(b) It is understood and agreed by the parties that Lessee shall keep its endowment and/or fund-raising funds separate and apart from any of its operating account or accounts.

(c) Lessee agrees to permit IVGID to conduct an annual audit of its books and financial activities, through IVGID's auditing firm or any other qualified person. The costs of such annual audit shall be borne entirely by IVGID. Any audit conducted by IVGID shall not exceed five (5) working days of access to Lessee's financial records. The commencement date for such audit shall begin on the first Monday of one month per calendar year and continue from day to day until complete. IVGID shall have sole discretion to choose which month they pick for this annual audit, if it is performed at all. Lessee will annually have its Federal 990 Form (which relates to Lessee's IRC 501(c)(3) status) and its own Audit Report. On request by Lessor, Lessee shall timely provide Lessor with true and correct copies of Lessee's current Audit Report.

(d) Should Lessee fail to comply with any of the foregoing requirements, including a failure to reimburse a deficient operating fund, within sixty
(60) days of discovery of the deficiency, such shall constitute independent grounds for termination of this Lease.

VI

ALTERATIONS; IMPROVEMENTS; CAPITAL REPLACEMENT ENDOWMENT

A. **Lessor's consent required.** Lessee shall not make any alterations or improvements to the exterior of the premises, including any building(s) thereon, without the Lessor's prior written consent. Any additions, alterations, and improvements made in or to the premises shall become the property of the Lessor and be surrendered by Lessee with the premises at the termination of this Lease, unless Lessor determines not to retain same. In such latter event, the failure of Lessee to remove its fixtures or any of its property at the termination of the term of this Lease shall be deemed abandonment of such property at the option of the Lessors.

B. **Notice to Lessor.** If the Lessee makes any alterations or improvements to the premises as provided herein, the alterations shall not be commenced until ten (10) days after Lessor has received notice from the Lessee stating the date the installation of the alterations or improvements is to commence so that the Lessor can post and record an appropriate notice of non-responsibility under the mechanic's lien laws of the State of Nevada.

C. **Capital Replacement Endowment.** Lessee has represented that its Construction Grant Agreement requires it to develop an endowment equal to Twenty Percent (20%) of its grant amount; that is, a construction replacement endowment in the sum of One Million Three Hundred and Twenty-Five Thousand Dollars ($1,325,000.00). Lessee has further represented that its current construction replacement endowment is in the approximate amount of One Million, One Hundred Thousand Dollars ($1,100,000.00). Lessee agrees and warrants that within three (3) years of occupancy of the Nonprofit Center, it shall maintain its construction
replacement endowment account in the minimum amount of One Million, Three Hundred and Twenty-Five Thousand Dollars ($1,325,000.00); and, that from the commencement of the Initial Term of Lease, said endowment will not be in an amount less than it presently is.

VII

MECHANIC'S LIENS; ENCUMBRANCES

A. Premises to be free and clear. Lessee shall pay all costs for construction done by them or caused to be done by them on the premises as permitted by this Lease. Lessee shall keep the premises free and clear of all mechanic's liens resulting from construction done by or for the Lessee. Lessee shall timely secure surety bonds or make other security arrangements, including cash deposits, to protect against any and all mechanic's liens, employment or like liens.

Additionally, Lessee shall, prior to any construction, obtain a construction bond in the amount of the cost for the construction of the Nonprofit Center and for all facilities which Lessee determines to build, from the outset, and any additional construction, including but not limited to expansion of any previously constructed facilities upon the subject parcel.

B. Lessee's right to contest. The Lessee shall have the right to contest the correctness or the validity of any such lien if, immediately on demand by Lessor, Lessee procures and records a lien release bond issued by a corporation authorized to issue surety bonds in Nevada in an amount equal to one and one-half (1-1/2) times the amount of the claim of the lien. The bond shall meet the requirements of the Nevada mechanic's lien statutes and shall provide for the payment of any sum that the claimant may recover on the claim, including cost of suit, attorney's fees and any other costs allowed to the claimant by the judgment.

C. Lessee shall not encumber. Lessee shall not pledge, encumber, or mortgage any part of the realty being leased herein to secure a loan of any type. This prohibition shall also
preclude Lessee from encumbering in any way or manner the structures that will be situated on Lessor's realty.

VIII

UTILITIES/WATER RIGHTS

A. **Utilities.** Lessee shall pay before delinquency all utility costs, including charges for water, gas, heat, electricity, power, telephone service, garbage, refuse and trash removal, sewer services and all other services or utilities used in, upon or about the premises by Lessee or any of its permitted subtenants, licensees or concessionaires during the term of this Lease. In the event Lessor shall be required to pay for any of the above utilities or services, Lessee agrees to reimburse Lessor for said payments within ten (10) days of Lessor's demand for reimbursement.

B. **Water Rights.** Lessor agrees to issue a will-serve letter committing the necessary water rights for this project from Lessor's "Water Rights Bank," within a reasonable period of time of Lessee's notification to Lessor in writing, of Lessee's water rights needs. This commitment shall lapse if Lessee's project is not fully permitted by all regulatory agencies.

IX.

EXCULPATION; INDEMNITY; INSURANCE

A. **Exculpation of Lessor.** Lessor shall not be liable to Lessee for any damage to Lessee or Lessee's property from any cause, except for Lessor's gross negligence. In the event that Lessor is utilizing any part of the Nonprofit Center under the terms of this Lease, should any injury to person(s) or properties occur during Lessor's use, ordinary negligence will apply to Lessor's actions or inactions, as the situation may be. Notwithstanding anything contained herein to the contrary, Lessor shall have the benefit of any of its common law and statutory defenses under Chapter 41 of the NRS, but not limited to said NRS sections.
B. **Indemnity.** Lessee shall hold Lessor harmless from any and all claims arising out of any damage to any person or property occurring in, on, or about the premises during the term of this Lease and any extension hereof. Lessee’s obligation under this paragraph to indemnify and hold Lessor harmless shall be limited to the sum that exceeds the amount of the relevant insurance proceeds, if any, received by the party being indemnified and held harmless. Should Lessor be temporarily occupying the premises under this Lease, such hold harmless and indemnification provision shall not be applicable if Lessor has materially contributed to any loss or injury.

C. **Public Liability and Property Damage Insurance.**

1. **Coverage and Terms.** Lessee, at its sole cost, shall maintain public liability and personal property damage insurance, regarding buildings, plate glass, sidewalks and parking areas in the amount of $2,000,000 for injury to or death of any one person, and $5,000,000 for injury to or death of any number of persons in one occurrence and with personal property damage liability insurance in the amount of not less than the replacement cost of any such assets, insuring against all liability of Lessee and its authorized representatives arising out of and in connection with Lessee’s use or occupancy of the premises. Within thirty (30) days of the execution of this Lease, Lessee will provide Lessor with a Certificate of Insurance showing Lessor as an additional insured. Additionally, the policy shall require a minimum of thirty (30) days written notice to Lessor prior to cancellation or material change of coverage.

2. **Alcoholic Beverages.** Alcoholic beverages may be served, provided that Lessee first complies with any relevant laws, ordinances, codes or regulations enacted by
Washoe County (in the form of Washoe County Code number 30.250, as amended from time to time), the State of Nevada or any other governmental entity.

3. **Increase in Amount of Coverage.** Not more frequently than each two (2) years, if, in the opinion of Lessor's insurance broker retained by the Lessor, the amount of public liability and property damage insurance coverage at that time is not adequate, Lessee shall increase the insurance coverage as suggested by the Lessor's broker; however, Lessor must show that any such increase has a connection with the normal insurance coverage in the relevant industry.

4. **Payment of Premiums.** Lessee shall pay the premiums for the public liability and personal property damage insurance as they become due and without allowing the coverage to lapse at any time during the term of this Lease. Upon request by the Lessor, Lessee shall cause proof of insurance coverage for the damages and in the amounts set forth in Section IX(C)(1) to be delivered to Lessor.

D. **Fire and Hazard Insurance on Improvements.**

1. **Coverage and Terms.** At all times during the term of this Lease, the building and other improvements that are part of the premises shall be covered by a policy of standard fire and extended coverage insurance carried by Lessee, and insuring against all hazards commonly insured against in Washoe County, Nevada, including vandalism and malicious mischief endorsements, to the extent of at least the full replacement value of the improvements. The insurance policy shall be issued in the names of the Lessor and the Lessee as their interests appear and shall
provide that any proceeds shall be made payable to Lessor, subject to appropriate
distribution.

2. **Determination of Full Replacement Value.** During the first year of the Lease
term, the full replacement value for which the improvements are to be insured will
be at least the sum equal to the value of the improvements then built, or to
immediately be built. Thereafter, the full replacement value of the improvements
shall be determined by the company issuing the insurance policy. Not more
frequently than once every two (2) years, either party shall have the right to notify
the other party that it elects to have the replacement value redetermined by an
insurance company. The redetermination shall be made promptly by the
insurance company and each party shall be promptly notified of the results by the
company. The insurance policy shall be adjusted according to the
redetermination.

3. **Procurement of Coverage and Payment of Premiums.** Lessee shall procure the
fire and hazard insurance for the improvements required by the terms of this
Lease. If the Lessee fails to timely do so, then Lessor may obtain the insurance
and charge the Lessee therefor. Within one (1) month of paying any fire and
hazard insurance premiums for the improvements, Lessor shall advise Lessee, in
writing, of such payment and shall demand reimbursement therefor from Lessee.
Lessee shall reimburse Lessor for all fire and hazard insurance premiums paid
within thirty (30) days of Lessee's receipt of notice of payment.
Lessee, when requested by Lessor to do so, shall provide Lessor with proof of
hazard and fire insurance upon the improvements and payment of the premiums
therefor. In the event of non-payment and/or its failure to provide proof of
coverage, when requested to do so, said failure or failures shall constitute a breach
of this Lease, and Lessor shall have the option to terminate this Lease.

E. **Miscellaneous Insurance Provisions.** All the insurance required under this Lease
shall:

1. **Nevada companies.** Be issued by insurance carriers authorized to do business
within the State of Nevada, with a financial rating at least equal to the carrier
which presently provides coverage for the property for Lessor as rated in the most
recent edition of Best's Insurance Reports;

2. **Primary policy.** Be issued as a primary policy; and

3. **Endorsement by carrier.** Contain an endorsement requiring thirty (30) days
written notice from the insurance company to both parties and any lenders before
cancellation or change in the coverage, scope or amount of any policy.

X.

**DESTRUCTION OF PREMISES**

A. **Damage and Restoration Period.** In the event of damage to or destruction of the
leased property by fire or other casualty, Lessee shall promptly repair the premises. Such partial
destruction will not terminate this Lease. Any such repair shall commence within thirty (30)
days of the loss, and absent delays caused by public agencies, strikes and like force majeure
types of situations, shall be completed within one hundred and twenty (120) days of the
commencement of said repairs. Should Lessee fail to timely commence repairs, or having timely
commenced said repairs, failed to complete said repairs within the prescribed period then any
such failure shall constitute an additional ground for termination of this Lease.
If applicable, rent shall be abated on a proration basis, as determined from a reasonable space usage application.

B. **Total destruction.** If the premises are totally destroyed, if applicable, rent shall be abated during the repair and restoration period, PROVIDED, HOWEVER, repairs and restoration are diligently undertaken by Lessee. Any rent reduction or abatement pursuant to this paragraph shall not last for longer than six (6) months. Any such repairs shall be undertaken within sixty (60) days of the loss, and shall be completed within six (6) months of the commencement of repairs. All above time constraints are qualified by any and all delays caused by public agencies, strikes and like force majeure types of situations. Should Lessee fail to timely commence repairs, or having timely commenced said repairs, failed to complete said repairs within the prescribed period, then any such failure shall constitute an additional ground for termination of this Lease.

Of course, the delay mitigation language concerning force majeure and like grounds, discussed in A immediately above, shall also have application here.

All insurance proceeds received by the Lessor and Lessee pursuant to the provisions of this Lease, less the actual cost/expenses, if any, of such recovery, shall be held in trust and applied by the parties to the payment of such restoration as such restoration progresses. In the event that the insurance proceeds are insufficient to absorb the entire cost of the repairs, Lessee shall be solely responsible for meeting all of said costs and expenses. Should Lessee fail to meet the obligations hereunder, such failure shall constitute an additional, independent ground for termination of said Lease.

C. **When restoration not feasible.** Should Lessor determine that restoration of the premises is not economically feasible, or the repairs are not made within six (6) months, this
Lease may be terminated by either party on notice of at least thirty (30) days. Such notice shall be given within twenty (20) days after the date of such damage or destruction. If the Lease shall so terminate, if applicable, the rent shall be apportioned to the date of termination and all insurance proceeds shall belong to the Lessor, irrespective of the source.

D. **When Lease not terminated.** If the Lease is not so terminated and the proceeds of insurance are insufficient to pay the full cost of repair or restoration, the Lessee shall pay the deficiency. If the insurance proceeds exceed such cost, the excess shall be paid to the Lessee, less the expenses incurred as the result of the loss and, if applicable, any rent remaining payable to Lessor. In the event that Lessee cannot meet the entire expense of restoration, such failure shall constitute a violation of this Lease, and, at the option of Lessor, shall serve as a basis for termination of this Lease.

E. **If damage caused by Lessee.** If the damage to the premises is caused by any gross negligence or intentional act of the Lessee which causes the damages not to be covered by insurance, the Lessee shall be responsible for restoring the premises as nearly as possible to its condition prior to such damages or destruction. This right in Lessee presumes that Lessee was in full compliance with the terms of the Lease at the time of the destruction.

XI.

**CONDEMNATION**

A. **Definitions.** The following words and phrases shall have the following meanings for the purposes of this section on condemnation:

1. **Condemnation defined.** "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnner,
and (ii) a voluntary sale or transfer by Lessor to any condemnor, either under threat of condemnation or while legal proceedings are pending.

2. **Date of Taking defined.** "Date of Taking" means the date the condemnor has the right to possession of the property being condemned.

3. **Award defined.** "Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

4. **Condemnor defined.** "Condemnor" means any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

B. **Total Taking - Effect on Lease.** If the total premises are taken by condemnation, this Lease shall terminate on the date of taking and Lessee shall thereupon be released from any liability thereafter occurring hereunder.

C. **Partial Taking - Effect on Lease.** If any portion of the premises is taken by condemnation, this Lease shall remain in effect, except that Lessee shall have the election to terminate this Lease if Lessee determines that the remaining portion of the premises will be uneconomical for Lessee's continued use, operation and management, as determined by Lessee under reasonable bases. Lessee must elect to terminate this Lease within thirty (30) days after the date Lessor has notified Lessee in writing that the premises have been so appropriated or taken.

D. **Partial Taking - Reduction of Rent.** If any part of the premises is taken by condemnation and this Lease remains in full force and effect by reason of the Lessee's failure to elect to terminate, on the date of taking, if applicable, the minimum monthly rent shall be reduced in the same proportion that the area of the portion of the premises taken by the condemnor bears to the total area of the premises immediately before the Date of Taking. If
applicable, if the rent has been adjusted by mutual agreement, it shall be recalculated as if the base rent were the adjusted minimum rent determined by this subparagraph. If an agreement cannot be reached, then the issue shall be mediated by a mediator provided through the American Arbitration Association ("AAA"), pursuant to the AAA's Commercial Dispute Rules. Absent resolution through mediation, then any such dispute shall be resolved through the AAA's binding arbitration process, with the claims and remedies to be as set forth in XIX below.

E. Restoration of Premises. If there is a partial taking of the premises and this Lease remains in full force and effect by reason of the Lessee's failure to elect to terminate, Lessee shall restore any partially taken improvements so as to render the same a complete architectural unit. If applicable, rent will be fully or partially abated or reduced during the period from the date of taking until the completion of restoration, and all other obligations of Lessee under this Lease shall remain in full force and effect.

F. Award. Subject to the prior rights, if any, of mortgagees, the Lessor will receive all awards and other compensation for the taking of any part or all of the premises, except that if laws of the State of Nevada permit compensation to the Lessee, Lessor will cooperate in attempting to have the compensation include an award for termination of the business/activities being conducted on the premises, and the Lessee will be justly compensated for the value of its structure.

G. Exception. Notwithstanding anything contained herein to the contrary, in all cases, absent any intentional action or omissions on Lessee's part, Lessee shall be entitled to retain any amount awarded to them for their trade fixtures and moving expenses.
XII.

ASSIGNMENT; SUBLETTING

A. Voluntary Assignment and Subletting. Lessee shall be permitted hereunder and during any extension hereof, to sublease the several and various rooms and quarters it will have constructed, provided that Lessee and its sublessee’s comply with the relevant terms and conditions of this Lease regarding non-profit sublessees and causes. In all of its subleases, Lessee shall provide in writing to each sublessee, a clear reference to this Lease and provide to each sublessee all relevant provisions relating to compliance with laws and other applicable requirements, further informing any such sublessee of the binding nature of such Lease and its provisions.

B. Sublessee Acceptability. Lessee has submitted to Lessor Lessee’s Sublessee Selection Criteria, same being attached hereto as Exhibit “B”. Lessee agrees to be bound by such selection criteria. Lessor accepts said criteria, without evidencing any legal or practical control over any of such selections or that process.

C. Involuntary Assignment. No interest of Lessee in this Lease shall be voluntarily assigned or assigned by operation of law. Each of the following acts shall be considered an involuntary assignment:

1. Bankruptcy. If Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the bankruptcy act in which the Lessee is the bankrupt;

2. A Writ. If a writ of attachment or execution is levied on this Lease; or

3. Receiver appointed. If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the Premises.
4. **Voluntary assignment; Involuntary assignment.** Both a voluntary assignment and an involuntary assignment shall constitute a default by Lessee, and Lessor shall have the right to elect to terminate this Lease, and any rights incidental to it, in which case this Lease shall not be treated as an asset of the Lessee.

XIII.

**DEFAULTS; EXPIRATION; REMEDIES**

A. **Events of Default.** The occurrence of any of the following shall constitute a default by the Lessee:

1. **Failure to pay.** Lessee shall default in the payment of any sum of money required to be paid hereunder, as well as any financial conditions herein, and such defaults continue for thirty (30) days after written notice thereof from Lessor to Lessee;

2. **Failure of performance.** Lessee shall default in the performance of any other material provisions, covenants or conditions of this Lease on the part of Lessee to be kept and performed and such default continues for ninety (90) days after written notice thereof from Lessor to Lessee; PROVIDED, HOWEVER, that if the default complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said ninety (90) day period, then such default shall be deemed to be rectified or cured if Lessee shall, within said 90-day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence, and in any event, within one hundred and twenty (120) days from the date of giving of such notice. Lessee shall provide to Lessor, timely written notice of the plan to rectify, as well as the timing of the completion of such rectification;
3. **Failure to Operate Facility.** At any time during the course of this Initial Term or any extension hereof, Lessee fails to operate the facility to Lessor's satisfaction, including but not limited to the following:

(a) Failure to pay its bills and obligations in a timely manner; or,

(b) A significant reduction in use from what is contemplated in Parasol’s Long-term Business Plan; or,

(c) Failure to comply with promised dates for access by IVGID, as herein provided: the access shall be exclusive, as to the designated room, twelve (12) days per calendar year; it shall be in any order, combination or times, subject to Lessor’s providing Lessee the advance written notice of intended use, as indicated as follows: such written notice shall be provided to Lessee in January of each year; at least thirty (30) days prior to the intended use, Lessor shall provide written notice of its confirmation of the reservation; such use shall be between the hours of 3 p.m. and midnight; Lessee shall make available to Lessor a meeting room sufficient to accommodate the number of people that are anticipated will be attending the specific meeting, not to exceed 100 people; Lessor will reimburse Lessee for any of Lessee’s reasonable “out-of-pocket costs” incidental to each such meeting; and the parties agree that there shall be no indemnification of Lessor by Lessee during Lessor’s exclusive use of the leased premises, absent Lessee’s negligence or intentional acts or omissions. Notwithstanding, should Lessor fail to provide the requisite written notice, or fail to confirm as outlined above, and should Lessee
have the requested space or comparable space available, then Lessor shall be entitled to use the requested space, as if Lessor had met the referenced conditions precedent to such use. In the event Lessee does not comply with this section, Lessor will accept as its sole remedy, payment from Lessee sufficient to secure a comparable local meeting facility. or,

(d) Failure to maintain appropriate licenses and permits as necessary to and for the operation of the facility.

4. **Vacation of premises.** Lessee should vacate or abandon the leased property during the term of this Lease, including by operation of law; or

5. **Bankruptcy.** There is filed any petition in bankruptcy, or Lessee is adjudicated as a bankrupt or insolvent, or there is appointed a receiver or trustee to take possession of all, or substantially all, of the assets of Lessee, or there is a general assignment by Lessee for the benefit of creditors, or any action is taken by or against Lessee under any state or federal insolvency or bankruptcy act, or any similar law now or thereafter in effect, including, without limitation, the filing of any petition for or in reorganization, or should the leased property or any portion thereof be taken or seized under levy of execution or attachment against Lessee, and the continuance of the same in effect for a period of ten (10) days.

Notwithstanding anything herein contained to the contrary, if Lessee is the subject of an involuntary petition in bankruptcy, Lessee shall have the right to contest any such petition. Any such contest must be timely; otherwise, the attempt to oppose the petition shall not avoid Lessor’s claim of default.
6. **Improper use of premises.** Should Lessee's primary use of the property for a purpose or for purposes other than as intended hereunder, persist in such use after thirty (30) day's written notice to cease and desist any such different or contrary uses, then the property, including all improvements thereon, shall revert to Lessor's full use and ownership. Improper use shall also include ancillary activities associated with the facility, such as rock bands, destructive behavior of patrons, parking lot abuses, or any other behavior deemed inappropriate by Lessor's Board of Trustees.

7. **Demolition Reserve Fund.** Further, in addition to any endowment funds or programs discussed above, Lessor may, in its sole discretion, also require that Lessee establish a reserve fund, obtain a surety bond or other form of acceptable security, to guarantee that Lessee will be able to meet the condition of demolition and removal.

8. **Lessor's right to review plans.** Lessee shall not commence construction prior to affording Lessor with at least thirty (30) days written notice for Lessor's review and written comments respecting the plans of the Center, the parking and driveway layouts, pedestrian pathways, and landscaping. Lessee will make every effort to accommodate reasonable input from Lessor.

9. **Required financial resources.** Lessee fails to demonstrate to Lessor's full satisfaction that Lessee possesses the financial resources with which to undertake and complete the construction of the proposed Nonprofit Center facility, including sufficient allowances or reserves for unforeseen contingencies which may develop during construction. This shall include adequate written proof of Lessee's
financial ability to construct, maintain and operate the facility, throughout the

course of the Initial Term of the Lease, as well as any extensions hereof. This

must be done prior to the commencement of any site work or ground movement.

(a) Such financial resources must be in the form of written pledge

commitments or cash or equivalent securities or collateral. Such shall

include funds in bank accounts in Lessee's sole name, and under Lessee's

sole control, including irrevocable bank letters of credit which accrue to

the benefit of Lessee, certificates of deposit in the sole name of Lessee,

and like accounts.

(b) Lessor's determination of the adequacy of financial resources shall be in

Lessor's sole discretion. Lessor's determination of adequacy of financial

resources shall not be unreasonably withheld.

(c) In addition to the required construction bond or bonds, and prior to the

opening of the Nonprofit Center and related facilities, Lessee shall be

required to obtain and keep in full force and effect, a performance bond, in

an amount to be determined by Lessor.

10. Long-range plan required; Cost sharing. Prior to the commencement of any site

work or ground movement, Lessee fails to demonstrate to Lessor the financial

feasibility of the long-term operation of the Nonprofit Center facility. To comply

with this requirement, Lessee must present to Lessor a comprehensive, long-range

business plan for the facility, which, amongst other things, must include the

Capital Replacement and Program Endowment; the facility's hours, days and

months of operation. Lessee must also furnish to Lessor a qualified third party's
written construction cost estimate or estimates, for site-specific plans, including all building, furniture, fixtures, equipment, and comprehensively covering all other related expenses.

Specifically, such business plan shall include a definition of facility operations and services to be offered by Lessee, including, if applicable, pricing of these services or facilities; a facility marketing plan; a pro forma financial plan defining all sources and uses of funds (i.e., revenue sources, operating and capital expenditures, capital reserves, contingency funds, sources of working capital, sources of operating capital; substantiated with proven industry-related financial data of other actual, not for profit operations, but not limited thereto) necessary to fund the facility's operations for the thirty (30) year term of the subject Lease; and a statement and assessment of risks associated with the facility's operation, including, when available, an environmental impact assessment. Said Plan is attached hereto as Exhibit “C.”

There shall be a shared cost between the parties, including the Ice Foundation, for the Environmental Impact Statement, with Lessee assuming responsibility for twenty-five percent (25%) of said cost; the Ice Foundation assuming responsibility for twenty-five percent (25%) of said cost; and, with Lessor assuming responsibility for fifty percent (50%) thereof.

Additionally, Lessee, the Ice Foundation and Lessor shall each pay their fair share or proportionate share, of TRPA Air Quality Mitigation costs (based upon numbers of vehicle trips); Lessee, Lessor and the Ice Foundation shall each pay their fair share or proportionate share of the TRPA Water Quality Mitigation costs.
(at the rate of $1.35 for every square foot of impervious coverage created by the project(s)); and, Lessee and the Ice Foundation shall each pay their fair share or proportionate share, of the TRPA Excess Coverage and/or any other mitigation costs, including but not limited to Traffic Mitigation Costs. Each entity agrees to hold the others free and harmless of each entity’s share of such costs/expenses. Lessor’s determination of adequacy of financial resources and/or the long-range business plan for the facility contemplated by this section shall not be unreasonably withheld.

11. Required working capital. Prior to the commencement of any site work or ground movement, if Lessee fails to demonstrate to Lessor that Lessee possesses an adequate level of working capital to fund the first two (2) years of the Nonprofit Center facility’s operation, utilizing conservative estimates of revenues and expenses, including provisions for extraordinary start-up costs. Industry statistics must also be provided as benchmarks in order to demonstrate that actual and projected working capital levels are adequate to sustain the facility.

Such working capital must be in the form of written pledge commitments, or cash or equivalent securities or collateral. Such shall include funds in bank accounts in Lessee’s sole name, and under Lessee’s sole control, including irrevocable bank letters of credit which accrue to the benefit of Lessee, certificates of deposit in the sole name of Lessee, and like accounts.

12. Regulatory approvals required. Prior to the commencement of any site work or ground movement, Lessee shall timely obtain, at its sole expense, all necessary regulatory approvals for the construction of the Nonprofit Center facility. These
approvals must include the Tahoe Regional Planning Agency, Washoe County Building and Planning Departments, Washoe County Health, North Lake Tahoe Fire Protection District, IVGID, the Nevada Department of Environmental Protection and any other applicable governmental agencies or entities.

Where necessary and appropriate, and particularly at the request of Lessee, Lessor shall assist Lessee with this effort. In the event that there are any identifiable costs incurred by Lessor regarding this effort, Lessee hereby agrees to pay for or to reimburse Lessor, on presentation by Lessor to Lessee, of a timely, detailed billing or invoice from Lessor. Any such billing or invoice shall include the dates; nature of services or supplies utilized in the effort; together with the monetary cost or amount of any such services, supplies or materials.

Lessee agrees to be solely responsible for its mitigation expenses and costs, including regarding air quality, excess coverage and traffic.

13. Demonstration of total expense required. Prior to the commencement of any site work or ground movement, Lessee shall provide Lessor with complete building, permitting, architectural, project management, furniture, fixtures and equipment costs from its contractors, consultants, architect(s), vendors and any other relevant providers.

14. Lessee not to encumber. Lessee shall not pledge, encumber, or mortgage any part of the realty being leased herein to secure a loan of any type. This prohibition shall also preclude Lessee from encumbering in any way or manner the structures that will be situated on Lessor's realty.
15. **Sustained financial ability.** At any time during the course of this Initial Term or any renewal hereof, Lessee fails to demonstrate to Lessor's satisfaction that Lessee possesses the financial resources with which to continue the proper operation of the proposed Nonprofit Center facility, including sufficient allowances or reserves for unforeseen contingencies which may develop during construction. This shall include adequate written proof of Lessee's continued financial ability to maintain and operate the facility.

Such financial resources must be in the form of written pledge commitments, or cash or equivalent securities or collateral. Such shall include funds in bank accounts in Lessee's sole name, and under Lessee's sole control, including irrevocable bank letters of credit which accrue to the benefit of Lessee, certificates of deposit in the sole name of Lessee, and like accounts.

16. **Not for Profit Purpose.** Operation of the Nonprofit Center facility or any related facilities or properties for other than a non-profit purpose or purposes.

B. **Lessor's Remedies.** In the event of a default or breach as designated in this section or elsewhere herein, in addition to any other rights or remedies provided herein or at law or in equity, Lessor, at its sole option, shall have the following rights, to be exercised separately, cumulatively and/or in combination:

1. **Declare term ended.** The right to declare the term of the Lease ended and to re-enter the leased property and take possession thereof, and to terminate all of the rights of Lessee in and to the leased property.

2. **Right of re-entry.** The right without declaring the term of this Lease ended, to re-enter the leased property and to occupy the same, or any portion thereof, or to
lease the whole or any portion thereof, for and on account of itself, as Lessor,
together with the right to recover from Lessee costs assumed or incurred in
recovering possession of the leased property, including costs, expenses, attorney's
fees and expenditures placing the same in good order and condition, or preparing
or altering the same for reletting, and all other expenses, commissions and charges
paid, including attorney's fees, assumed or incurred by Lessor in connection with
reletting the leased property. Any such reletting as provided for herein will be at
the sole discretion of Lessor. Lessor may execute any lease made pursuant to the
terms hereof either in Lessor's name or in the name of Lessee, or assume Lessee's
interest in and to any existing subleases to any lessee of the leased property, as
Lessor may see fit, and Lessee shall have no right or authority whatsoever to
collect any rent from such sublessee or any licensee or concessionaire on the
leased property, in any case, and whether or not the leased property or any part
thereof be relet, Lessee, until the end of what would have been the term of this
Lease in the absence of such default and whether or not the leased property or any
part thereof shall have been relet, shall be liable to Lessor and shall pay to Lessor
an amount equal to the amount due as rent for the remainder of the term of this
Lease.

3. Lessor's right to relet. The right, even though it may have relet all or any
portion of the leased property in accordance with the terms of this section on
Lessor's remedies, to thereafter at any time elect to terminate this Lease for such
previous default on the part of Lessee, and to terminate all of the rights of Lessee
in and to the leased property.
4. **Right of removal.** Pursuant to said rights of re-entry, Lessor may remove all persons and Lessee's personal property from the leased property, and may, but shall not be obligated to, enforce any rights Lessor may have against said property, or store the same in any public warehouse or elsewhere at the cost and for the account of Lessee or the owner or owners thereof. Lessee agrees to hold Lessor free and harmless of any liability whatsoever for the removal or storage of any such property, whether of Lessee or any third party whomsoever.

5. **Termination without prejudice.** Anything contained herein to the contrary notwithstanding, Lessor shall not be deemed to have terminated this Lease or the liability of Lessee to, if applicable, pay any rent or other sum of money thereafter to accrue hereunder, or Lessee's liability for damages under any of the provisions hereof, by any such re-entry, or by any action in unlawful detainer or otherwise to obtain possession of the leased property, unless Lessor shall have notified Lessee in writing that Lessor has so elected to terminate this Lease. The service by Lessor of any notice pursuant to the unlawful detainer statutes of the State of Nevada and the surrender of possession pursuant to such notice shall not be deemed to be a termination of this Lease, or the termination of any liability of Lessee to Lessor.

6. **Right of liquidation.** Notwithstanding anything herein contained to the contrary, and without prejudice to any of its other rights recited herein, Lessor shall have the further right to obtain, possess and liquidate any personal property and fixtures belonging to Lessee on the premises. Any such value or liquidation benefit shall
be applied by Lessor to the account or credit of Lessee, and shall be an offset by
Lessee respecting any rent or damages due by Lessee.

7. **Return to Natural Condition.** In its sole discretion, Lessor may require Lessee to
remove the Nonprofit Center facility from the leased premises and return said real
estate to its former, natural state/condition.

8. **Board Action.** Should Lessee fail to comply with or meet any of the requirements
of XIII(A)(3)(a) through and including (e), immediately above, and any such
failure or act(s) continues for thirty (30) days after written notice thereof from
Lessor to Lessee, then Lessee shall be subject to remedial action by Lessor's
Board of Trustees, which action may include, but not be limited to, termination of
this Lease and assumption of full ownership and use of the Leased realty,
including all improvements and fixtures, but not limited thereto.

**XIV.**

**ENTRY AND INSPECTION**

Lessee shall permit Lessor and its agents, including Lessor's staff, members of Lessor's
Board of Trustees, other management staff of Lessor, attorney, real estate agent or broker,
architects, but not limited to them, to enter into and upon the premises at all reasonable times and
for whatever purpose Lessor shall deem reasonable and appropriate. Lessee shall permit Lessor,
at any time during this Lease, to enter said premises and exhibit all aspects of the same to
prospective tenants, or prospective purchasers, without affecting Lessee's option to extend the
Lease. On reasonable notice, any person desiring to lease or purchase the premises, shall be
permitted to inspect the premises at reasonable times.
XV.

RESTRICTIVE COVENANT

Lessor and Lessee have full knowledge of the existence of the November 16, 1977, Deed from Boise Cascade Home & Land Corporation, a Delaware corporation, to Lessor, which Deed contains a restrictive covenant which affects the realty being leased hereunder; that the 1977 Deed’s Covenants, Conditions and Restrictions limit the use of said realty to the following uses: “...park and recreational and related purposes and for no other purposes;” that, the restrictions have been amended twice; that the relevant amendment, executed July 1, 1999, was signed by Irving Littman, President of Gardena Service Company, a California corporation, with the latter corporation being the successor of Boise Cascade Home & Land Corporation; that said amendment reiterates the foregoing mentioned restriction, excepting however, “the construction of a building for the use of the Parasol Foundation, Parasol Foundation collaborators or the Parasol Foundation legal successors.”

Although the referenced Amendment To Covenants, Conditions and Restrictions appears to resolve any concerns about the use to which the subject property may not be put, Lessee hereby assumes full and complete responsibility regarding said issue, and hereby agrees to hold Lessor free and harmless of any claims, demands or lawsuits by any persons who may challenge the Amendment. Lessee further agrees to indemnify Lessor concerning any such claims, including orders, judgments, attorney’s fees and costs.

Lastly, assuming such has not been done, Lessee shall, within thirty (30) days of the full signing of this Lease, record the July 1, 1999, Amendment, in the official records of Washoe County, Nevada.
XVI.

NOTICE

Except as otherwise provided herein, any and all notices called for hereunder may be personally delivered to each of the parties or mailed to them, certified mail, return receipt requested, to the addresses set forth below or at a such other place or places as the parties shall, in writing, designate:

If to Lessor:  Mr. John Danielson  
General Manager  
Incline Village General Improvement District  
893 Southwood Boulevard  
Incline Village, Nevada 89451

and

Mr. Doug Doolittle  
Director of Community Services  
Incline Village General Improvement District  
893 Southwood Boulevard  
Incline Village, Nevada 89451

If to Lessee:  Ms. Elizabeth Croom  
Executive Director  
Parasol Foundation of Incline Village  
P.O. Box 5206  
Incline Village, Nevada 89450

Notice shall be deemed to have been given at the time of personal delivery or 48 hours after deposition in the United States mail.

Should there be any change in the above-mentioned positions, the entity which has a new person serving in that position shall timely send a written notice to the other party, informing that party of the change of the person now serving in their respective positions.
XVII.

WAIVER

The waiver by Lessor of any default or breach of any of the provisions, covenants or conditions hereof on the part of the Lessee to be kept and performed shall not be a waiver of any preceding or subsequent breach of the same or any other provision, covenant or condition contained herein. The subsequent acceptance of rent or any other payment hereunder by Lessee to Lessor shall not be construed to be a waiver of any preceding breach of Lessee of any provision, covenant or condition of this Lease other than the failure of the Lessee to pay the particular rental or other payment or portion thereof so accepted in a timely manner, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rental or other payment. This paragraph may not be waived.

XVIII.

RECORDATION; QUITCLAIM DEED

Recordation. This Lease shall be recorded on the property records of Washoe County, Nevada.

XIX.

ATTORNEY'S FEES

Except as otherwise provided herein, each party hereto shall bear their own costs and pay their own attorney's fees in connection with the negotiation, preparation and execution of this Lease. In the event that any party brings an action to enforce the provisions of this Lease, the prevailing party shall be entitled to their reasonable costs and attorney's fees.
XX.

VENUE; FORUM

In the event of a dispute between these parties, respecting the enforcement, interpretation or performance hereunder, venue shall be in Washoe County, Nevada. The parties agree that should there be such a dispute that it shall be resolved through the American Arbitration Association and its Commercial Arbitration Rules, a binding arbitration process. The parties agree that the Nevada Rules of Civil Procedure relative to discovery shall apply in such process. Further, the parties agree that any and all substantive relief, legal and equitable, may be plead, proven and recovered in such arbitration process.

XXI.

SURRENDER OF PREMISES; HOLDING OVER

A. **Surrender of Premises.** Where not inconsistent with any other terms and conditions herein, upon the expiration of the term of this Lease or other sooner termination of this Lease, Lessee shall surrender to Lessor the Premises and all improvements and alterations which become part of the Premises pursuant to the terms of this Lease in good condition (except for ordinary wear and tear). Lessee shall remove all of their personal property within the above-stated time. Lessee shall perform all restoration made necessary by the removal of any alterations or Lessee's personal property within said stated time.

B. **Holding Over:** If Lessee, with Lessor's consent, remains in possession of the Premises after the expiration or termination of this Lease, or after the date in any notice given by Lessor to Lessee terminating this Lease, such possession by the Lessee shall be deemed to be a month-to-month tenancy terminable on thirty (30) days notice given at any time by either party.
All provisions of this Lease, except those pertaining to term and option to extend shall apply to the month-to-month tenancy.

XXII.

LESSOR’S EXISTING PARKS MAINTENANCE BUILDING AND ACCESS ROAD

Lessor’s Parks maintenance building is located in close proximity to the property that is being leased by Lessee for the purpose of operating a Nonprofit Center and related facilities, and Lessor intends to leave the Parks maintenance building in its present location. If Lessee at any time in the future should desire to move Lessor’s Parks maintenance building, Lessee shall first seek and obtain the approval of IVGID’s Board of Trustees. Any such relocation shall be at Lessee’s sole expense to a location that is acceptable to Lessor.

The cost of maintaining and, if necessary, rebuilding the access road to the Nonprofit Center and the Parks maintenance building shall be shared. Since Lessee’s use of the access road will far exceed Lessor’s use, Lessee shall pay seventy-five percent (75%) of the expense and Lessor shall pay twenty-five percent (25%) of the expense.

XXIII.

MISCELLANEOUS PROVISIONS

A. General Conditions.

1. Time is of the Essence. Time is of the essence of each provision of this Lease.

2. Consent of Parties. Whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval. When consent or approval by the Lessor is required by this Lease, the consent must be received from the Lessor.
3. **Corporate Authority; other entities.** If applicable, the person or persons executing this Lease on behalf of any corporation, partnership or other legal entity, represent and warrant that he, she or it is duly authorized to execute and deliver this Lease on behalf of said corporation, partnership or other legal entity, and that this Lease is binding upon said corporation, partnership or other legal entity, in accordance with its terms. In the event of a corporation, limited liability company or the like, the signers must also sign in their personal/individual capacity.

4. **Ordinances and Statutes.** Lessee shall comply with all statutes, ordinances, and requirements of all municipal, town, county, state, and federal authorities now in force, or which may later be in force, regarding the use of the Premises. A final adverse determination relative to any state or federal court or administrative abatement proceeding affecting the use of the Premises will, in the sole discretion of Lessor, be deemed a material breach of this Lease.

5. **Successors.** This Lease shall be binding on and inure to the benefit of the parties, their heirs, successors, assignees.

6. **Incorporation of Exhibits.** Any exhibits referred to are attached to this Lease and incorporated herein by reference.

7. **Vote of IVGID Board.** Whenever any action by the IVGID Board of Trustees is mentioned in this Lease, such action shall be by a majority vote of the full Board.

8. **Board Action Required.** This Lease shall not be effective until final action hereon is taken by each of the parties’ Boards.
B. Interpretation of Lease.

1. Nevada Law. This Lease shall be construed and interpreted in accordance with the laws of the State of Nevada.

2. Provisions Are Covenants and Conditions. All provisions of this Lease, whether recitals, designated covenants, terms or conditions, on the part of the Lessee and Lessor, shall be deemed to be both covenants and conditions.

3. Captions. The captions of this Lease shall have no effect on its interpretation.

4. Singular and Plural. When required by the context of this Lease, the singular shall include the plural.

5. Severability. The unenforceability and validity or illegality of any provision shall not render the other provisions unenforceable, invalid or illegal.

6. Preparation of Lease document. Both parties acknowledge that they have had ample time in which to negotiate the terms and conditions contained herein, and to provide input concerning this final Lease agreement. Each party is satisfied with the Lease, and agrees that no inferences should be drawn against either party relative to the preparation of the Lease.

7. No Agency Relationship. The parties acknowledge that this Lease is the result of a long-arm negotiation period, which included several meetings between Lessor’s and Lessee’s authorized representatives, including respective counsels. Lessor
and Lessee further acknowledge that this document is a lease, and that it does not constitute an agency or contractor relationship between the parties.

LESSOR

JOSEPH V. MARSON
CHAIRMAN OF BOARD, IVGID

GAIL KROLICK
SECRETARY OF BOARD, IVGID

NOEL E. MANOUKIAN, GENERAL COUNSEL

LESSEE

WARREN TREBB, CHAIRMAN-PRESIDENT

RODNEY SMALLWOOD, TREASURER

D. GENO MENCHETTI, COUNSEL TO LESSEE
As To Form Only

STATE OF NEVADA )
COUNTY OF WASHOE )

On this 24th day of January, 2000, personally appeared before me, a Notary Public in and for said County and State, JOSEPH V. MARSON, Chairman of the Incline Village General Improvement District's Board of Trustees and GAIL KROLICK, Secretary of Incline
Village General Improvement District's Board of Trustees, known to me to be the persons who executed the foregoing LEASE; who represented that he and she had the legal authority to sign and execute this LEASE AGREEMENT; and who acknowledged to me that they did so freely, voluntarily and for the uses and purposes therein mentioned.

Anne C. Vorderbruggen
Notary Public

STATE OF NEVADA

COUNTY OF WASHOE

On this 24th day of February, personally appeared before me, a Notary Public in and for said County and State, WARREN TREPP, Chairman-President of the Parasol Foundation of Incline Village, a non-profit entity, and RODNEY SMALLWOOD, Treasurer of the Parasol Foundation of Incline Village, a non-profit entity, known to me to be the persons who executed the foregoing LEASE and who acknowledged to me that they had the legal authority to sign and execute this LEASE, and that they did so freely, voluntarily and for the uses and purposes therein mentioned.

Robin Orr
Notary Public
EXHIBIT A

LEGAL DESCRIPTION

Situate in the County of Washoe, State of Nevada, as follows:

All that real property, being a portion of Section 15, T.16N., R.18E., M.D.B.&M., more particularly described as follows:

Beginning at the Southeast corner of Parcel 2, Parcel Map 945, Washoe County, Nevada, filed in the office of the County Recorder of said County on September 26, 1979, File No. 631770;
thence N 32°30'00" E for 223.00 feet;
thence S 88°30'00" E for 128.00 feet;
thence S 64°00'00" E for 141.00 feet;
thence S 40°40'00" W for 148.00 feet;
thence S 2°20'00" E for 257.00 feet;
thence S 56°54'10" W for 102.19 feet;
thence N 33°05'50" W for 372.34 feet to the True Point of Beginning of this description.

Containing 2.36 acres, more or less.

The Basis of Bearings for this description is Parcel 2, Parcel Map 945, File No. 631770, Washoe County, Nevada.

Prepared by
Kenneth Barrow, PLS
P.O. Drawer 7000
Incline Village, NV 89450
EXHIBIT A

DESCRIPTION

A PORTION OF PARCEL 1,
PARCEL MAP 945, FILE NO. 631770,
INCLINE VILLAGE, WASHOE COUNTY, NEVADA

LOT AREA
102,862 SQ. FT.
2.3614 ACRES

PARCEL 1
PARCEL MAP 945

PARCEL 2
PARCEL MAP 945
Resident Collaborator Selection Criteria

The Parasol Foundation of Incline Village is a non-profit 501(C)(3)-community organization that serves as a catalyst for a new non-profit model that will better serve the community. The foundation is focused on effective, efficient and economic delivery of social service systems providing a “one-stop shop” for service recipients.

In order to be considered as a Parasol Collaborator please submit a formal request on agency letterhead addressing how your organization meets each requirement on the standards of excellence, how long your agency has been in operation in the IV/CB/KB area, what services you have provided to how many clients, and how your residency in the DWR Center will improve your service level to the community.

In addition please attach your agency mission statement, goals and objectives and current fiscal year budget.

The Collaboration Committee reviews all requests, which meet monthly. You will be contacted after the next committee meeting to discuss your request.

In order to accomplish the goals of The Parasol Foundation the following standards of excellence must be met.

1. Agency possess a letter of exemption from federal taxes under Section 501 (C)(3) of the Internal Revenue Code and maintains its tax-exempt status.

2. Agency is incorporated as a nonprofit under the laws of the State of Nevada or California.

3. Agency complies with all applicable laws and regulations regarding the operation of the organization.

4. Governing authority must be held by a volunteer Board of Directors of at least five members.

5. Agency has a policy and/or guidelines addressing material conflicts of interest involving board members and staff.

6. Board meetings are held at least once per calendar quarter.

7. Minutes of all Board of Director meetings are recorded, distributed and maintained in agency files.

8. The Board of Directors appoints or ratifies the selection of the agency’s Executive Director or equivalent.
9. No voting board member is employed by the organization unless such employment is provided for in the agency's charter or articles or incorporation.

10. Agency has developed a written code of ethics for its governance and operation.

11. All board members make a financial or in-kind contribution to the agency.

12. Agency Board members receive written job descriptions, board training, orientation and development opportunities.

13. Financial management and reporting comply with generally accepted accounting principles.

14. Agency's annual operating budget is balanced. (Any variance must be explained.)

15. If total annual operating budget is $250,000 or greater, agency conduct an annual internal audit prepared by an independent Certified Public Accountant who follows AICPA standards.

16. The proportion of the agency's operating budget expended on fundraising and management and general (non-program administration), collectively, does not exceed twenty five percent.

17. Programs and services of the agency are directly related to the accomplishment of the agency's mission.

18. Agency pursues collaborative efforts, sanctioned by The Parasol Foundation, in order to avoid unnecessary duplication of programs, services and functions.

19. Programs and services of the agency are made available and accessible to all Incline Village/Crystal Bay/Kings Beach clients consistent with the agency's mission and objectives without regard for race, religion, nationality, gender, age, ability/disability, sexual preference or country of origin.

20. Agency activity supports at least one of social services, education, environment and entertainment/arts projects.

The Parasol Foundation reserves the right to decide which organizations will become Parasol resident collaborators. A probationary period as a Parasol community collaborator may be required.
The Parasol Foundation of Incline Village

Business Plan – 2001

March, 2001

Nanci Glogauer
Executive Director

775-831-3083
775-831-3050 (Fax)
www.parasol.org
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Overview

The Incline Village/Crystal Bay/Kings Beach (IV/KB) community is home to approximately 100 community organizations that offer a wide variety of programs and services. These organizations provide civic, philanthropic, religious, environmental, cultural, educational, social-service-oriented, or recreational service. The organizations are important to the community beyond the delivering of obvious benefits; they facilitate citizen engagement in the civic process, promote cultural values, build community, embody important local and national norms, and help the community in satisfying spiritual needs. These groups are private, self-governing, non-profit voluntary associations.

The ability of these organizations to deliver their programs and services, i.e., to be successful in their efforts, is dependent on their ability to raise the necessary funds to do so. These funds come from governmental and foundation grants, private solicitations, fees and service charges, and special-event fundraising.

Within the community, the non-profit organizations compete with each other for donations, grants, office space, volunteers and employees. These groups are autonomous and independent of one another, with their own staff and board of directors. For volunteers, the groups draw on a number of energized individuals within the community who are generous with their time and talents. While some of these organizations may have national affiliations, all have office space (or home offices) throughout IV/KB and in Kings Beach.

Within the IV/KB community is a base of affluent potential (and actual) donors, many of who have entrepreneurial backgrounds and who are currently retired from the business world. Demographically, most of them belong to the “baby-boom” generation, or to the generation that preceded them. There has been a phenomenon of wealth creation in this country and, through the transfer of this wealth, it is estimated that the “baby boom” generation will eventually make available about $1 trillion nationally for philanthropy. While many individuals in IV/KB are generous in giving to non-profit groups, few are yet fulfilling their potential as philanthropists locally.
Problems and Opportunities

The non-profit sector in IV/KB, as in the rest of the U.S., is currently stressed with the pressure of being asked to solve more problems with less money and reduced resources, in an environment where the costs of doing business are increasing substantially. In IV/KB, for example, office space is increasingly costly and scarce. Additionally, over the past decade, government has tried to devolve and do less, and at the same time has reduced its funding to the non-profit sector. Most organizations are struggling to find new ways to generate revenue and become less dependent on government grants. With government grants shrinking, the level of giving from individuals has yet to make up the difference. Private giving comprises a much smaller share of the income of the non-profit sector than is commonly recognized.

Non-profits in IV/KB and nationally are struggling also with the move from a production-based industrial economy to a new knowledge-based network economy. Rapid and turbulent cycles of change have become the norm as innovation in technology produces knowledge that changes the business environment and then requires ever more innovation. For the past decade, the American for-profit sector has dealt with these forces with innovative approaches and creative solutions, but the non-profit sector has been slower to adapt to, and remain successful within, this fast-paced network economy.

Many of the non-profit organizations in IV/KB lack the resources to respond to these pressures with entrepreneurial ideas and innovative solutions. Focused as they are on the delivery of programs and services, and on their financial viability, many have not yet instituted some of the successful enterprise-based solutions that the for-profit sector adopted in recent years.

Within this community environment, and recognizing the pressures facing these non-profits, The Parasol Foundation was formed in 1996 by a small group of people with both business and non-profit experience, all of which saw an opportunity for a philanthropic organization that could help local non-profits become more successful in the delivery of their programs and services.

The organizers of Parasol saw the need for a fusion of the best ideas from the non-profit and for-profit worlds. To this end, Parasol is organized as a tax-exempt, non-profit organization, whose mission is to catalyze these non-profits to adopt a new entrepreneur model. As a venture philanthropic entity, Parasol will bring a venture capital perspective to public service work and the solving of community special non-profit needs.

Parasol has already begun to execute this mission by forming several Advisory Boards of the local non-profits. These groups are exchanging information on their current operations, goals and objectives to provide the needed input for determining their entrepreneurial focus. A community-wide Needs Assessment funded by The Parasol Foundation was commissioned and was completed in the fall of 2000.

Recognizing that Parasol was working to create a new model for non-profit organizations, within the community and throughout the country, the Donald W. Reynolds Foundation made a grant to
Parasol in 1999 of $6.6 million for the building of a non-profit center in Incline Village. The Donald W. Reynolds Community Non-Profit Center (The DWR Center) will provide office space for a number of the non-profits in IV/CB/KB and a setting for the essential collaboration process that will accomplish the formation of a community of social entrepreneurs. In addition, the DWR Center will enable the non-profits to share resources, improve communication, coordinate activities, and share training and provide a focal point for contributors and clients. Parasol will teach and encourage all its "partners" to think and act as social entrepreneurs by offering important support services to them. These support services include management training, finance, accounting and board/staff development.

The Parasol Foundation will invest in programs and ideas that promise positive social impact and affect change. These may be existing successful programs or new, innovative approaches, if they promise superior results. Parasol will also solicit investors for these organizations: individuals or organizations who have the tools, the means, the money and the desire to make a difference within the community, and who would gain satisfaction from their results-driven involvement with these social entrepreneurs. In essence, Parasol will provide the means for affluent individuals to fulfill their potential, as philanthropists as they, too, become social entrepreneurs. They will become partners in the process of investing in organizations where their dollars can provide the greatest benefit.

Parasol believes that this venture philanthropic model will provide incentives for non-profits. Successful "traditional" venture capital investments yield tangible profits to the investor, successful Parasol collaborator investments will yield profits in the forms of greater innovations within, the stimulus of reorganization and merger of organizations by creative individuals, and the realization of more fiscally sound organizations that will have more revenues available for programs and services.

**Mission and Goals**

The Parasol Foundation of Incline Village takes its name from its purpose. To provide an umbrella of benefits and services to assist the more than one hundred organizations in Incline Village/Crystal Bay. The mission of the Foundation is:

```
To serve as the catalyst for a new non-profit model
that will better serve the community.
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The Parasol Foundation's mission is essentially about creating behavioral change. The Foundation goals below initially focus on identifying and propagating the most successful service delivery methods currently in use among the community non-profits. Building on these "best known" methods, Parasol will encourage the development of innovative new approaches.
Goal #1: Promote Collaboration Among Non-Profits

The Parasol Foundation defines *collaboration* as: the building of mutually beneficial and well-defined relationships, entered into by two or more organizations to achieve defined common goals. The relationship includes recognition of the integrity of each organization, a responsibility to donors and a commitment to shared objectives of improved effectiveness and efficiency of resources for the betterment of the community. The current list of Resident and Community Collaborators is included in Attachment A, The Parasol Relationship Model. Resident Collaborators are provided dedicated office space in the DWR Center. Community Collaborators are not resident in the DWR Center, but they have access to shared office, storage and building services.

A Parasol collaborator must meet the following threshold requirements:

- Maintain status as a charity pursuant to Internal Revenue Code for tax-exempt organizations chartered to provide social, educational, environmental or civic service.
- Maintain an office presence in Incline Village/Crystal Bay/Kings Beach or provide more than 50% of their services to IV/CB/KB residents.

*The Parasol Foundation reserves the right to make final determination of collaborators.*

Foster Dialogue and Constructive Action

A *standing committee* of the Parasol Board of Directors is dedicated to Collaboration. The committee has produced a *Collaborator Agreement* intended to be an initial set of guidelines to build collaboration, foster dialogue and engender greater co-operation between and among organizations. It is intended that this be a living document that will be refined and modified over time, through experience and broader-based input, ultimately leading to more effective partnerships.

**Identify Common Goals, Directions, and Responsibilities**

Two *advisory boards* of non-profits were formed by Parasol: RCAB, composed of Resident Collaborators – those organizations that will have full time tenancy in the DWR Community Center and CCAB, composed of those who will be occasional users or Community Collaborators. RCAB and CCAB are composed of Executive Directors and board members of more than 100 Incline Village/Crystal Bay non-profit organizations committed to the challenging effort of building collaboration teams seeking to *define better delivery and service methods, share resources, and explore the needs and concerns of the vibrant and diverse community.* The Parasol Foundation is a voting (one) member of RCAB.

These regularly scheduled monthly discussions are currently focused on maximizing the design advantages of the new DWR Center for the benefit of the tenants, users and clients, and discovering other areas of mutual concern and cooperation. The advisory boards will, in cooperation with the Parasol Collaboration Committee finalize the Collaborator Agreement and produce *The Tenant Handbook* that will define the guidelines and restrictions for tenant use of the DWR Community Center.
The Resident Collaborator Advisory Board (RCAB) will develop annual goals for the entire Collaboration. Once developed, these goals will be reviewed by Parasol.

Outcome measurements based on goals will be developed by RCAB. Parasol's Allocation Committee will utilize outcome measurements when considering Parasol grants and when assessing its own success in fostering collaboration. Outcome measurements based upon identified goals will relate collaborators ability or inability to collectively provide services more efficiently, effectively and professionally while maximizing the benefits of all resources.

The Parasol Foundation intends to serve as a catalyst and a resource to the collaboration through RCAB and CCAB.

The Parasol Executive Director acts as facilitator to both advisory boards. All minutes and coordination are accomplished through the Parasol offices. Elected leadership of each advisory board and the Executive Director of Parasol create the agenda for the meetings. The elements being addressed through collaboration are outlined in the following diagram.

**Elements of Successful Collaboration**

- **Tenant Handbook**: Defines guidelines for working together in a harmonious environment.
- **The DWR Non-Profit Center**: Designed to meet unique needs of the Residents and Community Resident collaborators.
- **Collaborator Agreement**: Defines parameters and guidelines for working together to maximize resources and benefit the community.
- **Community**: Identifies the strengths, weaknesses, and concerns of the community and the associated needs.
Goal #2: Increase Collaborator Efficiency and Effectiveness

The Donald W. Reynolds Community Center (The DWR Center)

Serving a common thread of need, based on antiquated equipment and sub-standard office space, and recognizing the great value of a central source for information for potential donors and volunteers, the concept of a "non-profit center" took form. Clients will have the opportunity to seek support from multiple organizations in one easy to access location. As a result of the improvements in effectiveness and efficiencies enabled through collaboration, clients will receive an enhanced level of service. The Center is a critical element to this new model, for immediate operating efficiencies for every organization that will use it. The roles of The Parasol Foundation and the support elements are depicted in the support model, Attachment B.

On May 28, 1997, the Trustees of the Incline Village General Improvement District (IVGID) unanimously approved the motion to lease, to The Parasol Foundation of Incline Village for $1 per year, a 1.5-acre parcel of land located at 948 Incline Way, Incline Village, NV. The lease terms have been negotiated with IVGID and both parties have signed a contract.

On May 13, 1999 the Donald W. Reynolds Foundation awarded The Parasol Foundation a generous grant of $6,621,500 to construct the Donald W. Reynolds Community/Non-Profit Center. Pending the resolution of current TRPA issues, occupancy is scheduled for summer of 2002. The 32,000 square foot building will become home for approximately 20 resident organizations and a resource center for approximately 80 community organizations. The selection criterion for Resident Collaborators is shown in Attachment C. The DWR Center will provide centralized services, communication channels, critical meeting and storage space. The grant will cover all architectural and construction costs, as well as interior finishes, furnishings and business equipment and systems. Parasol will be responsible for $550,000 for site work, landscaping, parking and any associated fees. The direct cost of the building will be approximately $7,500,000.

On February 28, 2001, TRPA gave final approval for the Parasol Foundation to build the Donald W. Reynolds Community Non-Profit Center. Groundbreaking is expected in June 2001 and occupancy in the summer of 2002.

Efficiency by design

A single location will give Incline Village and Crystal Bay citizens a "one-stop" service delivery system, ranging from senior volunteerism to preschool education, from social services to arts and theater. It will foster an open exchange of ideas, and allow for the standardization and centralization of many administrative tasks thereby aggregating and reducing over-head costs.

The DWR Center is modular, designed for flexibility to maximize multi-user space and systems. The ratio of approximately 9,067.5 square feet of dedicated office space (leased area) to the common (shared) area of approximately 11,270 square feet is unheard of in typical commercial spaces.
Input from potential users of the building, expert consultants, project architects and contractors has produced a building design uniquely suited to meet the needs of diverse non-profit activities and to create immediate efficiencies through shared amenities and services:

- Single reception area for all tenants and occasional users of the building
- Shared phone and voice mail system
- Single receiving room: US mail and package deliveries on site
- Centralized supply, so savings from bulk purchasing contracts may be passed through to all collaborators
- Centralized copying and collating
- Computer network to provide all tenants and occasional users access to common financial, word processing and communication programs
- Shared modern access via common Local Area Network
- Grant resource library
- 19 Counseling or meeting rooms. Each will accommodate comfortably 8 people.
- 460 square foot assembly project work room (i.e. food baskets from Project MANA or assembling bulk mailings)
- Training center/classroom
- Approximately 2,400 square feet (25 storage units) of document and equipment storage for non-resident organizations.
- Non-resident desks, adjacent to document storage allow for ease of access to files and computer services.
- A minimum number of fixed walls and the use of flexible office landscapes allow for inexpensive re-organization of work spaces

**Space allocation by area:**

- Resident Collaborator office space 7608 sq. ft.
- Community Collaborator office space 299 sq. ft.
- Meeting Rooms 2628 sq. ft.
- Counseling Rooms 599 sq. ft.
- Staff Lounge 504 sq. ft.
- Staff Restrooms (including coatroom) 388 sq. ft.
- Janitor 121 sq. ft.
- Central Supply 491 sq. ft.
- Restrooms 906 sq. ft.
- Work Rooms 1380 sq. ft.
- Founders Boardroom (including restroom) 580 sq. ft.
- Technical Research 356 sq. ft.
- Classroom/Training 1098 sq. ft.
- Reception 112 sq. ft.
- Storage 338 sq. ft.
- Kitchen (excluding refrigerator, freezer, storage) 554 sq. ft.
- Phone Bay Room 110 sq. ft.
As the project moves from schematic design to occupancy, oversight will be the responsibility of the Parasol Foundation's Building and Collaboration Committees, pursuant to the terms of the Construction Grant from the Donald W. Reynolds Foundation. The Parasol Finance Committee, Executive Director and Fiscal Manager will be responsible for coordination and financial oversight of this effort.

Throughout construction, the project architect and general contractor will produce and refine:

- Architectural plans and specifications
- Line item construction budget
- Weekly pre-construction reports
- Weekly construction reports

**Provide Non-Profit Management Training and Professional Staff Support**

Author, activist and consultant to the Gates Foundation, Bill Shore, in his book, *The Cathedral Within* says, "Foundations need to provide not just cash, but competence."

As in any business, the value of sound management practices can never be overestimated. Parasol will continue to provide an on-going curriculum of non-profit management training to all collaborators.

Parasol will employ key employees (such as a Fiscal Manager) to provide support services as needed to collaborators. Their purpose is not to micro-manage non-profits from the Parasol offices, but rather to invest in the individual organizations the capacity to operate efficiently, effectively and in response to demonstrated community needs.

In support of this goal The Parasol Executive Director is charged to:

- Solicit grants for the Center and to support collaboration efforts
- Meet with grant-funders to assist in process of obtaining grants
- Review and provide comments to grant proposals
- Perform training needs assessment for the collaborators
- Develop curriculum for the collaborators
- Assist with board development and training for the collaborators
- Facilitate RCAB and CCAB meetings
- Consult with donors for Pass-Through donations
- Review and consult for Parasol Grant Process
- Negotiate Center contracts
To help collaborators provide more services using fewer resources, The Fiscal Manager, with direction from The Executive Director is charged to:

- Assist in the development of collaborator annual budgets
- Assist in the preparation of financial statements
- Supervise the financial, grant and gift entry processes
- Plan for and implementing updated financial software
- Assist investment and trust managers in tracking investments
- Provide recommendations concerning the fiscal responsibilities of stewardship and prudent management
- Assist in preparation for an annual audit
- Negotiate bulk purchases of office supplies
- Negotiate best price contracts for building maintenance

**Increase Volunteerism**

The Volunteer Center @ Incline Village is an integral part of the mission of the Parasol Foundation. The Volunteer Center acts as a clearinghouse for volunteers in the community and provides collaborators with a valuable workforce. The Volunteer Center seeks to promote volunteerism, recruit and recognize volunteers and provide meaningful volunteer opportunities to community members.

The Volunteer Center will promote volunteerism within the IV/IB community by presentations to local civic, social and community leaders on the importance of volunteering. Training and special presentations will be provided to educate collaborators on proper utilization of volunteers, volunteer retention and recognition of volunteers.

All volunteers recruited will be contacted approximately one month after assignment. Volunteers will be asked about their volunteer opportunity, if they feel utilized properly, and if they are enjoying their experience. The collaborator organization will be appraised of the conversation in detail and uniform records will be kept.

The Parasol Foundation has begun the tradition of inviting all community volunteers to an annual volunteer appreciation event. This event provides collaborators the opportunity to recognize all participating volunteers and acknowledge outstanding service.

**AmeriCorps Program**

The Parasol Foundation is hosting twelve AmeriCorps members through a program entitled *Together for a Better Community*.

AmeriCorps is a national service program supported by the Corporation for National Service. This program engages citizens of all ages and backgrounds in community-based service. AmeriCorps members serve their communities and address local issues in the following areas: environmental, educational, public safety or other human needs. The Parasol Foundation is sponsoring these
twelve members to serve eight agencies in Incline Village by providing an AmeriCorps Member Manager and financing approximately 80% of the three year program beginning September 2000. AmeriCorps members are assigned to Project MANA, Children's Cabinet at Incline Village, Tahoe Women’s Service, La Comunidad Unida, Reading Center of North Lake Tahoe, Incline Elementary School, incline Middle School and Incline High School.

**Coordinate Outcome Measurement**

To measure the success of joint efforts Parasol and its collaborators will assess:

- Reduction of Duplication of Services: How many organizations are combining efforts to provide similar services?
- Reduction of Fragmentation: How many organizations are working together to provide continuity of service?
- Decrease in, or aggregation of the Number of Special Events Fundraisers: How many organizations streamlining special events based fundraising and increasing grant based fundraising?
- Increase in Efficiency and Effectiveness: Are more services being provided by fewer organizations at a reduced cost?
- Progress Comparison from prior years goals.

**Goal #3: Provide Funding to Enable Collaborators to Focus on Programs**

Parasol’s initial investment will be in the form of rent, services and storage in the DWR Center. These benefits will be awarded as Parasol DWR Grants. In the future, specific non-profit agency proposals will be considered for Parasol Program Grants.

Funding to support the basic operating costs of any organization: rent, utilities, janitorial etc., is the most difficult to raise. The Parasol DWR Grant process by providing such operating support will insure improvement in effectiveness and efficiency.

Parasol and RCAB have not finalized the DWR Grant proposal process, however, Parasol’s Collaboration/Allocation Committee anticipates requesting standard grant proposal information such as:

- Annual budgets developed by each organization.
- Annual audits for each organization with budgets in excess of $100,000.
- Individual agency organizational goals for the year.
- Progress compared to prior year’s goal.

**Building Operations Fund**

Parasol will build a Building Operations endowment to assure stability and continuity of services, while optimizing local fundraising efforts and providing accountability to donors. This will be the source, along with annual contributions and event income, to provide Parasol DWR Grants, and later, Program Grants. When the size of the endowment permits, allocation of the endowment income will be allocated as follows; 70% to existing non-profits, 20% to local schools, and 10% to
new opportunities. In the near term, funding will flow to the support of operating expenses the DWR Non-Profit Center, including shared services and amenities. The fund has a current balance of more than one hundred thousand dollars.

Building Capital Replacement Fund

The Donald W. Reynolds Foundation (DWR) mandated by contract that The Parasol Foundation fund a capital replacement endowment at a minimum level of 20% of the total grant ($1,324,300). The Building Capital Replacement Endowment Fund is to assure the long-term viability of the physical plant and mechanical and business systems. The restricted uses are defined by the grant contract. This endowment must be kept in a restricted account and all contributions are reported to DWR quarterly. Currently, the Building Capital Replacement Endowment Fund has a balance of more than one million dollars.

Pass Through Gifts (Donor Designated)

Parasol will continue to administer donor designated pass-through gifts to non-profit organizations. The Parasol Foundation provides this service to the community without solicitation.

Parasol Fundraising

The Parasol Foundation currently conducts one fundraiser each year, which have in the past attracted non-resident contributors at a ratio of 3 to 1. In other words a full three fourths of the contributions donated directly to The Parasol Foundation are from persons who do not reside on a full or part-time basis in Incline Village or Crystal Bay. These outside funds represent an incremental, overall positive gain to the total funds raised by all community organizations. The vast majority of all funds collected by The Parasol Foundation will be returned to community organizations through rent offsets, services and grant awards. At the present time, The Parasol Foundation operating budget is underwritten by a private donation.

Provide a Grant Resource Library

Internet access, specialized software and other resources will allow searches for potential funding from local, regional and national sources. The Parasol Foundation will provide training and maintain updated software and grant sources at the DWR Non-Profit Center.

Conduct Community Needs Assessment

The Parasol Foundation, at the request of RCAB, provided funding for a first-ever community-wide assessment (conducted by a professional firm) that was completed in the fall of 2000. Fifty-two hundred resident households and four hundred ninety five businesses and governmental agencies in the northeast Lake Tahoe communities of Incline Village, Crystal Bay, Brockway, and
Kings Beach were surveyed. Approximately 13% responded with evaluations of the quality of services currently provided by local non-profits. In addition, they specified where additional efforts are needed to better serve community concerns. Information received is being evaluated by RCAB and CCAB to prioritize improvement efforts and as a baseline to measure progress.

**Assess Collaborator Success**

Specific measurements will be developed to assure the achievement of, but not be limited to.

- Are consistent Parasol Grants attracting additional program grants?
- Are Parasol Grants reducing the need for event based fund-raising?
- Is Parasol assisting in the reduction of duplicate services?
- Are community services more efficiently provided?
- Are services offered more professional?
- Are needs community needs being met?
# The Parasol Foundation
## 3-year Budget

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Relationship Model

The Parasol Foundation

To serve as the catalyst for a new non-profit model that will better serve the community.

Resident Collaborators
- Baikal Institute
- Children's Cabinet
- Cooperative Extension
- La Communidad Unida
- League to Save Lake Tahoe
- North Tahoe Literacy Center
- Parasol Foundation
- Project MANA
- Retired Seniors Volunteer Program
- Shakespeare Festival
- Tahoe Ctr. for Sustainable Future
- Tahoe Players Association
- Tahoe Rim Trail
- Tahoe Women's Services
- Volunteer Center of Incline Village

Community Collaborators
- American Assoc of University Women
- Alzheimer's Assoc Family Support Group
- American Youth Soccer
- Arthur B. Schultz Foundation
- Arts for the Schools
- Boosters
- Boy Scouts
- Boys & Girls Club
- Chamber Music Society
- Cub Scouts
- Community Presbyterian Church
- Defense Now
- Demonstration Garden
- Destination Imagination
- DP National Volunteer Ski
- DP Ski Education Foundation
- Girl Scouts – Sierra Nevada
- Ice Foundation
- Incline Academy
- Incline Village Baptist Church
- Incline Village Elementary School
- Incline Village/Crystal Bay Chamber
- Incline Village Four Square
- Incline Village Health Center
- I/VID
- Incline Village Golf Club
- Incline Village Golf Club Ladies
- Health Center Auxiliary
- Incline Village High School
- Incline Village Middle School
- Incline Village Nursery School
- Incline Village Skate Park
- Incliners
- K-16 Council
- Lake Tahoe Public Television
- Life Science International
- Lions
- Mothers offering Mothers Support
- North Lake Tahoe Community Alliance
- North Lake Tahoe Hebrew Congregation
- North Lake Tahoe Little League
- North Tahoe Democratic Club
- Optimists
- Pet Network
- Pop Warner Football
- Presbyterian Women's Thrift

Republican Men's Club
- Republican Women's Club
- Rotary Club of Incline Village
- Rotary Club of Tahoe Incline
- Sierra Family Services
- Sierra Nevada College
- Special Olympics
- St. Francis Catholic Church
- St. Patrick's Episcopal Church
- Sugar and Spice Thrift
- Tahoe Adaptive Ski School
- Tahoe Incline Golf Club
- Tahoe Sierra Preservation Council
- Truckee Meadows Community College
- United Way of the Lake
- Washoe County Constable
- Washoe County Justice Court
- Washoe County Sheriff
- Washoe County Social Services
- Women's Club of North Tahoe
- Wylie Animal Rescue Foundation
- Young Life
Resident Collaborator Selection Criteria

The Parasol Foundation of Incline Village is a non-profit 501(C)(3)-community organization that serves as a catalyst for a new non-profit model that will better serve the community. The foundation is focused on effective, efficient and economic delivery of social service systems providing a “one-stop shop” for service recipients.

In order to be considered as a Parasol Collaborator please submit a formal request on agency letterhead addressing how your organization meets each requirement on the standards of excellence, how long your agency has been in operation in the IV/CB/KB area, what services you have provided to how many clients, and how your residency in the DWR Center will improve your service level to the community.

In addition please attach your agency mission statement, goals and objectives and current fiscal year budget.

The Collaboration Committee reviews all requests, which meet monthly. You will be contacted after the next committee meeting to discuss your request.

In order to accomplish the goals of The Parasol Foundation the following standards of excellence must be met.

1. Agency possess a letter of exemption from federal taxes under Section 501 (C)(3) of the Internal Revenue Code and maintains its tax-exempt status.

2. Agency is incorporated as a nonprofit under the laws of the State of Nevada or California.

3. Agency complies with all applicable laws and regulations regarding the operation of the organization.

4. Governing authority must be held by a volunteer Board of Directors of at least five members.

5. Agency has a policy and/or guidelines addressing material conflicts of interest involving board members and staff.

6. Board meetings are held at least once per calendar quarter.

7. Minutes of all Board of Director meetings are recorded, distributed and maintained in agency files.

8. The Board of Directors appoints or ratifies the selection of the agency’s Executive Director or equivalent.
9. No voting board member is employed by the organization unless such employment is provided for in the agency's charter or articles or incorporation.

10. Agency has developed a written code of ethics for its governance and operation.

11. All board members make a financial or in-kind contribution to the agency.

12. Agency Board members receive written job descriptions, board training, orientation and development opportunities.

13. Financial management and reporting comply with generally accepted accounting principles.

14. Agency's annual operating budget is balanced. (Any variance must be explained.)

15. If total annual operating budget is $250,000 or greater, agency conduct an annual internal audit prepared by an independent Certified Public Accountant who follows AICPA standards.

16. The proportion of the agency's operating budget expended on fundraising and management and general (non-program administration), collectively, does not exceed twenty five percent.

17. Programs and services of the agency are directly related to the accomplishment of the agency's mission.

18. Agency pursues collaborative efforts, sanctioned by The Parasol Foundation, in order to avoid unnecessary duplication of programs, services and functions.

19. Programs and services of the agency are made available and accessible to all Incline Village/Crystal Bay/Kings Beach clients consistent with the agency's mission and objectives without regard for race, religion, nationality, gender, age, ability/disability, sexual preference or country of origin.

20. Agency activity supports at least one of social services, education, environment and entertainment/arts projects.

The Parasol Foundation reserves the right to decide which organizations will become Parasol resident collaborators. A probationary period as a Parasol community collaborator may be required.
D.W. Reynolds Non-Profit Center

Feasibility Report

Attachment 3
Amendment to lease between PTCF and IVGID
AMENDMENT TO
IVGID-PARASOL FOUNDATION OF INCLINE VILLAGE LEASE

THIS AMENDMENT ("Amendment") is entered into this 24th day of January, 2002 by and between the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, a political subdivision of the State of Nevada (hereinafter referred to as "IVGID" or "Lessor"), and the Parasol Foundation, Inc., a non-profit corporation organized under the laws of the State of Nevada, d.b.a. THE PARASOL FOUNDATION OF INCLINE VILLAGE (hereinafter referred to herein as "Parasol" or "Lessee").

WITNESSETH

A. IVGID as Lessor and Parasol as Lessee entered into the IVGID-Parasol Foundation of Incline Village Lease dated 12 January 2000.

B. Lessor and Lessee desire to clarify various matters set forth in that Lease, and enter into this Amendment for that purpose.

NOW, THEREFORE, for valuable consideration, including the promises and covenants contained herein, the receipt of which is acknowledged, Lessor and Lessee agree as follows:

1. Exhibit A to the Lease was prepared after 12 January 2000. The actual acreage referenced as the premises in Recital E of the Lease, to be described in Exhibit A, is 2.36 acres. Accordingly, Recital E is hereby amended to reference a premises consisting of approximately 2.36 acres.

2. Article XXIV entitled "Additional Provisions Regarding Use", as set forth below, is hereby added to the Lease by this Amendment.

"XXIV

ADDITIONAL PROVISIONS REGARDING USE

"A. Shared Facilities. The expansion of the size of the premises as set forth on Exhibit A from 1.5 to 2.36 acres is to accommodate the improvements required by conditions of approval of this project and the overall Incline Park project and the construction of a parking facility for use by both Lessor and Lessee. Lessee shall have the sole responsibility and obligation to construct a
parking area, in compliance with all appropriate permits and regulations, to accommodate at least seventy-eight (78) vehicles. A pedestrian stairway shall be included for pedestrian access from the lower parking lot to the upper playing fields. Lessee shall present the improvement plans to Lessor for its approval. Construction shall be completed by 31 August 2002. Lessee shall have sole responsibility for maintenance, repair and replacement of the parking improvements, including snow removal, lighting and security. The parking improvements shall be available by both Lessor and Lessee, and their guests and invitees according to use, at all times.

"B. Use of Facility. As partial consideration by Lessee to Lessor for the Lease, Lessor shall have use rights in the facility, as follows:

"1. Lessor shall have the right for use of the large meeting room on twelve (12) days each year, as set forth in Article XIII, Section (A)(3)(c) above. The limitation on people attending, which is specified as one hundred (100) therein, shall be amended to be the maximum number of people that can be accommodated in the facility’s largest meeting room.

"2. Lessor shall have the right of use of all portions of the facility, in the capacity of and to the same extent of use of a Community Collaborator, as set forth in the Business Plan – 2001 attached as Exhibit C, or as it may be thereafter amended or revised in the future.

"C. Modification of Use and Parties.

"1. Lessor is a political subdivision of the State of Nevada, and a legally existing general improvement district. Any successor in interest to Lessor will similarly be a governmental entity, and will be bound to the benefits and obligations of this Lease.

"2. Lessee is a non-profit corporation existing under the laws of the State of Nevada, and enjoys a tax exempt status under Section 501(c)(3) of the Internal Revenue Code. Any successor in interest of Lessee will similarly be a non-profit corporation existing under
the laws of the State of Nevada, and will have a tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

3. Lessee has a stated purpose for the benefit of the community also represented by Lessor, which is an inducement and partial consideration for this Lease. Lessee's purpose and intent is more particularly set forth in its Business Plan – 2001 attached hereto as Exhibit C, and Lessee covenants to continue such purpose and benefit for the duration of this Lease, and as said Business Plan may be amended from time to time in the future. Any material modification to Lessee's purposes and the Business Plan, which would affect Lessee's actions under this Lease, may be made only with Lessor's consent. Any assignment of this Lease, or any portion thereof, by Lessee to any successor requires a written assumption of the benefits and obligations under this Lease, and may be made only upon Lessor's prior written consent.

"D. This Lease will terminate, or the term will not be continued and extended, if these requirements under this Lease are not met, or if Lessor's consent as required herein is not obtained."

3. The Lease dated 12 January 2000 is hereby amended as set forth above. Except as specifically modified as set forth above, the provisions of the Lease are hereby restated, and ratified and confirmed by the parties.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

LESSOR:

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

By: 
Name: Kay Timm 
Title: Chairman, Board of Trustees

By: 
Name: Bob Wolf 
Title: Secretary, Board of Trustees
APPROVED AS TO FORM:

By:  
Name: T. Scott Brooke  
Title: General Counsel, IVGID

LESSEE:

THE PARASOL FOUNDATION, INC. d.b.a. THE PARASOL FOUNDATION OF INCLINE VILLAGE

By:  
Name: Warren Trepp  
Title: Chairman, Board of Directors

By:  
Name: Nanci Goldfarb  
Title: Secretary, Board of Directors

APPROVED AS TO FORM:

By:  
Name: Gino Menchetti  
Title: Attorney for The Parasol Foundation
STATE OF NEVADA  
COUNTY OF Washoe  

On this 3rd day of January, 2002, personally appeared before me, a Notary Public in and for said County and State, Kenneth H. Kineman and Bob Wolf, known to me to be the persons who executed the foregoing Amendment to Lease; who represented that they had the legal authority to sign and execute this Amendment to Lease; and who acknowledged to me that they did so freely, voluntarily and for the uses and purposes therein mentioned.

Anne C. Vorderbruggen
Notary Public

STATE OF NEVADA  
COUNTY OF Washoe  

On this 24th day of January, 2002, personally appeared before me, a Notary Public in and for said County and State, Warren Trepp and ___________________________, known to me to be the persons who executed the foregoing Amendment to Lease; who represented that they had the legal authority to sign and execute this Amendment to Lease; and who acknowledged to me that they did so freely, voluntarily and for the uses and purposes therein mentioned.

Kathleen Newby
Notary Public
D.W. Reynolds Non-Profit Center

Feasibility Report

Attachment 4

2009 Business Plan for the Donald W. Reynolds Community Non-Profit Center
DONALD W. REYNOLDS COMMUNITY
NON-PROFIT CENTER

BUSINESS PLAN
2009
Mission Statement

The mission of the Parasol Tahoe Community Foundation is to be a unique foundation that serves the Lake Tahoe community by promoting non-profit collaboration and philanthropy.

Purpose Statement

The purpose of the Donald W. Reynolds Community Non-Profit Center is to provide an economical and collaborative environment for non-profit organizations.

Executive Summary

The Parasol Tahoe Community Foundation's (PTCF) vision is to change behavior; by promoting an entrepreneurial model for non-profit management through collaborative efforts which effectively utilize limited community resources and by supporting the charitable passions of informed and engaged donors. To promote collaboration, PTCF committed to creating and operating a purpose-built community non-profit center, the Donald W. Reynolds Community Non-Profit Center (DWR Center), which provides an economical and collaborative environment for non-profits. To promote engaged philanthropy and build a strong community, PTCF created a community foundation which provides donors with a variety of charitable giving options, investment expertise and an informational resource regarding community needs.

The opening of the DWR Center in August of 2002 was the result of a collaborative partnership. With a grant of $6.6 million from the Donald W. Reynolds Foundation for building construction and a generous lease arrangement from the Incline Village General Improvement District for the 2.36 acre parcel of land, PTCF was able to realize its goal of creating a single facility that brings together non-profit organizations with an emphasis on collaboration. By successfully operating the DWR Center, PTCF not only subsidizes overhead costs of local non-profits, it also actively encourages collaboration by utilizing the DWR Center as a motivational tool. Additionally, PTCF supports the Parasol Community Collaboration (PCC), an association of over 55 local non-profit agencies collaborating in an effort to provide effective and efficient programs and services, as another method of bringing local organizations together for community benefit.

As a community foundation, PTCF provides services, programs and events that inform and engage both donors and community members at large. PTCF provides community leadership and assists in connecting resource providers with local agencies dedicated to fulfilling community needs.

PTCF and the DWR Center continue to grow and evolve. While promoting non-profit collaboration through support of the Parasol Community Collaboration and its members is a cornerstone of the PTCF mission, PTCF continues to extend its reach to support the community as a whole. By providing opportunities and resources for additional non-profit agencies and other organizations that may partner with these agencies, as well as providing PTCF-hosted events, PTCF seeks to create a better informed and more engaged community.
PARASOL TAHOE COMMUNITY FOUNDATION
OPERATING GOALS FOR
THE DONALD W. REYNOLDS COMMUNITY NON-PROFIT CENTER

Goal #1 Operate the DWR Center in a Sustainable Manner

Since 2002 the Parasol Tahoe Community Foundation has effectively and efficiently operated and maintained the DWR Center as a first class facility. Additionally, PTCF successfully invests and manages two funds that support the operations of the DWR Center: the Carla Hanson Memorial Endowment Fund (CHMEF), which provides the necessary operating funds for the DWR Center and the Capital Replacement Fund (CRF), which provides for replacement costs for capital expenditures. Both funds are reported in the PTCF annual audited financial statements. As required by the construction grant awarded PTCF by the Donald W. Reynolds Foundation, the CRF was fully funded May 8, 2006. A letter indicating that PTCF has met this grant requirement has been issued by the Donald W. Reynolds Foundation (Attachment A). DWR Center operating budgets for five years (three years actual and two years projected) show that the center is operated efficiently (Attachment B). PTCF continually strives to increase the CHMEF through both securing contributions and investing the fund for long term growth.

Goal #2 Reduce Non-Profit Organization Overhead Expenses

PTCF provides affordable office space within the DWR Center for individual non-profit agencies with a variety of missions. Rather than using funds for overhead costs, these agencies allocate funding to their programs thereby enhancing services to the community and positively impacting each organization’s capacity and sustainability. The application process for office space requires the non-profit organization to submit a Letter of Interest to PTCF. Upon successful review by the PTCF Board of Directors, the applicant agency is invited to submit a comprehensive DWR Center Resident Grant Application and to participate in a site visit by members of the PTCF board and staff. All applicants must meet outlined resident selection criteria (Attachment C). Once agencies have been awarded office space, they are required to sign a lease agreement and complete annual renewal applications. The PTCF Board of Directors has sole authority over approving new and renewal DWR Center Resident Grant applications. To determine the effectiveness of the DWR Center cost savings for resident agencies, PTCF annually tracks the value of office space provided, the types of agencies residing in the DWR Center and their missions. Also, PTCF collects resident agency input on how DWR Center residency has impacted their organization’s operation.
Goal #3 Promote Non-Profit Collaboration

As a strategy to promote non-profit collaboration, the PTCF catalyzed and fostered the creation and development of the Parasol Community Collaboration (PCC). PTCF is committed to supporting active member organizations of the PCC that are in good standing, as determined by the PCC Management Team. Currently, PCC members in good standing are defined by the PCC Management Team as those organizations that: are recognized by the IRS as tax exempt (public charities, service clubs, government agencies, churches or schools); provide service to, or intend to expand service to or currently have offices in the Incline Village/Crystal Bay/Kings Beach community; are current on PCC membership dues; and attend PCC meetings. Active PCC members are given priority access to DWR Center meeting rooms, training facilities and storage space. In order to operate the DWR Center in a collaborative and productive manner, all PCC member agencies agree to follow guidelines outlined in the DWR Center Room Use Agreement for PCC Members (Attachment D) and agree to the Fee Schedule for PCC Members (Attachment E). The Use Agreement obligates organizations using the DWR Center, their employees, volunteers, clients and visitors to use the DWR Center property in a clean, careful, safe, and proper manner and to comply with all applicable laws, ordinances, orders, rules and regulations of all governmental bodies (state, federal and municipal). PTCF determines the effectiveness of the DWR Center as a non-profit resource and collaboration tool by tracking the value of meeting room usage (including the number of meetings and participants), the value of storage space provided (including the number of agencies using storage spaces) and the number and type of PCC organizations that are actively collaborating.

Goal #4 Increase DWR Center Usage

Any organization recognized by the IRS as tax exempt, is allowed to use the DWR Center meeting rooms and training facilities at a reduced market rate. This provides a number of benefits: reduced program costs, more agencies become knowledgeable about the Parasol model, PCC membership is promoted and the Parasol Tahoe Community Foundation is provided income. These tax exempt organizations are required to sign a Room Rental Agreement which includes a rental fee schedule (Attachment F). The PTCF tracks the number and type of non-PCC tax exempt agencies using the DWR Center and the income produced by rental fees.

Goal #5 Encourage Philanthropy and Community Engagement

Within the DWR Center, the Parasol Tahoe Community Foundation continues to host meetings, seminars and events that encourage philanthropy and enhance community well being. These events are those that support the Parasol mission. In addition, Parasol rents meeting rooms and training facilities to organizations at full market rates. These organizations are required to sign a Room Rental Agreement which includes a rental fee schedule (Attachment F). Income from these rentals provides direct support for the Parasol Tahoe Community Foundation, a public charity, and assists in its sustainability. PTCF tracks the number and type of organizations using the DWR
Center and the income produced by rental fees. In addition, PTCF publishes an annual report which provides information on its activities and accomplishments that further its stated mission.

**Reporting to Partners on DWR Center Operations**

The Parasol Tahoe Community Foundation reports to the Donald W. Reynolds Foundation on an annual basis. The report includes: PTCF audited financial statements, PTCF annual report, update on the Capital Replacement Fund use and expected usage, and a written narrative outlining building usage.

The Parasol Tahoe Community Foundation reports to the Incline Village General Improvement District on an annual basis in April of each year. The report includes: PTCF audited financial statements, PTCF annual report and a written narrative outlining building usage. The report will be presented to the IVGID Board of Trustees at their regular meeting.
ATTACHMENTS

A: Donald W. Reynolds Foundation letter regarding Capital Replacement Fund

B: DWR Center Operating Budgets

C: Resident Selection Criteria

D: DWR Center Room Use Agreement for Parasol Community Collaboration Members

E: Fee Schedule for Parasol Community Collaboration Members

F: DWR Center Rental Agreement & Fee Schedule
DONALD W. REYNOLDS FOUNDATION

July 17, 2006

Gerry Eick
Chief Financial Officer
Parasol Foundation, Inc.
948 Incline Way
Incline Village, NV 89451-9527

Dear Mr. Eick:

We were pleased to receive your January 15, 2006 Quarterly Report – Confidential Update on Restricted Fund for the period ending December 31, 2005. We have also reviewed your May 8, 2006 letter and its supporting documentation, showing that Parasol Foundation, Inc.’s Restricted Fund for Building Maintenance requirement of $1,324,300 has been fully funded in cash. Congratulations on achieving this important goal. We believe this achievement further strengthens your organization and places it in a better position to maintain your building in a first class manner.

With this goal having been met, we want to remind you to keep us informed on the continuing success of the project by sending an Annual Report, as defined in Section 1.17 of your Capital Grant Agreement and in Phil’s January 16, 2006 letter. Please send your reports to Phil Thomas, the Foundation’s Senior Program Officer responsible for capital grant implementation. Should you have any questions regarding this request, please contact Phil at (702) 804-6000.

We wish you continued success and look forward to hearing from you annually.

Sincerely,

[Signature]
Steven L. Anderson
President
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| Personnel Costs      | 122,604         | 111,356         | 119,024         | 123,591         | 123,591         |

| Building Operating Costs |             |                 |                 |                 |                 |
| Building Maintenance   | 9,883        | 10,301          | 8,051           | 15,145          | 15,145          |
| Building Maintenance Supplies | 18,186      | 11,450          | 11,120          | 10,535          | 10,535          |
| Utilities             | 57,878        | 58,407          | 54,536          | 61,550          | 61,550          |
| Security Alarm & Monitoring | 360         | 1,066           | 374             | 1,160           | 1,160           |
| Insurance             | 12,783        | 14,483          | 16,669          | 16,235          | 16,235          |
| Telephone (net of reimbursements) | 26,396   | 21,481          | 17,616          | 18,000          | 18,000          |
| Computer Services     | 10,508        | 9,096           | 13,106          | 13,000          | 13,000          |
| Snow Removal          | 12,725        | 7,577           | 19,162          | 14,000          | 14,000          |
| Landscaping           | 4,307         | 12,193          | 8,866           | 8,000           | 8,000           |
| Internet Access Fees  | 2,325         | 2,707           | 3,767           | 3,780           | 3,780           |
| Copy Machine (net of reimbursements) | 3,684    | 3,430           | 10,516          | 15,218          | 15,218          |
| Postage Meter (net of reimbursements) | 5,936   | 4,503           | 4,522           | 6,424           | 6,424           |
| Conferences & Training | 456          | 31              | 149             | 700             | 700             |
| Total Operating Costs | 165,428       | 156,724         | 188,253         | 183,747         | 183,747         |

| Increase(Decrease)   | 0             | 0               | 0               | 0               | 0               |
The mission of the Parasol Tahoe Community Foundation (PTCF) is to be a unique foundation that serves the Lake Tahoe community by promoting non-profit collaboration and philanthropy. To promote collaboration, PTCF is committed to creating and operating a purpose-built community non-profit center, the Donald W. Reynolds Community Non-Profit Center (DWR Center). The purpose of the DWR Center is to provide an economical and collaborative environment for non-profit organizations. PTCF provides affordable office space within the DWR Center for individual non-profit agencies with a variety of missions. Rather than using funds for overhead costs, these resident agencies allocate funding to their programs thereby enhancing services to the community and positively impacting their organization's capacity and sustainability.

To be considered for DWR Center residency, an applicant agency must adhere to the following operating standards of excellence:

1. Agency possesses a letter of exemption for federal taxes under Section 501(C)3 of the Internal Revenue Code and maintains its tax-exempt status.

2. Agency is incorporated as a non-profit under the laws of the state of Nevada, state of California or the U.S. Congress.

3. Agency complies with all applicable laws and regulations regarding the operation of the organization.

4. Governing authority must be held by a volunteer Board of Directors of at least five members.

5. Agency has a policy and/or guidelines addressing material conflicts of interest involving board members and staff.

6. Board meetings are held at least once per calendar quarter.

7. Minutes of all Board of Director meetings are recorded, distributed and maintained in agency files.

8. The Board of Directors appoints or ratifies the selection of the agency's Executive Director or equivalent.

9. No voting board member is employed by the organization unless such employment is provided for in the agency's charter or articles of incorporation.

10. Agency has developed a written code of ethics for its governance and operation.

11. All board members make a financial or in-kind contribution to the agency.
12. Agency board members receive written job descriptions, board training, orientation and development opportunities.

13. Financial management and reporting comply with generally accepted accounting principles.

14. Agency’s annual operating budget is balanced. (Any variance must be explained)

15. If total annual operating budget is $500,000 or greater, agency conducts an annual internal audit prepared by an independent Certified Public Accountant who follows AICPA standards.

16. The proportion of the agency’s operating budget expended on fundraising and management and general (non-program administration), collectively, does not exceed twenty five percent.

17. Programs and services of the agency are directly related to the accomplishment of the agency’s mission.

18. Agency pursues collaborative efforts in order to avoid unnecessary duplication of programs, services and functions.

19. Programs and services of the agency are made available and accessible to all Incline Village/Crystal Bay/Kings Beach residents, consistent with the agency’s mission and objectives without regard to race, religion, nationality, gender, age, ability/disability, sexual preference or country of origin.

20. Agency actively participates in at least one Parasol Community Collaboration team area; Arts, Culture & Heritage; Education & Youth Development; Environment and/or Social Services.

The Parasol Tahoe Community Foundation reserves the right to decide which organizations are residents of the Donald W. Reynolds Community Non-Profit Center.
This agreement is entered into the ______ day of __________, 20____ between the Parasol Tahoe Community Foundation, hereinafter called the FOUNDATION and
________________________, a member of the Parasol Community Collaboration, hereinafter called GRANTEE. This agreement is for the use of meeting room space within the Donald W. Reynolds Community Non-Profit Center (DWR Center).

1. **Description of Rental:** (check one)
   □ The Grantee desires to use various DWR Center meeting rooms at various times throughout calendar year ______, starting on the date listed above.
   
   OR
   
   □ The Grantee desires to use the ____________________________ for their event,  
   ____________________________ . The event shall commence on __________, 20____ at ______ am/pm through __________, 20____ at ______ am/pm.

   For events or meetings requiring special arrangements, please contact the Building Manager at least seven days in advance.

2. **Certificate of Insurance:** Prior to using the DWR Center, Grantee shall supply the Foundation with a certificate of liability insurance in the minimum amount of $1,000,000 naming the Parasol Tahoe Community Foundation as an additional insured. Grantee’s insurance must be through an insurance company qualified to do business in the state of Nevada. The insurance will be for the length of the agreement, and it will be at the Grantee’s sole cost and expense.

3. **Deposits:** The Grantee must pay a deposit of $100 for meeting room use. An additional deposit of $100 will be required for kitchen use. Deposits, in the form of a check payable to the Parasol Tahoe Community Foundation, are due seven business days prior to DWR Center use.

4. **Damage to Property:** The DWR Center must be left in a clean and undamaged condition. It is the responsibility of the Grantee to leave the DWR Center in the same condition in which it was found. Cleaning, damage and/or repairs to the property, and the work and expense to undertake same, shall be solely determined by the Foundation at the conclusion of use and the expense for same shall be at the sole cost to the Grantee. The Grantee is responsible for the actions of its staff, agents, invitees, guests, subcontractors and/or other persons brought onto premises by Grantee.

5. **Refunds of Deposits for Annual Use:** Upon written request, the Foundation shall return to the Grantee the full amount of deposits, less any expense for losses, replacement, damages, repairs and/or cleaning charges. The Foundation shall have
sole discretion in determining charges for replacements, cleaning, damages and/or repairs.

6. **Refunds of Deposits for Single Event Use:** The Foundation shall return to the Grantee the full amount of deposits, less any expense for losses, replacement, damages, repairs and/or cleaning charges. The Foundation shall have sole discretion in determining charges for replacement, cleaning, damages and/or repairs. At the conclusion of the event, any assessed fees for damages shall be the sole responsibility of the Grantee. If the event is cancelled, the Grantee's deposit will be refunded in full.

7. **Personal Property:** The Foundation is not responsible for any damages or loss of Grantee's or their guest's personal property or equipment.

8. **Catering:** Grantee is responsible for outside catering, transportation, and any extra furniture or equipment needed. The Grantee may reserve the DWR Center kitchen for catering or food preparation (additional deposit required, see #3 above). If the Grantee engages the services of a caterer, the Grantee is required to have the caterer provide the Foundation with a certificate of liability insurance in the minimum amount of $1,000,000 naming the Parasol Tahoe Community Foundation as an additional insured. The caterer's insurance must be through an insurance company qualified to do business in the state of Nevada. The insurance will be for the length of the event and it will be at no cost to the Foundation. The Foundation reserves the right to refuse any caterer access to the DWR Center at any time. The Foundation is not responsible for any losses, damages and/or cleaning required as the result of caterer's activities.

9. **Special Event/Temporary License:** As per Washoe County, Nevada code, organizations hosting events that are open to the public and involve fund raising activities must procure a Special Event/Temporary License issued by Washoe County, Nevada. Applications to the county must be made, at minimum, 30 days in advance of the event.

10. **Animals:** No pets/animals are allowed in the DWR Center other than legally allowed assist animals.

11. **Drug & Smoke Free Facility:** No illegal drugs are allowed in the DWR Center or on the grounds at any time. The DWR Center is a smoke-free facility. Smoking is allowed only on the patio with the proper use of receptacles required.

12. **Alcohol Policy:** The sale of alcohol is prohibited anywhere on DWR Center property. The Foundation neither supplies nor serves alcoholic beverages. Grantee or its retained caterer may supply and serve alcoholic beverages to Grantee's adult guests of legal age within the DWR Center and on the deck area, but not on parking lot or surrounding areas. Grantee's guests may not bring alcohol onto the property of the DWR Center. Caterers serving alcoholic beverages must have a current Washoe County, Nevada liquor license and agree to the terms of this Use Agreement and the Foundation's rules and regulations for alcoholic beverage consumption. In addition to complying with all applicable State and County ordinances, the Grantee must ensure that:

- Any person serving an alcoholic beverage will first check the photo identification of the person being served to confirm they are at least 21 years of age
• No alcoholic beverages are to be served to under-age persons
• No alcoholic beverages are to be served to an intoxicated person
• No kegs, honor bars or self-service bars are permitted
• No open bottles are placed for self-service of alcohol.

The Foundation reserves the right to limit alcohol service to prescribed times and/or terminate the serving and consumption of alcohol at any time without notice.

13. Equipment: Grantee agrees that all programs and sound systems shall be reviewed and approved by DWR Center Building Manager prior to the event. No loud sound systems that constitute nuisance or unreasonable annoyance to owners or neighbors are allowed. Grantee will be responsible for kitchen equipment use. A checklist of kitchen equipment inventory will be approved by DWR Center Building Manager prior to refunding any kitchen deposit. Any inventory lost or damaged will be replaced at the expense and cost of the Grantee.

14. Room Arrangement: Should the Grantee require that furniture be reconfigured, arrangements need to be made with the Building Manager, at minimum, five business days in advance of event to schedule this service. A separate fee will be charged for this service (see fee schedule).

15. Decorations, Signs and Displays: All decorations, signs, and displays are subject to the Foundation’s approval. All signs must be printed in a professional manner; affixing anything to the walls, floors or ceilings in a manner that causes damage is prohibited. No decorations with an open flame, confetti/glitter and/or smoke/fog machines are allowed at any time.

16. After Hours Access: Grantee is responsible for securing the DWR Center when leaving the premises. (See DWR Center User Handbook for PCC Members for details.)

17. Parasol Community Collaboration Member Status: This Use Agreement is made with the understanding that the Grantee is an active member of the Parasol Community Collaboration (PCC) in good standing, as determined by the Parasol Community Collaboration Board of Directors. To continue to receive the benefit of DWR Center use, the Grantee must maintain its PCC member status in good standing. The Grantee agrees to use the DWR Center only for activities that further the purposes of its mission. The Grantee is not allowed to reserve meeting rooms on behalf of other organizations. The Foundation reserves the right to refuse DWR Center access to anyone without notice.

18. Indemnification: Grantee shall indemnify, defend and hold harmless the Foundation, its officers, directors, and all controversies, causes of action, rights of actions, demands, costs, expenses, attorney’s fees, damages and any other liabilities of any kind whatsoever resulting from any actions on the employees, affiliates, any related predecessor or successor and insurance companies from any part of the Grantee, its employees, agents, invitee’s, guests, subcontractors, or any other persons brought onto the premises by Grantee in connection with the meeting or event for performance or non-performance under the Agreement or the event.

19. Use of Property: This agreement obligates any organization using the DWR Center, their employees, volunteers, clients and visitors to use the DWR Center property in a
clean, careful, safe, and proper manner and to comply with all applicable laws, ordinances, orders, rules, and regulations of all governmental bodies (state, federal, and municipal).

20. Failure to Comply: Failure to comply with the above rules may result in additional charges assessed to the Grantee, as well as immediate eviction and/or the forfeiture of future use of the DWR Center.

Acknowledging that they each, separately, have read, understand and agree to the terms and conditions set forth in the Room Use Agreement, DWR Center User Handbook for Parasol Community Collaboration (PCC) members and PCC member DWR Center fee schedule, each party signs below:

Parasol Community Collaboration member organization

Grantee Authorized Signature               Printed Name               Date

Print Grantee Organization's Name

Grantee contact name               Email               Phone

Parasol Tahoe Community Foundation

Authorized Signature               Printed Name               Date

Note: Upon execution of this agreement, a copy will be provided to the Grantee.
## DWR Center Fee Schedule
For Parasol Community Collaboration Members

### Deposits
- **Room Use Cleaning Deposit**: $100
- **Kitchen Use Deposit**: $100

### Fees
- **Room Arrangement Fee**: $200  
  *(Charge for reconfiguration of Trepp and/or Meiling rooms that require special furniture arrangements.)*
- **Postage**: charged for actual postage used
- **Copies**
  - 7655 (upstairs): $.49 per page for color, $.20 per page for black & white
  - 5665 (upstairs): $.06 per page
  - 5050 (downstairs): $.06 per page

### Fees for Resident Agencies Only
- **Phone**: charged for long distance phone use
- **Equipment Replacement Fee (ERF)**: as outlined in the Donald W. Reynolds Community Non-Profit Center Lease Agreement.

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All fees are subject to change without notice upon approval by the Parasol Tahoe Community Foundation Board of Directors.
Room Rental Agreement
For
Donald W. Reynolds Community Non-Profit Center

This rental agreement is entered into the _____ day of __________, 20____ between
the Parasol Tahoe Community Foundation, hereinafter called the LESSOR and
__________________________, hereinafter called the LESSEE. This
agreement is for the rental of meeting room space within the Donald W. Reynolds
Community Non-Profit Center (DWR Center).

1. **Description of Rental:**
The Lessee desires to use the __________________ for their event,

__________________________. The event shall commence on

_______, 20____ at _____ am/pm through __________, 20____ at

_______ am/pm.

2. **Certificate of Insurance:** Prior to using the DWR Center, Lessee shall supply a
certificate of liability insurance in the minimum amount of $1,000,000 naming the
Parasol Tahoe Community Foundation as an additional insured. Lessee’s
insurance must be through an insurance company qualified to do business in the
state of Nevada. The insurance will be for the length of the agreement, and it will
be at the Lessee’s sole cost and expense.

3. **Deposits:** The Lessee must pay a deposit of $100 for meeting room use. An
additional deposit of $100 will be required for kitchen use. Deposits, in the form
of a check payable to the Parasol Tahoe Community Foundation, are due when
this agreement is signed or at least seven business days prior to DWR Center
use.

4. **Damage to Property:** The DWR Center must be left in a clean and undamaged
condition. It is the responsibility of the Lessee to leave the DWR Center in the
same condition in which it was found. Cleaning, damage and/or repairs to the
property, and the work and expense to undertake same, shall be solely
determined by the Lessor at the conclusion of use and the expense for same
shall be at the sole cost to the Lessee. The Lessee is responsible for the actions
of its staff, agents, invitees, guests, subcontractors and/or other persons brought
onto premises by Lessee.

5. **Refunds of Deposits:** Upon request, the Lessor shall return to the Lessee the
full amount of deposits, less any expense for losses, replacement, damages,
repairs and/or cleaning charges. The Lessor shall have sole discretion in
determining charges for replacement, cleaning, damages and/or repairs. At the
conclusion of the event, any assessed fees for damages shall be the sole
responsibility of the Lessee. If the event is cancelled, the Lessee’s deposit will
be refunded in full.
6. **Personal Property:** The Lessor is not responsible for any damages or loss of Lessee’s or their guest’s personal property or equipment.

7. **Catering:** Lessee is responsible for outside catering, transportation, and any extra furniture or equipment needed. The Lessee may reserve the DWR Center kitchen for catering or food preparation (additional deposit required, see #3 above). If the Lessee engages the services of a caterer, the Lessee is required to have the caterer provide the Lessor a certificate of liability insurance in the minimum amount of $1,000,000 naming the Parasol Tahoe Community Foundation as an additional insured. The caterer’s insurance must be thorough an insurance company qualified to do business in the state of Nevada. The insurance will be for the length of the event and it will be at no cost to the Lessor. The Lessor reserves the right to refuse any caterers access to the DWR Center at any time. The Lessor is not responsible for any losses, damages and/or cleaning required as the result of caterer’s activities.

8. **Special Event/Temporary License:** As per Washoe County, Nevada code, organizations hosting events that are open to the public and involve business activities, including fund raising activities, must procure a Special Event/Temporary License issued by Washoe County, Nevada. Applications to the county must be made, at minimum, 30 days in advance of the event.

9. **Animals:** No pets/animals are allowed in the DWR Center other than legally allowed assist animals.

10. **Drug & Smoke Free Facility:** No illegal drugs are allowed in the DWR Center or on the grounds at any time. The DWR Center is a smoke-free facility. Smoking is allowed only on the patio with the proper use of receptacles required.

11. **Alcohol Policy:** The sale of alcohol is prohibited anywhere on DWR Center property. The Lessor neither supplies nor serves alcoholic beverages. Lessee or its retained caterer may supply and serve alcoholic beverages to Lessee’s adult guests of legal age within the DWR Center and on the deck area, but not on parking lot or surrounding areas. Lessee’s guests may not bring alcohol onto the property of the DWR Center. Caterers serving alcoholic beverages must have a current Washoe County, Nevada liquor license and agree to the terms of this Rental Agreement and the Lessor’s rules and regulations for alcoholic beverage consumption. In addition to complying with all applicable State and County ordinances, the Lessee must ensure that:

- Any person serving an alcoholic beverage will first check the photo identification of the person being served to confirm they are at least 21 years of age
- No alcoholic beverages are to be served to under-age persons
- No alcoholic beverages are to be served to an intoxicated person
- No kegs, honor bars or self-service bars are permitted
- No open bottles are placed for self-service of alcohol.

The Lessor reserves the right to limit alcohol service to prescribed times and/or terminate the serving and consumption of alcohol at any time without notice.
12. Equipment: Lessee agrees that all programs and sound systems shall be reviewed and approved by DWR Center Building Manager prior to the event. No loud sound systems that constitute nuisance or unreasonable annoyance to owners or neighbors are allowed. Lessee will be responsible for kitchen equipment use. A checklist of kitchen equipment inventory will be approved by DWR Center Building Manager prior to refunding any kitchen deposit. Any inventory lost or damaged will be replaced at the expense and cost of the Lessee.

13. Room Arrangement: Should the Lessee require that furniture be reconfigured, arrangements need to be made with the Building Manager, at minimum, seven business days in advance of event to schedule this service. A separate fee will be charged for this service (see fee schedule).

14. Decorations, Signs and Displays: All decorations, signs, and displays are subject to the Lessor's approval. All signs must be printed in a professional manner; affixing anything to the walls, floors or ceilings in a manner that causes damage is prohibited. No decorations with an open flame, confetti/glitter and/or smoke/fog machines are allowed at any time.

15. After Hours Access: Lessee is responsible for securing the DWR Center when leaving the premises. (See Building Manager for details.)

16. Indemnification: Lessee shall indemnify, defend and hold harmless the Lessor, its officers, directors, and all controversies, causes of action, rights of actions, demands, costs, expenses, attorney's fees, damages and any other liabilities of any kind whatsoever resulting from any actions on the employees, affiliates, any related predecessor or successor and insurance companies from any part of the Lessee, its employees, agents, invitee's, guests, subcontractors, or any other persons brought onto the premises by Lessee in connection with the meeting or event for performance or non-performance under the Agreement or the event.

17. Use of Property: This agreement obligates any organization using the DWR Center, their employees, volunteers, clients and visitors to use the DWR Center property in a clean, careful, safe, and proper manner and to comply with all applicable laws, ordinances, orders, rules, and regulations of all governmental bodies (state, federal, and municipal).

18. Failure to Comply: Failure to comply with the above rules may result in additional charges assessed to the Lessee, as well as immediate eviction and/or the forfeiture of future use of the DWR Center.
Acknowledging that they each, separately, have read, understand and agree to the terms and conditions set forth in the Room Rental Agreement, and fee schedule, each party signs below:

<table>
<thead>
<tr>
<th>Lessee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessee Authorized Signature</td>
</tr>
<tr>
<td>Print Lessee Organization's Name</td>
</tr>
<tr>
<td>Lessee contact name</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parasol Tahoe Community Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized Signature</td>
</tr>
</tbody>
</table>

Note: Upon execution of this agreement, a copy will be provided to the Lessee.
DWR Center Fee Schedule

**Deposits**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Use Cleaning Deposit</td>
<td>$100</td>
</tr>
<tr>
<td>Kitchen Use Deposit</td>
<td>$100</td>
</tr>
</tbody>
</table>

**Room Rental Fees**

<table>
<thead>
<tr>
<th></th>
<th><strong>Tax Exempt Organizations</strong></th>
<th><strong>Non Tax Exempt Organizations</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trepp Room</td>
<td>$75 per hour</td>
<td>$150 per hour</td>
</tr>
<tr>
<td>Meiling Room</td>
<td>$75 per hour</td>
<td>$150 per hour</td>
</tr>
<tr>
<td>Founder's Board Room</td>
<td>$50 per hour</td>
<td>$100 per hour</td>
</tr>
<tr>
<td>Meeting Room</td>
<td>$25 per hour</td>
<td>$50 per hour</td>
</tr>
<tr>
<td>Kitchen</td>
<td>$75 per hour</td>
<td>$150 per hour</td>
</tr>
</tbody>
</table>

*Organization must be able to provide proof of tax exempt status with the IRS or their state of incorporation.*

**Additional Fees**

<table>
<thead>
<tr>
<th>Service</th>
<th>Fee Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Arrangement Fee</td>
<td>$200 (Services available Mon-Fri, 8am to 4pm) (Charge for reconfiguration of Trepp and/or Meiling rooms that require special furniture arrangements.)</td>
</tr>
<tr>
<td>FAX Service</td>
<td>$5 per FAX transmission</td>
</tr>
<tr>
<td>Copies</td>
<td>$5 per job plus per page charges below</td>
</tr>
<tr>
<td></td>
<td>7655 (upstairs) $.49 per page for color</td>
</tr>
<tr>
<td></td>
<td>5665 (upstairs) $.20 per page for black &amp; white</td>
</tr>
<tr>
<td></td>
<td>5050 (downstairs) $.06 per page</td>
</tr>
</tbody>
</table>

All fees are subject to change without notice upon approval by the Parasol Tahoe Community Foundation Board of Directors.
D.W. Reynolds Non-Profit Center

Feasibility Report

Attachment 5

IVGID Board of Trustees Policy (Policy Number 7.1.0)
Budgeting and Fiscal Management
Appropriate Level of Fund Balance
Policy 7.1.0

POLICY. The District will maintain a formal practice on the level of Fund Balance that should be maintained in the General and Special Revenue Funds.

The adequacy of Unassigned Fund Balance in the General Fund should be assessed based upon the District’s own specific circumstances. (Nevertheless, the Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain Unassigned Fund Balance in their General Fund of no less than five to fifteen percent of regular General Fund operating revenues.) The Nevada Administrative Code (NAC 354.650) requires a budgeted fund balance of 4%, based on the actual expenditures of the General Fund’s previous fiscal year.

Building “stabilization arrangements” in the General Fund is an acknowledged purpose in response to revenue shortfalls and unanticipated expenditures.

The District employs the term “fund balance” to describe the net position of governmental funds calculated in accordance with Generally Accepted Accounting Principles (GAAP) at the individual fund level. Budget professionals commonly use this same term to describe the net position of governmental funds calculated on a government’s budgetary basis. In both cases, fund balance is intended to serve as a measure of the financial resources available for use in a governmental fund type.

Financial reporting distinguishes restricted fund balance from unassigned and unrestricted fund balance. Typically, only the latter is available for spending. A “stabilization arrangement” indicates a designated portion of unassigned or unrestricted fund balance is subject to an action by the governing body concerning the use of that amount.
D.W. Reynolds Non-Profit Center

Feasibility Report

Attachment 6
Appraisal dated January 16, 2017
AN APPRAISAL
OF THE REPLACEMENT COST NEW LESS DEPRECIATION OF THE

DONALD W. REYNOLDS
COMMUNITY NON-PROFIT CENTER

LOCATED AT
948 INCLINE WAY, INCLINE VILLAGE,
WASHOE COUNTY, NEVADA

OWNED BY AND APPRAISED FOR
THE PARASOL TAHOE COMMUNITY FOUNDATION, INC. (LEASEDEHOLD INTEREST)
An Appraisal Of The Replacement Cost New Less Depreciation Of The

Donald W. Reynolds
Community Non-Profit Center

Located At
948 Incline Way, Incline Village,
Washoe County, Nevada

Owned By and Appraised For

The Parasol Tahoe Community Foundation, Inc.
(Leasehold Interest)

For The Purpose Of Estimating
Replacement Cost New Less Depreciation
As Of
January 16, 2017
February 16, 2017

Ms. Claudia Andersen  
Parasol Tahoe Community Foundation  
948 Incline Way  
Incline Village, NV 89451

Re: Replacement Cost New Less Depreciation of the Donald W. Reynolds Community Non-Profit Center located at 948 Incline Way in Incline Village, Washoe County, Nevada

Dear Ms. Andersen:

This is in response to your request for an estimate of the Replacement Cost New Less Depreciation of the Donald W. Reynolds Community Non-Profit Center located in Incline Village, Washoe County, Nevada. The property is situated at 948 Incline Way. The underlying land is owned by Incline Village General Improvement District, which is a quasi-municipal corporation formed under NRS 318.010. The lessee and holder of the leasehold interest in the underlying land is The Parasol Tahoe Community Foundation, Inc., a Nevada nonprofit corporation. The Parasol Tahoe Community Foundation, Inc. constructed the existing improvements located on-site at its sole cost and presently owns and operates the existing improvements subject to the terms and conditions of a long term land lease.

The land lease commenced on January 12, 2000 for an initial term of 30 years. The lessee has three 23-year options to renew/extend the land lease. The existing rent paid for the land is $1 per year. Pursuant to the land lease, the use of the premises is limited to

www.johnsonvaluationgroup.com
“conducting tharon a nonprofit center, and related activities, seminars, workshops, lectures, and occasional fundraising events.” There is also a restrictive covenant encumbering the underlying land limiting use of the site. This document is Dated November 16, 1977 and have been twice amended, the most recent on July 1, 1999. The Covenants, Conditions and Restrictions limit the use of the subject property to “park and recreational and related purposes and for no other purpose”. The 1999 amendment reiterates the foregoing mentioned restriction, excepting however, “the construction of a building for the use of the Parasol Foundation, Parasol Foundation collaborators or the Parasol Foundation legal successors.”

The Donald W. Reynolds Community Non-Profit Center was originally constructed in 2002. The subject property was intended to be utilized to further the mission of the Parasol Tahoe Community Foundation. The subject building is two stories with steel beam and wood frame construction. The building includes the following gross building areas based on plans provided by the building owner. The property will be more completely described in the following report.

<table>
<thead>
<tr>
<th>Building Areas (Per Building Plans)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First Floor</td>
<td>15,682± s.f.</td>
</tr>
<tr>
<td>Second Floor</td>
<td>15,523± s.f.</td>
</tr>
<tr>
<td>Total Building Area</td>
<td>31,205± s.f.</td>
</tr>
</tbody>
</table>

The purpose of this appraisal is to estimate the Replacement Cost New Less Depreciation of the subject’s existing building. The intended use and users of this report is to assist the board of the Parasol Tahoe Community Foundation in internal decision making relative to the replacement cost and Replacement Cost New Less Depreciation of the existing building. Any other use or user of this appraisal report is prohibited without the prior written authorization of the undersigned.

1 It is noted that the scope of this appraisal omits any consideration of existing personal property located on-site and/or within the existing subject building.
This is a narrative appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice*, and has been completed in conformity with and subject to the requirements of the *Code of Ethics and Standards of Professional Practice of The Appraisal Institute*. This report sets forth the pertinent data, statistics and other information considered necessary to establish the Replacement Cost New Less Depreciation of the subject’s existing building.

The conclusions presented herein are derived through an analysis and correlation of the data set forth in the following report. The subject property was personally inspected by the undersigned in January of 2017. I attest that I have the knowledge and experience necessary to complete this appraisal assignment and have appraised this type of property many times before. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in the accompanying appraisal report.

After careful consideration of all data available and upon thorough personal inspection of the subject property, it is opined that the Replacement Cost New Less Depreciation of the subject’s existing building, as of January 16, 2017, is:

**REPLACEMENT COST NEW LESS DEPRECIATION CONCLUSION**  
$9,650,000

(Donald W. Reynolds Community Non-Profit Center  
31,205± square feet)

Respectfully submitted,

Benjamin Q. Johnson

Benjamin Q. Johnson, MAI  
Nevada Certified General Appraiser  
License Number A.0205542-CG
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Title Page
Letter of Transmittal
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Standard Assumptions and Limiting Conditions
Appraisers' Qualifications
PROPERTY SUMMARY AND IDENTIFICATION

Current Name
Donald W. Reynolds
Community Non-Profit Center

Address
948 Incline Way, Incline Village,
Washoe County, Nevada

Assessor’s Parcel Number
2.36± acre portion of 127-030-15

 Owners of Record
Leased Fee Interest (underlying land) Incline Village General Improvement District
Leasehold Interest (improvements) The Parasol Tahoe Community Foundation

Land Area
102,802± s.f. (2.36± Acres) Per January, 2002 Amendment to Land Lease

Building Data
Year Built 2002
Stories Two
Building Areas (Per Assessor) 31,752± s.f.

Building Areas (Per Building Plans)
First Floor 15,682± s.f.
Second Floor 15,523± s.f.
Total Building Area 31,205± s.f.²

Type of Report Appraisal Report

Interest Appraised Replacement Cost New Less Depreciation of Existing Building

Effective date of conclusions January 16, 2017

Date of Completion of Report February 16, 2017

REPLACEMENT COST NEW LESS DEPRECIATION CONCLUSION $9,650,000
(existing building 31,205± square feet)

² The gross building area indicated on plans provided by the property owner are utilized herein for the purpose of estimating replacement cost new of the structure. It is noted that the Assessor’s indicated gross building area is reasonably similar to the gross building area indicated on the building plans.

L17-003
PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the Replacement Cost New Less Depreciation of the Donald W. Reynolds Community Non-Profit Center.

INTENDED USE/USER OF APPRAISAL

The intended use of this report is to assist the board of the Parasol Tahoe Community Foundation in internal decision making relative to the replacement cost and Replacement Cost New Less Depreciation of the Donald W. Reynolds Community Non-Profit Center. Any other use or user of this appraisal requires the prior written authorization of this appraisal firm.

SCOPE OF APPRAISAL

This is a narrative Appraisal Report which is intended to comply with the requirements of the *Uniform Standards of Professional Appraisal Practice* as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

Preparation of this appraisal included the following:

- Identification and analysis of area and neighborhood data;
- Inspection and analysis of the subject property;
- Completion of a Highest and Best Use Analysis;
- Estimate of Replacement Cost New Less Depreciation of existing Donald W. Reynolds Community Non-Profit Center
  - Estimation of Replacement Cost New of the Donald W. Reynolds Community Non-Profit Center;
  - Estimation of existing depreciation of the Donald W. Reynolds Community Non-Profit Center;
  - Reconciliation and final estimate of Replacement Cost New Less Depreciation of the Donald W. Reynolds Community Non-Profit Center.
- Preparation of a Narrative Appraisal Report.

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3 It is noted that the scope of this appraisal omits any consideration of existing personal property located on-site and/or within the existing subject building.
REPLACEMENT COST NEW

Replacement Cost New is defined by the Dictionary of Real Estate Appraisal as "the cost of construction, at current prices, of a building having utility equivalent to the building being appraised but built with modern materials and according to current standards, design and layout."

DEPRECIATION

Depreciation is defined by the Dictionary of Real Estate Appraisal as "a loss in property value from any cause; any difference between reproduction or replacement cost and market value as of a date of appraisal."

EFFECTIVE DATE OF CONCLUSIONS

The effective date of conclusions is the date of physical inspection of the subject improvements by Benjamin Q. Johnson, which occurred on January 16, 2017.

PROPERTY RIGHTS APPRAISED

The estimates of value set forth in this appraisal reflect the undersigned's opinion as to the Replacement Cost New Less Depreciation of the existing Donald W. Reynolds Community Non-Profit Center.

DATE OF COMPLETION OF REPORT

This report was completed on February 16, 2017.
NEIGHBORHOOD DESCRIPTION

Incline Village/Crystal Bay is located along the north shore of Lake Tahoe in Washoe County, Nevada. The neighborhood is bordered on the south by the shoreline of Lake Tahoe, on the east by the crest of the Carson Range of the Sierra Nevada Mountains, on the north by Mount Rose and the adjoining crest forming the northern perimeter of the Lake Tahoe Basin, and on the west by the California-Nevada state line. Most of the neighborhood has a southern exposure. Most development is situated on the upslope of the mountain range.

The underlying bedrock of the neighborhood is granitic, resulting from the uplift of the Sierra Nevada Mountain Range. Portions of the neighborhood are characterized by andesitic basalt resulting from ancient volcanic activity. The soils consist primarily of coarse sards and sandy loam created by the decomposition of the exposed granitic bedrock, the basalt and the indigenous vegetation. Portions of the area are characterized by outcroppings of underlying bedrock and by boulders of various sizes. Due to the steeply sloping topography throughout most of the neighborhood and the presence of the underlying bedrock, construction costs for excavation and foundations can be above normal in many instances.

The neighborhood is characterized by moderate to heavy stands of second growth timber, primarily Jeffrey, Lodgepole and Ponderosa Pine, Incense Cedar, and Red or White Fir. There is also riparian vegetation along the several streams and drainage channels in the neighborhood, as well as in scattered areas having high water tables. In the unforested areas, particularly at the upper elevations, vegetation is characterized by manzanita and other low growth shrubbery. In general, the neighborhood offers an attractive forest setting.

The subject neighborhood experiences an average of 290 days of sunshine per year. Average temperatures range from a high of 79 degrees to a low of 43 degrees in July, with the average high for January being 36 degrees and the average low being 16 degrees. The neighborhood receives approximately 8.3 inches of rainfall per year, with the average annual snowfall at 216 inches or eighteen feet.
Police protection is provided by the Washoe County Sheriff's Department and fire protection is provided by the North Lake Tahoe Fire Protection District. Public elementary, middle and high schools are available in the neighborhood with bus transportation provided. Also within the neighborhood is the Sierra Nevada College, a four-year higher educational institution which is privately funded and the Lake Tahoe School a private, non-denominational, elementary and middle school (K-8th).

Standard utility services are available to the subject neighborhood. Electricity is supplied by NV Energy and telephone by various carriers. Southwest Gas Corporation supplies natural gas to most developed areas of the neighborhood. Water and sewer services are supplied to all of Incline Village by the Incline Village General Improvement District. Trash and solid waste disposal in the subject neighborhood is provided both by the Incline Village General Improvement District and Waste Management Corporation. Cable television is provided by a variety of vendors, including Charter Communications, Inc.

The principal access roadway serving the subject neighborhood is State Route 28. State Route 28 (Tahoe Boulevard) originates at Tahoe City on the west shore of Lake Tahoe. From Tahoe City, the highway runs in a northeasterly direction through Kings Beach and Crystal Bay, and then in an easterly direction through Incline Village. On the east side of Incline Village, the highway turns south and runs along the eastern shore of the lake to its termination at U. S. Highway 50 at Spooner's Junction. State Route 28 is a two-way, two-lane asphalt paved year round all-weather highway.

Access is also available from U.S. Highway 395 south of Reno by means of the Mount Rose Highway which intersects State Route 28 in the subject neighborhood. The Mount Rose Highway is a two-way, two-lane all-weather highway. This highway is subject to road closures due to inclement weather near the easterly boundary of the subject neighborhood.
Other main thoroughfares include Lakeshore Boulevard, which parallels Tahoe Boulevard and runs near the shores of Lake Tahoe; Northwood and Southwood Boulevards, which circle around Tahoe Boulevard; and Country Club Drive, which extends northerly from Tahoe Boulevard and intersects with the Mount Rose Highway. All of the roadways are two-way, two-lane asphalt paved roadways which are maintained on a year round basis.

There are numerous recreational opportunities available in the neighborhood. The Hyatt Regency Lake Tahoe Resort & Casino provides a variety of entertainment opportunities from gaming to restaurants and lounges with entertainment. The neighborhood also contains a number of superior quality restaurants. Incline Village/Crystal Bay is considered a destination resort.

There are numerous water sports available due to the presence of Lake Tahoe. The neighborhood also offers two golf courses, the 18-hole Incline Championship Golf Course and the shorter 18-hole Golf Course. On the eastern periphery of the neighborhood is the Diamond Peak Ski Resort. Additionally, the Mount Rose/Slide Mountain Ski Resort is a relatively short drive from the subject neighborhood. However, due to the fact that the Mt. Rose Highway experiences heavy snowfall at times during the winter, this roadway is occasionally closed to traffic from the subject neighborhood. The subject neighborhood’s location adjacent to national forest lands and other timber lands provides ample space for snowshoeing, cross country skiing and snowmobiling during the winter months. These same areas provide opportunities for hiking and backpacking in the summer and fall months.

The neighborhood also has a tennis club, an athletic club and two private beaches which are operated by the Incline Village General Improvement District. The District also maintains Preston Field, which is primarily utilized as a baseball diamond. In order to maintain the numerous recreational facilities operated by the Incline Village General Improvement District, the District assesses an annual recreation fee to each residential parcel located within the district.
The majority of shopping facilities within the neighborhood are located on either side of State Route 28 (Tahoe Boulevard). The focal point for retail commercial development is at the intersection of Tahoe Boulevard and Village Boulevard. On the northeast corner of this intersection, there is a branch office of Bank of America and the Raley’s Shopping Center, the principal shopping center for the neighborhood. The shopping center contains a Raley’s Supermarket and Drug Center in addition to a number of specialty shops and restaurants.

On the northeast corner of the State Route 28 and Village Boulevard intersection, there is a Chevron service station and the Christmas Tree Village Shopping Center. This shopping center is smaller than the Raley’s Shopping Center and incorporates a number of restaurants and specialty shops. It is approximately 300 feet west of Village Boulevard. On the southwest corner of the intersection is an excellent quality commercial/retail center known as The Village Plaza. Presently a majority of the center is vacant. To the west are small retail commercial buildings. On the southeast corner is the Tantara Shopping Center, which includes a 7-Eleven convenience store, a cinema and other specialty shops. To the east of the Tantara Shopping Center, there are good quality strip commercial developments including professional offices and retail facilities.

A secondary concentration of commercial development is located to the south of Tahoe Boulevard in the Southwood Boulevard area. Commercial development in this portion of the neighborhood includes the Village Shopping Center which is a large older shopping center located near the intersection of Southwood Boulevard and Mays Boulevard. Smaller retail shops as well as professional office space and industrial facilities are located in this area.

Other small concentrations of commercial development are located in the Northwood Boulevard area to the north of Tahoe Boulevard as well as adjacent to Country Club Drive between Lakeshore Boulevard and Tahoe Boulevard.

In addition to the commercial development in Incline Village, there is some commercial development in Crystal Bay, just east of the California-Nevada state line. The
four casinos in this area are the Tahoe Biltmore, the Crystal Bay Club, the Jim Kelly's Tahoe Nugget, and the Cal Neva Casino Resort. There is a small commercial building, the Crystal Bay Motel and a branch of the U.S. Post Office located in this area.

According to the *Nevada Gaming Almanac*, the Cal Neva has 210 hotel rooms, one restaurant, 22,000 square feet of convention area and 10,020 square feet of casino floor area. The Cal-Neva Lodge is presently closed and the property is involved in bankruptcy proceedings. The Tahoe-Biltmore Lodge has 111 hotel rooms, one restaurant, one cabaret, 22,000 square feet of convention space and 29,744 square feet of casino floor area. The Tahoe-Biltmore has a total of 218 slot machines and 13 table games, including 11 Twenty-One tables, one Craps table, and one Roulette table. The Tahoe-Biltmore also offers Keno and a Race and Sports Book. Jim Kelley's Tahoe Nugget is strictly a gaming facility, with 125 slot machines and two poker tables in a 3,500 square foot casino floor area. The casino has no table games.

The Crystal Bay Club has 236 slot machines, including 13 penny slots, 3 nickel slots, 6 quarter slots, 2 $1.00 slots, 2 mega bucks, 2 $3.00 slots, and 208 multi-den slots. The Crystal Bay Club also has ten table games, including 1 Craps table, 1 Roulette table, 7 Twenty-One tables, and 1 3-card poker table. The only other casino on the North Shore of Lake Tahoe is the Hyatt Regency Lake Tahoe Resort and Casino located in Incline Village, Nevada. This facility has 460 hotel rooms, three restaurants, 16,300 square feet of convention space and 18,900 square feet of casino floor area. The Hyatt Regency has 260 slot machines, 22 table games, and four poker tables. There is also a Sports Book at the Hyatt Regency.

The remainder of the subject neighborhood is residential in nature. The subject neighborhood is developed with single family residences, apartment complexes and condominiums. With limited exceptions, the quality of construction and condition ranges from good to excellent. The most desirable residential neighborhood is located along both sides of Lakeshore Boulevard. The south side of Lakeshore Boulevard involves very good to
excellent quality lakefront residences and estates. The north side of Lakeshore Boulevard involves good to excellent quality single family residences.

Incline Creek Estates is a newer planned unit development in the subject neighborhood that is located off of College Drive. This is a Planned Unit Development that includes lots and foundations for 58 houses. The project has been under development since 2005. The project struggled during the economic recession but has experienced an increase in sales activity in the last two years. The developer is building the project out a few units at a time and selling finished units. In 2014 and 2015 there were eight sales that ranged in price from $1,185,506 to $1,259,076. The project is most of the way built out.

Condominium development in Incline Village/Crystal Bay involves many projects ranging in quality from average to very good. Some of the condominium projects in the market area include the good to very good quality Third Creek Condominium Project with 190 units, the McCloud condominium project with 256 units, Country Club Villas with 50 freestanding units, Golf Course Villas with 14 units, Lake Country Estates with 26 units, Deer Creek with 24 units, and several other projects. Some of the most desirable condominium projects are located adjacent to Lake Tahoe in the western portion of Incline Village. Some of these lakefront condominium projects include Crystal Shores West, Lake Shore Terrace, Stillwater Cove, and Stillwater Cove.

There are very few multi-family apartment complexes in the subject neighborhood. The largest conventional apartment complex is Tahoe Incline Apartments located on Southwood Boulevard and Oriole Way. The development includes a swimming pool and picnic area. Other apartment complexes in the subject neighborhood are much smaller in size, typically involving four to eight unit buildings with no amenities.

In general, shopping facilities, commercial areas and recreational facilities in the neighborhood are all within close proximity to the various residential neighborhoods.
In summary, Incline Village/Crystal Bay is one of the most desirable areas in the Lake Tahoe Basin. The majority of the subject neighborhood is residential in character. The condition of residential and commercial improvements has historically ranged from good to excellent. In addition to the residential development, there is commercial development along both sides of Tahoe Boulevard, as well as in limited areas to the north and south of Tahoe Boulevard. The remainder of the subject neighborhood consists of unspoiled natural forest land which provides a scenic backdrop and a recreational amenity to the subject neighborhood as a whole.
EXTERIOR PHOTOGRAPHS

VIEW OF MAIN ENTRANCE TO SUBJECT BUILDING

VIEW OF MAIN ENTRANCE TO SUBJECT BUILDING
EXTERIOR PHOTOGRAPHS

VIEW OF LOADING DOCKS AT REAR OF SUBJECT BUILDING

VIEW OF EAST SIDE OF SUBJECT BUILDING
EXTERIOR PHOTOGRAPHS

VIEW OF ON-SITE DRIVEAWY

VIEW OF ON-SITE DRIVEAWY AND PARKING AREA
EXTERIOR PHOTOGRAPHS

VIEW ALONG INCLINE WAY
ADJACENT TO THE SUBJECT LOOKING WESTERLY

VIEW ALONG INCLINE WAY
ADJACENT TO THE SUBJECT LOOKING EASTERLY
Washoe County Parcel Map 127-03
(Of Which Subject is a 2.36± acre portion)
Master Ground Lease Profile
Parasol Foundation

Parties
  Lessor: Incline Village General Improvement District, which is a quasi municipal corporation formed under NRS 318.010
  Lessee: The Parasol Foundation of Incline Village, a Nevada nonprofit corporation

Dates
  Commencement: 1/12/2000
  Initial Term: 30 Years
  Options: Three 23-Year Option Periods to Renew/Extend

Contract Rent
  Year 1-30: $1.00 Per Year
  Option: $1.00 Per Year Periods

Limitation on Use of Property
  "The use of the premises is limited to conducting theron a Nonprofit Center, and related activities, seminars, workshops, lectures, and occasional fundraising events." There is also a restrictive covenant encumbering the underlying land. This document is Dated November 16, 1977 and have been twice amended, the most recent in July 1, 1999. The Deed's Covenants, Conditions and Restrictions limit the use of the subject property to “park and recreational and related purposes and for no other purpose” The 1999 amendment reiterates the foregoing mentioned restriction, excepting however, “the construction of a building for the use of the Parasol Foundation, Parasol Foundation collaborators or the Parasol Foundation legal successors.”

Expenses
  Lessor: None
  Lessee: All maintenance, repair, taxes, assessments, rates and charges levied against the subject property

Rights
  Lessor: Reversion of all buildings, structures and improvements located on premises at termination of lease
  Lessee: Maintain all buildings, structures, and improvements erected on premises during term of lease

Note: Lessee cannot encumber, pledge, or mortgage any part of the real property or structures situated on the underlying land.
**PROPERTY SUMMARY AND IDENTIFICATION**

<table>
<thead>
<tr>
<th>Current Name</th>
<th>Donald W. Reynolds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Community Non-Profit Center</td>
</tr>
<tr>
<td><strong>Address</strong></td>
<td>948 Incline Way, Incline Village, Washoe County, Nevada</td>
</tr>
<tr>
<td><strong>Assessor's Parcel Number</strong></td>
<td>2.36± acre portion of 127-030-15</td>
</tr>
<tr>
<td><strong>Owners of Record</strong></td>
<td>Incline Village General Improvement District</td>
</tr>
<tr>
<td>Leased Fee Interest</td>
<td>Parasol Tahoe Community Foundation</td>
</tr>
<tr>
<td>Leasehold Interest</td>
<td>102,802± s.f. (2.36± Acres) Per January, 2002</td>
</tr>
<tr>
<td><strong>Land Area</strong></td>
<td>Amendment to Lease</td>
</tr>
<tr>
<td><strong>Building Data</strong></td>
<td>2002</td>
</tr>
<tr>
<td>Year Built</td>
<td>Two</td>
</tr>
<tr>
<td><strong>Building Areas (Per Assessor)</strong></td>
<td>31,752± s.f.</td>
</tr>
<tr>
<td><strong>Building Areas (Per Building Plans)</strong></td>
<td>15,682± s.f.</td>
</tr>
<tr>
<td>First Floor</td>
<td>15,523± s.f.</td>
</tr>
<tr>
<td>Second Floor</td>
<td>Total Building Area</td>
</tr>
<tr>
<td></td>
<td>31,205± s.f.</td>
</tr>
</tbody>
</table>

**Zoning**

| TRPA/Washoe County Land Use Classification | Incline Village Commercial Community Plan Commercial/Public Service |

Both the Tahoe Regional Planning Agency and Washoe County have jurisdiction over the land use within the Washoe County portion of the Tahoe Basin. Upon adoption of the Community Plan, the TRPA and Washoe County zoning ordinances were merged into one document. The Planning Statement indicates that vision for the planning area is for "This area should continue to serve the commercial and other service needs of the Incline area. Affordable housing should be developed within the plan area."

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California  Nevada

19  397
Allowed uses in this zoning district include employee housing, bed and breakfast facilities, hotels, motels, and other transient dwellings and a variety of commercial, public service, recreation and resource management utilizations.

Topography
The subject property exhibits basically level to gently up-sloping topography with small areas of moderate slope. The subject is generally above the street grade of Incline Way.

Vegetation
The subject property includes various deciduous trees and native flora.

Elevation
6,300± feet above sea level

Flood Zone
According to the Federal Emergency Management Agency's Flood Hazards Map, Community Panel Number 32031C3425G, with an effective date of March 16, 2009, the subject property appears to be located in Flood Zone X. Flood Zone X delineates areas determined to be outside of the 100 year and 500 year flood plain. Federal Flood Insurance is not required in Flood Zone X.

Earthquake Zone
According to the most recent Edition of the Uniform Building Code, the subject property is located in Seismic Risk Zone 3. This zone encompasses areas which have a number of local faults and where there is a relatively strong probability of moderate to strong seismic activity. Seismic Zone 3 is characteristic of the entire area. As far as the undersigned was able to determine, there is no special risk associated with the subject property which would render it more vulnerable than other comparable properties in the area.
Hazardous Materials

These undersigned has inspected the subject property with the due diligence expected of professional real estate appraisers. During the course of my inspection, the undersigned did not note any obvious evidence of hazardous materials on the property. Any comment contained herein that might suggest the possibility of the presence or absence of such substances should not be taken as a confirmation of the presence or absence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea formaldehyde, foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed by the undersigned or Johnson Valuation Group, LTD. for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The value estimates derived in this report are based upon the assumption that there is no soil or water contamination on the subject property and that there are no hazardous materials incorporated within the improvements on the subject property.

Compliance with Americans with Disabilities Act

The Americans with Disabilities Act (ADA) was passed by the U.S. Congress on July 26, 1990. Generally speaking, ADA requirements became effective on January 26, 1992, although some provisions had a later effective date. The ADA is a Civil Rights Act is designed to protect against discrimination based upon physical or mental disabilities. The Act covers employment practices, readily achievable changes in existing public accommodations and accessibility requirements for new construction and alterations. Additionally, the Act requires that certain existing properties be retrofitted to permit equal accessibility and utilization of facilities by persons with disabilities.

Many specific provisions regarding implementation of the ADA requirements are set forth in the Americans with Disabilities Act (Public Law 101-336 {S 933}). However, many provisions are more generalized and subject to interpretation by the courts in litigation proceedings. Accordingly, it is not always possible to predict how the Act will be applied in specific instances.
In the course of the preparation of this report, the undersigned inspected the subject property. Overall, it would appear that, should a specific compliance survey and analysis of the improvements on the subject property be conducted, the property may conform with the requirements of the ADA. However, the reader should note that it is not within the realm of the professional expertise of the undersigned to make a specific compliance survey and analysis of the subject property to determine whether or not it is in conformance with the various detailed requirements of the ADA. The value indications contained in this report are based upon the assumption that the subject property does conform to all applicable ADA requirements.

Access and Exposure

The subject property has access installed from two points on Incline Way. Incline Way is a secondary arterial in Incline Village. The subject property is considered to enjoy average exposure and good access.

Utilities

All utilities have been installed to the subject property, including water, sewer, electricity, natural gas, telephone and cable access.

Parking

The subject property has on-site paved parking. It appears that the current parking is adequate for the buildings current use and is convenient.

Surrounding Development

The subject property is located adjacent to the east of Incline Middle School. Adjacent to the north is a baseball filed. Adjacent to the west is the Incline Village Tennis Center and Incline Village Recreation Center, both of which are owned and operated by Incline Village General Improvement District. Adjacent to the south, across Incline Way, are
residential utilizations. Overall, the subject’s surrounding development is consistent and compatible with the subject's existing use.

**Easements, Encumbrances and Restrictions**

The subject is encumbered with a deed restriction described previously in this appraisal. The undersigned is unaware of any other easements, encumbrances or restrictions which affect the subject property.

**Encroachments**

None observed

**Summary**

The subject property is improved with a large commercial building that is used as meeting, office, and public gathering space for non-profits and the community. The subject is deed restricted. The subject is a two-story structure and includes on-site parking and landscaping.

Overall, the subject property is considered to be desirable in terms of its location, access and quality and condition of its existing improvements. The subject improvements are of excellent quality and are in excellent condition.
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF MAIN ENTRANCE

VIEW OF RECEPTION DESK
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF CONFERENCE ROOM ON FIRST LEVEL

VIEW OF MEETING AREA ON FIRST LEVEL
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF MEETING AREA ON FIRST FLOOR

VIEW OF PODIUM AND CABINETS IN MEETING ROOM
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF KITCHEN

VIEW OF WALK IN REFRIGERATOR AND FREEZER
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF STORAGE AREA

VIEW OF STORAGE AREA
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF OFFICE ON SECOND FLOOR

VIEW OF MEETING ROOM ON SECOND LEVEL
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF EXECUTIVE CONFERENCE ROOM

VIEW OF CONFERENCE ROOM ON SECOND LEVEL
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF MAIN LOBBY FROM SECOND LEVEL

VIEW OF CEILING OVER MAIN LOBBY
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF SECOND FLOOR OFFICE AREA

VIEW OF WORKSPACE IN OFFICE AREA
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF SECONDARY ENTRANCE TO BUILDING

VIEW OF BREAK ROOM
INTERIOR SUBJECT PHOTOGRAPHS

VIEW OF CONCESSION AREA

VIEW OF SMALL MEETING ROOM
DESCRIPTION OF SUBJECT IMPROVEMENTS

The Donald W. Reynolds Community Non-Profit Center is two stories with steel beam and wood frame construction. The building includes the following gross building area:

<table>
<thead>
<tr>
<th>Building Areas (Per Building Plans)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First Floor</td>
<td>15,682± s.f.</td>
</tr>
<tr>
<td>Second Floor</td>
<td>15,523± s.f.</td>
</tr>
<tr>
<td>Total Building Area</td>
<td>31,205± s.f.</td>
</tr>
</tbody>
</table>

The structure has camera and security monitoring systems. The subject building also has fire suppression sprinklers. There are copper gutters along portions exterior of the roof and rock pillars and facades along portions of the exterior walls of the building. The majority of the exterior siding is stucco. The eves are all boxed and the roof appears to be a mix of metal, composition shingles and flat hot mopped covering.

The building has one elevator which appears to be in good condition. There is a large covered porte-cochere at the main entrance. There are also two other pedestrian entrances with dual pane store front type doors opening to the vestibule areas located on the east side of the subject building on the first level. The second level of the building has access directly to the parking lot of Incline Middle School via exterior doors that are at grade level with the parking area for Incline Middle School.

First Level

On the first floor is a main lobby, a large meeting room, a commercial kitchen with walk in refrigerator and freezer, two loading docks with access from the rear of the building, open office areas and both Men’s and Women’s restrooms. The Women’s restroom has five stalls and the Men’s has three urinals and two stalls.

There are numerous built-in cabinets which have Formica counter tops throughout the first floor. The ceiling is primarily an acoustic tile ceiling and fire sprinklers and smoke detectors. The windows are wood encased dual pane windows. The interior ceiling height for
most of the first level is approximately ten feet, with the exception of the lobby, a portion of which is open to the second level.

There is a storage area on the first floor adjacent to the loading docks that includes 25 storage units partitioned by chain link fence. The storage areas range in size from 20± square feet to 140± square feet, with an average of about 60± square feet.

The first floor also includes two conference rooms, a building maintenance office, electrical/mechanical/telephone room, janitor’s closet, numerous storage closets and three staircases to the second level. There is one main staircase accessed off the main lobby and two secondary staircases.

Second Level

The second level includes a large meeting room, central Men’s and Women’s restrooms similar to those on the first floor, open office space, built-out office space, a staff lounge, secondary Men’s and Women’s restrooms, a formal board room, a suite utilized for counseling services with secure entry, and exterior access to the west side of the subject building and a outdoor terrace area. The second level is built to the same quality and in the same condition as the first level.

The subject has an asphalt paved parking lot which provides for on-site parking. The subject building is in excellent condition and is of excellent quality construction.
HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined as the most reasonable and probable use that supports the highest present value of the improvements, as defined, as of the effective date of conclusions. Implicit in this definition is that the highest and best use must be physically possible, legally permissible, economically feasible and maximally productive. As this analysis only addresses the leasehold interest in the improvements, the Highest and Best Use Analysis is limited to addressing the subject's existing improvements. The purpose of this appraisal is to estimate the Replacement Cost New Less Depreciation of the subject's existing improvements.

The subject property has favorable physical characteristics with basically level to upsloping topography from Incline Way. The property enjoys convenient access and average exposure to traffic. The soils on the subject property are considered to have good carrying capacity for the type of development characteristic of the area. All necessary utilities have been installed to the property.

Both the Tahoe Regional Planning Agency and Washoe County have jurisdiction over the land use within the Washoe County portion of the Tahoe Basin. Upon adoption of the Community Plan, the TRPA and Washoe County zoning ordinances were merged into one document. The Planning Statement indicates that vision for the planning area is for "This area should continue to serve the commercial and other service needs of the Incline area. Affordable housing should be developed within the plan area."

Allowed uses in this zoning district include employee housing, bed and breakfast facilities, hotels, motels, and other transient dwellings and a variety of commercial, public service, recreation and resource management utilizations. The subject's allowed uses are further restricted pursuant to the land lease and deed restriction summarized herein.

All legally permissible and economic feasible uses of the site have been considered and analyzed. Based on this review of legally permissible and economic feasible uses, there
are no other uses to which the subject property could be put which would result in a higher return to the structures than the current design and layout of the building.

Overall, the highest and best use of the subject improvements is opined to be for continued operation as a community service building.
REPLACEMENT COST NEW LESS DEPRECIATION ANALYSIS

The client has requested that the undersigned estimate the Replacement Cost New Less Depreciation of the subject’s existing Donald W. Reynolds Community Non-Profit Center.

In order to complete this analysis, the replacement cost new of the existing improvements will be estimated and subsequently the existing depreciation will be estimated and deducted from replacement cost new estimate to arrive at an indication of the Replacement Cost New Less Depreciation of the subject’s existing improvements.

Replacement Cost New

In order to develop an estimate of the replacement cost new of the subject buildings, I have relied upon the SwiftEstimator cost program by Marshall & Swift Valuation Services, a well-recognized national publication of industry average construction costs. The automated program includes the latest construction cost data and adjusts for location, perimeter, wall height, climate, fire suppression system, and other factors. The following paragraphs contain the replacement cost new analysis for each building based upon the Swift Estimator cost program.

- Wood and metal frame construction;
- Forced air natural gas boiler heating system in an extreme climate;
- Fire-Sprinklered;
- Two Stories;
- One Elevator;
- 31,205± square feet of gross building area;
- Irregular perimeter; and
- 10± foot average wall height.

In this analysis, I believe the most appropriate classification under the SwiftEstimator program is Community Services Building. The construction quality classification is
considered to be Excellent. Based on the above cost factors, the estimated replacement cost new for the subject building is $8,082,679, which equates to $259.02 per square foot of gross building area.

A breakdown of the cost components as set out by SwiftEstimator is presented below:

**CoreLogic - SwiftEstimator**  
**Commercial Estimator - Summary Report**

**General Information**
- **Estimate ID:** 948 Incline Way  
- **Property Owner:**  
- **Property Address:** 89451  
- **Local Multiplier:** 1.2  
- **Architects Fee:**  
- **Date Created:** 02-02-2017  
- **Date Updated:** 02-06-2017  
- **Date Calculated:** 02-06-2017  
- **Cost Data As Of:** using report date  
- **Report Date:** 01-2017

**Section 1**
- **Area:** 31205  
- **Stories In Section:** 2  
- **Stories In Building:** 2  
- **Shape:** very irregular (auto-calc)  
- **Perimeter:**  
- **Effective Age:** 0

**Overall Depreciation %**
- **Physical Depreciation %**  
- **Functional Depreciation %**  
- **External Depreciation %**

**Occupancy Details**

<table>
<thead>
<tr>
<th>Occupancy</th>
<th>%</th>
<th>Class</th>
<th>Height</th>
<th>Quality</th>
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</thead>
<tbody>
<tr>
<td>491 Community Service Building</td>
<td>100</td>
<td>D</td>
<td>10</td>
<td>4.0</td>
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</table>

**Occupancy Total Percentage**  
- 100

**System: Elevators**

<table>
<thead>
<tr>
<th>651 Elevators : Passenger #</th>
<th>%/Units</th>
<th>Quality</th>
<th>Depr %</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>4.0</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>

**System: HVAC (Heating)**

<table>
<thead>
<tr>
<th>617 HVAC (Heating) : Complete HVAC</th>
<th>%/Units</th>
<th>Quality</th>
<th>Depr %</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Percent for HVAC (Heating)</td>
<td>100</td>
<td>Occ.</td>
<td></td>
<td>3</td>
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</table>

**System: Sprinklers**

<table>
<thead>
<tr>
<th>683 Sprinklers : Wet Sprinklers</th>
<th>%/Units</th>
<th>Quality</th>
<th>Depr %</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td>Total Percent for Sprinklers</td>
<td>100</td>
<td>Occ.</td>
<td></td>
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</table>

**Remark / Note Details**
- **Remark Date:** 02-02-2017  
- **Reference Date:** 01-17-2017  
- **Note:**

**Calculation Information (All Sections)**

<table>
<thead>
<tr>
<th>Units</th>
<th>Unit Cost</th>
<th>Total Cost New</th>
<th>Less Depreciation</th>
<th>Total Cost depreciated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Structure</td>
<td>31,205</td>
<td>$171.75</td>
<td>$5,359,459</td>
<td>$5,359,459</td>
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<tr>
<td>Exterior Walls</td>
<td>31,205</td>
<td>$333.38</td>
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<tr>
<td>Heating &amp; Cooling</td>
<td>31,205</td>
<td>$45.89</td>
<td>$1,424,420</td>
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<tr>
<td>Elevators</td>
<td>1</td>
<td>$110,737.00</td>
<td>$110,737</td>
<td>$110,737</td>
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<tr>
<td>Sprinklers</td>
<td>31,205</td>
<td>$4.70</td>
<td>$146,664</td>
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<tr>
<td>Basic Structure Cost</td>
<td>31,205</td>
<td>$259.02</td>
<td>$8,082,879</td>
<td>$0</td>
</tr>
</tbody>
</table>
The cost estimate does not include furniture, furnishings, and equipment (FF&E) or any other personal property. It is important to note that the depreciated value of the existing FF&E and other personal property located on the site or in the subject building has not been considered in this analysis and the conclusions presented herein are absent consideration of any value that may be associated the FF&E or other existing personal property.

In addition to Marshall and Swift, I have considered interviews of local knowledgeable contractors and construction costs of relatively similar buildings. Due to the location at Lake Tahoe, regional cost factors, the extreme climate and distance travel time from surrounding areas required from many of the workers, the cost to construct a commercial building in Incline Village generally exceeds the indicated costs by the SwiftEstimator.

I first searched the market for recently constructed commercial buildings with a public service design and layout of excellent quality construction similar to that of the subject. Due to the challenging economic conditions over much of the last ten years, there has not been new commercial construction of buildings similar to that of the subject property in the Tahoe Basin for which construction cost data is available. I did review the 2006 costs to construct a community service building in Stateline, Nevada on the east shore of Lake Tahoe. This is a 9,552± square foot building and is of similar quality and construction to that of the subject. The building has a large indoor meeting area used by various public groups, including the Douglas County Commissioners to host public meetings. The building also contains office space for the Lake Tahoe Visitors Authority, a Visitor’s Center and transit center. The actual construction cost for this building in 2006 were reported to be in the range of $250 per square foot. Since 2006, it has been widely indicated that construction costs have increased in the range of 25% in the Lake Tahoe Basin. Increasing the actual construction costs of $250 per square foot by 25% results in an indicated present cost of $312.50 per square foot for a building of somewhat similar quality, construction and layout to that of the subject. It is noted that this building did not include a commercial kitchen and therefore would provide a slightly low replacement cost of subject building.
Next, I have considered data and information provided by Mr. Jerry Morgan, Construction Manager for Q & D Construction. Q & D construction is one of the larger contractors in the region and has extensive knowledge and understanding of construction costs for buildings similar to that of the subject. Mr. Morgan opined that construction costs have been increasing in general over the last year and there is a very tight labor market at the present time. Mr. Morgan indicated that he does not use cost estimating services when preparing his bids, rather he uses Q & D’s in-house figures based on past projects. Mr. Morgan estimated that the replacement cost of the subject’s building would be in the range of $350 per square foot of gross building area at the present time.

Next, I have considered the costs set forth in the construction contract for a commercial structure presently under construction in the Lake Tahoe area that is of a comparable size to that of the subject. This proposed building will be of excellent quality construction and will be utilized as a clubhouse for a new private club. Devcon Construction, who is a large regional contractor based out of the San Francisco Bay Area, is the general contractor for this project. Locally, Devcon has constructed the Reno Aces Baseball Stadium, the Fleur de Lis Clubhouse and the Somerset Town Center Commercial Core Improvements. Based on the construction contract, the cost to construct the clubhouse building that is presently under construction will be $350 per square foot of gross building area. This provides a slightly high indication of value due to the superior quality of construction and finish proposed for this commercial structure versus that of the subject.

Finally, I considered the opinion of Kevin O’Brien, a local contractor who has constructed many commercial and residential building in the greater Lake Tahoe Area over the last 35 years. Mr. O’Brien opined that the replacement cost new of the subject’s structure would be in the range of $325 per square foot of gross building area.

Overall, based on the market interviews conducted, Marshall and Swift is considered to provide a low indication of value for the replacement cost new of the subject property due to the higher costs of constructing a project in Incline Village, the subject’s commercial
kitchen, the excellent quality of the subject's existing building and regional labor factors which have increased construction costs at the present time.

- Based on the data considered, the estimated replacement cost new of the subject building is estimated to be $300 to $350 per square foot of gross building area. For the purposes of this analysis the midpoint of $325 per square foot. Multiplying the subject's 31,205± square feet by $325 per square foot results in an indicated replacement cost new of $10,141,625.

**Depreciation of Structures**

Once the replacement cost new has been estimated, it is necessary to determine the extent of any accrued depreciation. Accrued depreciation includes physical deterioration, functional obsolescence and economic obsolescence.

With respect to physical depreciation, the subject building is 15 year old. The property has been very well maintained without any noted items of deferred maintenance. Due to the excellent maintenance and upkeep of the subject structures and their excellent like-new appearance at the present time, the effective age of the building is estimated to be half of the actual age of the building. Therefore, the effective age of the subject's existing building will be estimated at seven to eight years and accrued depreciation in accordance with the subject's estimated effective age will be recognized.

With respect to functional obsolescence, my inspection of the building indicated it is functional for its intended use. The building is of relatively new construction and was well designed for the intended use of the building. Accordingly, no deduction for functional obsolescence is necessary or appropriate.

With respect to economic obsolescence, the subject is a special purpose property that was constructed for non-profit utilization in Incline Village. Special use properties similar to that of the subject property rarely come available for sale on the open market. There is a very
limited market of buyers who would be interested in purchasing the subject's existing building. The potential market for the subject's existing improvements are further restricted by the deed restriction on the land and the restrictions contained in the land lease. The building has been well received in the market and serves the whole Tahoe Basin with the services provided by the occupants of the building. Overall, a deduction for economic obsolescence is not warranted.

An effective age of seven to eight years for the physical improvements results in total physical depreciation of 4.0% to 5.0%. The upper end of this range will be utilized for the purposes of this analysis. Applying 5.0% physical deterioration to the subject's existing building results in an indicated depreciation amount of $507,081. Deducting this amount from the replacement cost new of $10,141,625 results in a depreciated value of $9,634,543. The calculations are summarized as follows:

**Summary of Depreciated Value of Donald W. Reynolds Community Non-Profit Center**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost New of Building</td>
<td>$10,141,625</td>
</tr>
<tr>
<td>Less Physical Deterioration</td>
<td>($507,081)</td>
</tr>
<tr>
<td>Replacement Cost New Less Depreciation</td>
<td>$9,634,544</td>
</tr>
</tbody>
</table>

Overall, the estimated Replacement Cost New Less Depreciation is $9,634,544 for the Donald W. Reynolds Community Non-Profit Center. This figure, as of January 16, 2017, will be rounded to $9,650,000.

**REPLACEMENT COST NEW LESS DEPRECIATION CONCLUSION**

(Donald W. Reynolds Community Non-Profit Center 31,205± square feet) $9,650,000
APPRAISERS' CERTIFICATION

Each of the undersigned does hereby certify that, to the best of his/her knowledge and belief:

- Benjamin Q. Johnson have made a personal inspection of the property that is the subject of this report.

- The statements of fact contained in this report are true and correct.

- I have not performed a previous valuation services involving the subject within the three years prior to this assignment.

- The reported analyses, opinions, and conclusions in this report are limited only by the reported assumptions and limiting conditions stated in this report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- I have no present or prospective interest in the property that is the subject of this appraisal report and no personal interest with respect to the parties involved.

- I have no bias with respect to any property that is the subject of this appraisal report or to the parties involved with this assignment.

- My engagement in this assignment was not contingent upon developing or reporting predetermined results.

- My compensation for completing this assignment is not contingent upon the developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- No one provided significant real property appraisal assistance to the persons signing this certification.

- This appraisal report has been made in conformity with, and is subject to, the requirements of the Code of Professional Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. As this is a Limited Summary Appraisal, the Departure Provision has been invoked.

- The Appraisal Institute conducts a mandatory program of continuing education for its designated members. As of the date of this report, Benjamin Q. Johnson has completed the requirements under the continuing education program of the Appraisal Institute.

- The Appraisal Institute has the right to review this appraisal report.
The depreciated value of the subject building, as of January 16, 2017, is estimated to be as follows:

**REPLACEMENT COST NEW LESS DEPRECIATION CONCLUSION**
*(Donald W. Reynolds Community Non-Profit Center 31,205± square feet)*

$9,650,000

Respectfully Submitted,

Benjamin Q. Johnson, MAI
Nevada Certified General Appraiser
License # A.0205542-CG
STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent upon the following assumptions and limiting conditions.

LIMITS OF LIABILITY

This report was prepared by Johnson Valuation Group, Ltd. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of Johnson Valuation Group, Ltd., as employees, not as individuals. The liability of Johnson Valuation Group, Ltd. and its employees and associates is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor the appraisal firm is in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will hold the appraiser(s) and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for any purpose or any function other than its intended use, as stated in the body of the report. The appraisal fee represents compensation only for the analytical services provided by the appraiser(s). The appraisal report remains the property of the appraisal firm, though it may be used by the client in accord with these assumptions and limiting conditions.

This appraisal is to be used only in its entirety, and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraiser(s) whose signature(s) appears on the appraisal report, unless it is indicated that one or more of the appraisers was acting as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraiser(s). The appraiser(s) and the appraisal firm shall bear no responsibility for any such unauthorized changes.

CONFIDENTIALITY

Except as provided for subsequently, neither the appraiser(s) nor the appraisal firm may divulge the analyses, opinions or conclusions developed in the appraisal report, nor may they give a copy of the report to anyone other
than the client or his designee as specified in writing. However, this condition
does not apply to any requests made by the Appraisal Institute for purposes of
confidential ethics enforcement. Also, this condition does not apply to any
order or request issued by a court of law or any other body with the power of
subpoena.

INFORMATION SUPPLIED BY OTHERS

Information (including projections of income and expenses) provided by
informed local sources, such as government agencies, financial institutions,
Realtors, buyers, sellers, property owners, bookkeepers, accountants, attorneys,
and others is assumed to be true, correct and reliable. No responsibility for the
accuracy of such information is assumed by the appraiser(s). Neither the
appraiser(s) nor the appraisal firm is liable for any information or the work
product provided by subcontractors. The client and others utilizing the
appraisal report are advised that some of the individuals associated with
Johnson Valuation Group, Ltd. are independent contractors and may sign the
appraisal report in that capacity. The comparable data relied upon in this
report has been confirmed with one or more parties familiar with the
transaction or from affidavit or other sources thought reasonable. To the best
of my judgment and knowledge, all such information is considered appropriate
for inclusion. In some instances, an impractical and uneconomic expenditure
of time would be required in attempting to furnish absolutely unimpeachable
verification. The value conclusions set forth in the appraisal report are subject
to the accuracy of said data. It is suggested that the client consider
independent verification as a prerequisite to any transaction involving a sale, a
lease or any other commitment of funds with respect to the subject property.

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR
APPRaisal SERVICE

The contract for each appraisal, consultation or analytical service is
fulfilled and the total fee is payable upon completion of the report. The
appraisers(s) or those assisting in the preparation of the report will not be asked
or required to give testimony in court or in any other hearing as a result of
having prepared the appraisal, either in full or in part, except under separate
and special arrangements at an additional fee. If testimony or a deposition is
required, the client shall be responsible for any additional time, fees and
charges, regardless of the issuing party. Neither the appraiser(s) nor those
assisting in the preparation of the report is required to engage in post-appraisal
consultation with the client or other third parties, except under a separate and
special arrangement and at an additional fee.

EXHIBITS AND PHYSICAL DESCRIPTIONS

A survey of the property has not been made by the appraiser(s) and no responsibility
is assumed in connection with such matters. Any maps, plats, or drawings reproduced
and included in the report are there to assist the reader in visualizing the property and
are not necessarily drawn to scale. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

**TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS**

No responsibility is assumed by the appraiser(s) or the appraisal firm for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in the appraisal report. The legal description, as furnished by the client, his designee or as derived by the appraiser(s), is assumed to be correct as reported. The appraisal is not to be construed as giving advice concerning liens, title status, or legal marketability of the subject property.

**ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS**

This appraisal should not be construed as a report on the physical items that are a part of any property described in the appraisal report. Although the appraisal may contain information about these physical items (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed report on these physical items. The appraiser(s) is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered tentative in nature and is subject to modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the appraisal report.

Any statement in the appraisal regarding the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, all mechanicals, and all matters relating to construction is based on a casual inspection only. Unless otherwise noted in the appraisal report, no detailed inspection was made. For instance, the appraiser is not an expert on heating systems, and no attempt was made to inspect the interior of the furnace. The structures were not investigated for building code violations, and it is assumed that all buildings meet the applicable building code requirements unless stated otherwise in the report.

Such items as conditions behind walls, above ceilings, behind locked doors, under the floor, or under the ground are not exposed to casual view and, therefore, were not inspected, unless specifically so stated in the appraisal. The existence of insulation, if any is mentioned, was discovered through conversations with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements regarding insulation cannot be guaranteed.
Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts. This appraisal report is based on the assumption that there are no hidden, unapparent or apparent conditions on the property or improvements which would materially alter the value as reported. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for the properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made in the appraisal as to the adequacy of insulation, the type of insulation, or the energy efficiency of the improvements or equipment which is assumed to be standard for the subject’s age, type and condition.

**TOXIC MATERIALS AND HAZARDS**

Unless otherwise stated in the appraisal report, no attempt has been made to identify or report the presence of any potentially toxic materials and/or condition such as asbestos, urea formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyl, pesticides, lead-based paints or soils or ground water contamination on any land or improvements described in the appraisal report. Before committing funds to any property, it is strongly advised that appropriate experts be employed to inspect both land and improvements for the existence of such potentially toxic materials and/or conditions. If any potentially toxic materials and/or conditions are present on the property, the value of the property may be adversely affected and a re-appraisal at an additional cost may be necessary to estimate the effects of such circumstances.

**SOILS, SUB-SOILS, AND POTENTIAL HAZARDS**

It is assumed that there are no hidden or unapparent conditions of the soils or sub-soil which would render the subject property more or less valuable than reported in the appraisal. No engineering or percolation tests were made and no liability is assumed for soil conditions. Unless otherwise noted, the land and the soil in the area being appraised appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. Neither the appraiser(s) nor the appraisal firm is liable for any problems arising from soil conditions. These appraisers strongly
advise that, before any funds are committed to a property, the advice of appropriate experts be sought.

If the appraiser(s) has not been supplied with a termite inspection report, survey or occupancy permit, no responsibility is assumed and no representation is made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained.

Neither the appraiser(s) nor the appraisal firm assumes responsibility for any costs or for any consequences arising from the need or lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

ARCHEOLOGICAL SIGNIFICANCE
No investigation has been made by the appraiser and no information has been provided to the appraiser regarding potential archeological significance of the subject property or any portion thereof. This report assumes no portion of the subject property has archeological significance.

LEGALITY OF USE
This appraisal report assumes that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless non-compliance is stated, defined and considered in the appraisal report. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the appraisal report. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national government, private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

COMPONENT VALUES
Any distribution of the total value between the land and improvements, between partial ownership interests or any other partition of total value applies only under the stated use. Moreover, separate allocations between components are not valid if this report is used in conjunction with any other analysis.

COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT
The Americans with Disabilities Act ("ADA") became effective January 26, 1992. It is assumed that the property is in direct compliance with the various detailed requirements of the ADA.

AUXILIARY AND RELATED STUDIES
No environmental or impact studies, special market studies or analyses, special highest and best use studies or feasibility studies have been requested
or made by the appraiser(s) unless otherwise specified in an agreement for services and so stated in the appraisal report.

**DOLLAR VALUES AND PURCHASING POWER**

The estimated market value set forth in the appraisal report and any cost figures utilized are applicable only as of the date of valuation of the appraisal report. All dollar amounts are based on the purchasing power and price of the dollar as of the date of value estimates.

**ROUNDING**

Some figures presented in this report were generated using computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.

**QUANTITATIVE ANALYSIS**

Although this analysis employs various mathematical calculations to provide value indications, the final estimate is subjective and may be influenced by my experience and other factors not specifically set forth in this report.

**VALUE CHANGE, DYNAMIC MARKET, ALTERATION OF ESTIMATE BY APPRAISER**

All values shown in the appraisal report are projections based on my analysis as of the date of valuation of the appraisal. These values may not be valid in other time periods or as conditions change. Projected mathematical models set forth in the appraisal are based on estimates and assumptions which are inherently subject to uncertainty and variations related to exposure, time, promotional effort, terms, motivation, and other conditions. The appraiser(s) does not represent these models as indicative of results that will actually be achieved. The value estimates consider the productivity and relative attractiveness of a property only as of the date of valuation set forth in the report.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value, investment value or value in use is a reflection of such benefits and of the appraiser's interpretation of income, yields and other factors derived from general and specific client and market information. Such estimates are as of the date of valuation of the report, and are subject to change as market conditions change.

This appraisal is an estimate of value based on analysis of information known to us at the time the appraisal was made. The appraiser(s) does not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice. The appraisal report itself and the value estimates set forth therein are subject to change if either the physical or legal entity or the terms of financing are different from what is set forth in the report.
ECONOMIC AND SOCIAL TRENDS

The appraiser assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of value of this appraisal. The appraiser is not obligated to predict future political, economic or social trends.

EXCLUSIONS

Furnishings, equipment, other personal property and value associated with a specific business operation are excluded from the value estimate set forth in the report unless otherwise indicated. Only the real estate is included in the value estimates set forth in the report unless otherwise stated.

SUBSURFACE RIGHTS

No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

PROPOSED IMPROVEMENTS, CONDITIONED VALUE

It is assumed in the appraisal report that all proposed improvements and/or repairs, either on-site or off-site, are completed in an excellent workmanlike manner in accord with plans, specifications or other information supplied to these appraisers and set forth in the appraisal report, unless otherwise explicitly stated in the appraisal. In the case of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. The estimate of market value is as of the date specified in the report. Unless otherwise stated, the assumption is made that all improvements and/or repairs have been completed according to the plans and that the property is operating at levels projected in the report.

MANAGEMENT OF PROPERTY

It is assumed that the property which is the subject of the appraisal report will be under typically prudent and competent management which is neither inefficient nor superefficient.

FEE

The fee for any appraisal report, consultation, feasibility or other study is for services rendered and, unless otherwise stated in the service agreement, is not solely based upon the time spent on any assignment.

LEGAL EXPENSES

Any legal expenses incurred in defending or representing ourselves concerning this assignment will be the responsibility of the client.

CHANGES AND MODIFICATIONS
The appraiser(s) reserves the right, at the cost of the client, to alter statements, analyses, conclusions, or any value estimates in the appraisal if any new facts pertinent to the appraisal process are discovered which were unknown on the date of valuation of this report.

DISSEMINATION OF MATERIAL

Neither all nor any part of the contents of this report shall be disseminated to the general public through advertising or sales media, public relations media, new media or other public means of communication without the prior written consent and approval of the appraiser(s).

The acceptance and/or use of the Appraisal Report by the client or any third party constitutes acceptance of the Assumptions and Limiting Conditions set forth in the preceding paragraphs. The appraiser’s liability extends only to the specified client, not to subsequent parties or users. The appraiser’s liability is limited to the amount of the fee received for the services rendered.
QUALIFICATIONS OF
BENJAMIN Q. JOHNSON

Professional Designations
MAI – Designated Member of the Appraisal Institute

State Licensing and Certification
Certified General Appraiser – State of California
License Number AG043925
(Certified through April 29, 2018)

Certified General Appraiser – State of Nevada
License Number A.0205542-CG
(Certified through November 30, 2018)

Professional Experience
Johnson Valuation Group, Ltd.
Partner

Johnson-Perkins & Associates, Inc.
Principal Appraiser 2009 to 2015
Senior Appraiser 2008 to 2009
Intern Appraiser 2006 to 2008
Research Assistant 2005 to 2006

General Electric 2002-2004
Finance Intern (Summers Only)

Formal Education
Santa Clara University—Santa Clara, CA 2005
Bachelor of Science in Commerce; Major in Economics
QUALIFICATIONS OF
BENJAMIN Q. JOHNSON, (CONTINUED)

Qualified as an Expert Witness
Second Judicial District Court – State of Nevada
Ninth Judicial District Court – State of Nevada
Superior Court of California, County of El Dorado
U.S. Bankruptcy Court, District of Nevada

Offices Held and Appointments
Nevada State Board of Equalization – One of Five Board Members 2012 to Present
(Appointed in 2012 and Reappointed in 2016 by Governor Brian Sandoval)

Tahoe Regional Planning Agency
Land Use Commodities Market Steering Committee 2014

Appraisal Institute
Reno-Carson-Tahoe Chapter
Director 2011
Secretary 2012
Vice-President 2013
President 2014
Treasurer 2015
Chair of Candidate Guidance Committee 2013 to 2015
Nevada Chapter
Northern Nevada Branch Chapter Vice Chair 2017
Region I
Nominating Committee 2015 to Present

Eagle Scout Board of Review, Board Member 2016 to Present

Association Memberships and Affiliations
Leadership Development and Advisory Council (LDAC) 2010
Executives Association of Reno (EAR) 2009 to 2012
Tahoe Regional Young Professionals (TRYP) 2015 to 2016
D.W. Reynolds Non-Profit Center

Feasibility Report

Attachment 7
THE PARASOL TAHOE COMMUNITY FOUNDATION, INC.  
UNAUDITED PRELIMINARY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016  

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>12/31/2016</th>
<th>12/31/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,396,475</td>
<td>$2,846,110</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,644</td>
<td>2,367</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>18,158</td>
<td>19,863</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,417,277</td>
<td>2,868,340</td>
</tr>
<tr>
<td><strong>NONCURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment, net of accumulated depreciation of $2,500,383 and $2,310,829 for 2016 and 2015, respectively</td>
<td>4,482,194</td>
<td>4,666,344</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>60,093,497</td>
<td>57,715,499</td>
</tr>
<tr>
<td>Promissory note receivable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Artwork</td>
<td>11,230</td>
<td>11,230</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>60,104,727</td>
<td>57,726,729</td>
</tr>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants payable</td>
<td>$97,423</td>
<td>$179,520</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>15,706</td>
<td>20,070</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>10,597</td>
<td>-</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>20,900</td>
<td>26,920</td>
</tr>
<tr>
<td>Funds held as agency reserves and endowments</td>
<td>13,346,479</td>
<td>12,711,098</td>
</tr>
<tr>
<td>Split interest agreements</td>
<td>287,647</td>
<td>299,652</td>
</tr>
<tr>
<td><strong>Total current liabilities / Total liabilities</strong></td>
<td>13,778,752</td>
<td>13,237,260</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>34,440,193</td>
<td>34,505,879</td>
</tr>
<tr>
<td>Designated, reserve fund</td>
<td>1,046,642</td>
<td>649,722</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>8,002,221</td>
<td>7,832,366</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>8,736,390</td>
<td>9,036,186</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>52,225,446</td>
<td>52,024,153</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$66,004,198</td>
<td>$65,261,413</td>
</tr>
</tbody>
</table>
THE PARASOL TAHOE COMMUNITY FOUNDATION, INC.
UNAUDITED PRELIMINARY
STATEMENT OF ACTIVITIES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016

<table>
<thead>
<tr>
<th>12/31/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
</tr>
<tr>
<td>$ 2,754,995</td>
</tr>
<tr>
<td>Grants</td>
</tr>
<tr>
<td>$ 16,750</td>
</tr>
<tr>
<td>Interest and dividend income</td>
</tr>
<tr>
<td>$ 499,469</td>
</tr>
<tr>
<td>Net realized and unrealized gains (losses) on investments</td>
</tr>
<tr>
<td>$ 1,263,512</td>
</tr>
<tr>
<td>Program service fees</td>
</tr>
<tr>
<td>$ 199,620</td>
</tr>
<tr>
<td>In-kind program service fees</td>
</tr>
<tr>
<td>$ 586,774</td>
</tr>
<tr>
<td>Net assets released</td>
</tr>
<tr>
<td>$ 857,848</td>
</tr>
<tr>
<td>Total public support, revenue and reclassifications</td>
</tr>
<tr>
<td>$ 6,162,218</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
</tr>
<tr>
<td>Grants paid</td>
</tr>
<tr>
<td>$ 4,156,564</td>
</tr>
<tr>
<td>In-kind grants given</td>
</tr>
<tr>
<td>$ 586,774</td>
</tr>
<tr>
<td>AmeriCorps program</td>
</tr>
<tr>
<td>$ -</td>
</tr>
<tr>
<td>Building operations</td>
</tr>
<tr>
<td>$ 539,706</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>$ 47,449</td>
</tr>
<tr>
<td>Total program services</td>
</tr>
<tr>
<td>$ 5,330,493</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Support services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative support</td>
</tr>
<tr>
<td>$ 329,973</td>
</tr>
<tr>
<td>Development and fund raising</td>
</tr>
<tr>
<td>$ 170,518</td>
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<tr>
<td>Total support services</td>
</tr>
<tr>
<td>$ 500,491</td>
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</table>

<table>
<thead>
<tr>
<th>Total expenses</th>
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<tbody>
<tr>
<td>$ 5,830,984</td>
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<table>
<thead>
<tr>
<th>CHANGE IN NET ASSETS</th>
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<tbody>
<tr>
<td>$ 331,234</td>
</tr>
<tr>
<td>169,855</td>
</tr>
<tr>
<td>(299,796)</td>
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<tr>
<td>$ 201,293</td>
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</table>

<table>
<thead>
<tr>
<th>NET ASSETS, beginning of year</th>
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<tbody>
<tr>
<td>$ 35,155,601</td>
</tr>
<tr>
<td>$ 7,832,386</td>
</tr>
<tr>
<td>$ 9,036,186</td>
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<tr>
<td>$ 52,024,153</td>
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</table>

<table>
<thead>
<tr>
<th>NET ASSETS, end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 35,486,835</td>
</tr>
<tr>
<td>$ 8,002,221</td>
</tr>
<tr>
<td>$ 8,736,390</td>
</tr>
<tr>
<td>$ 52,225,446</td>
</tr>
</tbody>
</table>
D.W. Reynolds Non-Profit Center

Feasibility Report

Attachment 8

Draft first page of the agenda for May 10, 2017 – Item C. Special Public Comments Section
NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at 6 p.m. on Wednesday, May 10, 2017 in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

C. SPECIAL PUBLIC COMMENTS SECTION ON THE 30-YEAR GROUND LEASE BETWEEN THE PARASOL TAHOE COMMUNITY FOUNDATION AND INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Incline Village General Improvement District Trustees are conducting a special public comments section to give the members of the community the opportunity to speak, for three minutes, specifically about their thoughts on the proposal to reconfigure the 30-year ground lease between the Parasol Tahoe Community Foundation and Incline Village General Improvement District. If a member of the public cannot attend to make their public comments, they are welcome to send their comments, via e-mail, to info@ivgid.org, submit a written statement, or mail their comments by 12 noon on Wednesday, May 10, 2017. No action will be taken at this time as this item is not marked for action rather this is the opportunity for any and all members of the public to make comments on this subject. All members of the public should be aware that the Board of Trustees received, during its April 25, 2017 meeting, a draft feasibility report which is available on our website at ivgid.org. All members of the public are asked to provide a copy of their comments to the District Clerk, in writing, at the time they make their comments.

D. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

Public Comment Advisory Statement – A public body has a legitimate interest in conducting orderly meetings. IVGID may adopt and enforce reasonable restrictions on public comment to ensure the orderly conduct of a public meeting and orderly behavior on the part of persons attending the meeting. Public comment, as required by the Nevada Open Meeting Law, is an opportunity for people to publicly speak to the assembled Board of Trustees. Generally, it can be on any topic, whether or not it is included on the meeting agenda. In other cases, it may be limited to the topic at hand before the Board of Trustees. Public comment cannot be limited by point of view. That is, the public has the right to make negative comments as well as positive ones. However, public comment can be limited in duration and place of presentation. While
Hi Susan,

Below are comments regarding Waste Management I received in an email after the survey went out. He asked they be shared with the Board...

Thanks,
Denise

The board members need to get in a car and follow the Waste Management trucks to determine just how much trash they actually pick up. It will shock you and then add up all the fees for Waste Management. And that, too, will shock you. If we renegotiate the contract with Waste Management you could use a tremendous amount of savings to fund other projects or get them to increase the number of pickups during the summer months. I realize they have to transport the refuse down to Carson City but in Las Vegas the drive to the dump is actually farther away than Carson City is from Incline. And our rates in Las Vegas are about $46 per quarter and they pick up twice a week for every home. We are paying far too much for the services provided. On my street alone, with approximately 8 homes on the street, Waste Management would be lucky to pick up just one home's trash a week. For a total of $69 times 8 you get $552 for maybe 10 to 12 pick ups in one quarter. That would be about $50 for a couple of bags of trash, for the entire street that takes about 3 minutes.

Additionally, someone called and complained about our trash being put out to soon. I had to pay $500 to IVGID because I refused to get a bear box, because they don't work. Bear boxes do not take away the hunger pains of a bear. The boxes act like your mother's cooking of spaghetti, and the garlic is in the air. If the bears can't get into the box do they just go home or do they start breaking into garages? If everyone installed a bear box, which attracts more bears, do you think that would solve the problem or do you think the bears would get more aggressive if they are still hungry and smell the spaghetti close by? Here is a picture of a bear box up the street on Mays last month. I guess the tenant had a problem closing the door. I wonder if they got fined $500 for their trash because they already have a box? I wonder if the same person who complained about me, called and complained about the person on Mays? Bear boxes don't work, they just shift the activity of the bear to another location and attract more bears. The smell the trash left outside for days in a box just allows for the bears to salivate. What did the board think would happen when they advocate for smelly trash to be left outside in a box in the heat that can't be opened by a bear? The stupidity of extorting a $500 check to force people to purchase a bear box to combat bear activity is an indictment of the boards thinking on this issue. Please get rid of this stupid extortive rule. It is counter productive. The answer is more frequent pick ups by Waste Management.

Finally, if the Waste Management company would be required to pick up trash twice or three times a week in the summer you wouldn't have a bear problem. If there were more pickups, no one would be storing their trash in the garage or bear boxes waiting for the next pickup. Tenants who rent on a short term basis who don't understand what bears do, will leave the trash outside even if they are instructed not to do so. The owners don't put trash out early, the tenants do, without the knowledge of the owner. All you are doing with this $500 fine is angering and aggravating the residents of Incline by making them buy an aroma generator for bears.
Summary: Renegotiate the Waste Management contract to reduce the cost to the owners or use the savings for more projects.

Increase the Waste Management pickups during the summer hot months to cut down on bear activity.

Repeal the $500 extortion fee that is a counter productive measure and only serves to force people to buy a device that attracts more bears.

Please pass this along to the board members.

---
Bill O'Donnell
699 David Way
696 Lakeshore
702-340-2455
Herron, Susan

From: Frank Wright [alpinesportss@gmail.com]
Sent: Saturday, April 08, 2017 12:45 PM
To: Herron, Susan
Subject: CS Survey

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Susan,
under the public records act I am requesting a copy of the e-mailing list for the CS survey. You may redact those names and addresses of residents who specifically requested their names not be released. I find it odd that many residents, including myself were not included in this survey and if the list of those surveyed is skewed then we might have a survey which has like other surveys released a manufactured predetermined result. Please place a copy of this request in the next board packet, and give a copy to each board member!

Thank you,
Frank Wright

Sent from my iPhone
Dear Chairperson Wong and other Honorable Members of the IVGID Board -

I am giving each of you a heads up insofar as this agenda item is concerned because I am certain none of you know the factual history, and you are about to blindly go down a road you have no power to travel. So rather than treating this agenda item as a precursor for a future public hearing, it should DIE next Thursday.

Although I will provide more evidence on April 13, 2017, here is what you need to know now.

1. The land underneath the Reynolds Non-Profit Center Bldg (2.36 acres) is owned by IVGID.

2. There is a recorded use restriction on this land. When it was acquired that restriction limited use "only for park and recreational and related purposes and for no other purposes."

3. 22 years after the fact and for nefarious reasons, IVGID disingenuously attempted to retroactively modify the property's recorded use restriction to permit use of "only for park and recreational and related purposes and for no other purposes except for the construction of a building for the use of the Parasol Foundation, Parasol Foundation collaborators or the Parasol Foundation legal successors."

4. Although I and others believe this attempted modification was and is invalid, at page 103 of the Board Packet Chairperson Wong discloses Parasol proposes to change its use of the property in violation of this land use restriction.

Given Parasol proposes to violate the use restriction on this land, there really is nothing more to discuss. This restriction is a covenant which runs with the land and is enforceable by all those for whose benefit it was created; i.e., local property owners.

Moreover, the lease with Parasol is quite clear in that the public's land can only be used for the purposes of conducting thereon a Nonprofit Center, and related facilities, activities, seminars, work shops, lectures, and occasional fund raising events. Lessee cannot be used for any other purpose or purposes without the express prior written consent of IVGID. Should Parasol fail to operate the building or significantly reduce its use from what was contemplated in Parasol's Long-term Business Plan, or should Parasol's primary use of the building change for purposes other than as intended, then the property, including all improvements thereon (i.e., the building), shall revert to IVGID's full use and ownership.

This land NEVER should have been leased to Parasol. Thus if Parasol chooses to use the public's land for impermissible purposes, it should rightfully revert to IVGID's full use and ownership without any payment whatsoever.

I understand Brad Johnson is anxious to get his hands on this building to be used as new administrative offices for IVGID. But what he forgets is that the land was purchased with Rec Fee moneys based upon the express representation it would be used for park and recreational purposes only. Let Brad find someone else's property, and let IVGID pay for it with moneys other than Rec Fee moneys.

Like I said, there's really nothing to discuss on April 13, 2017.

Please include a copy of this e-mail in the next Board packet so the public can learn of the use restrictions on this land.

Thank you for your cooperation. Aaron Katz
<table>
<thead>
<tr>
<th>DATE</th>
<th>DAY OF THE WEEK</th>
<th>TIME</th>
<th>LOCATION</th>
<th>MEETING</th>
<th>ITEMS SLATED FOR CONSIDERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>05/10/2017</td>
<td>Wednesday</td>
<td>4:30- 5:30 p.m.</td>
<td>Chateau</td>
<td>Audit Committee Meeting</td>
<td>Grant Easements to Washoe County (Johnson)</td>
</tr>
<tr>
<td></td>
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<td>Audit Report reissue (pg. 31)</td>
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<td></td>
<td>Possible closed session (Union Negotiations)</td>
</tr>
<tr>
<td>05/10/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
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</tr>
<tr>
<td>05/24/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td>1-1-2017 to 3-31-2017 Quarterly Dashboard Report</td>
</tr>
<tr>
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<td></td>
<td>Final approval of 2017/2018 District budgets includes public hearings</td>
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<td>Board of Trustees Work Plan</td>
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<td></td>
<td>Possible closed session (Union Negotiations)</td>
</tr>
<tr>
<td>05/24/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
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<tr>
<td>06/14/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>Snowcat purchase</td>
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<td></td>
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<td></td>
<td>WRRF Access Contract Award</td>
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<td></td>
<td></td>
<td></td>
<td>Possible closed session (Union Negotiations)</td>
</tr>
<tr>
<td>06/24/2017</td>
<td>Saturday</td>
<td>10 a.m.</td>
<td>Recreation Center</td>
<td>2nd Quarter Community Meeting</td>
<td>Topic: Community Services Master Plan Community Workshop (2 of 2) - First one was held Nov 30, 2016</td>
</tr>
<tr>
<td>06/28/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td></td>
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<tr>
<td>06/28/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>Possible closed session (Union Negotiations)</td>
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<td></td>
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<td></td>
<td>Washoe County School District and IVGID Joint Use Agreement Amendment</td>
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**LONG RANGE DRAFT CALENDAR**

Wednesday, April 19, 2017
<table>
<thead>
<tr>
<th>DATE</th>
<th>DAY OF THE WEEK</th>
<th>TIME</th>
<th>LOCATION</th>
<th>MEETING</th>
<th>ITEMS SLATED FOR CONSIDERATION</th>
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</thead>
<tbody>
<tr>
<td>07/20/2017</td>
<td>Thursday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td>JULY 2017</td>
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<tr>
<td>07/20/2017</td>
<td>Thursday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>Approval of Indebtedness Report as required by the State of Nevada SPS#8 Improvement Contract Award</td>
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<tr>
<td>08/17/2017</td>
<td>Thursday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td>AUGUST 2017</td>
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<tr>
<td>08/17/2017</td>
<td>Thursday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>4-1-2017 to 6-30-17 Quarterly Dashboard Report Mountain Golf Course Carts (lease)</td>
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<tr>
<td>Week of 8/2 or 8/9</td>
<td></td>
<td></td>
<td></td>
<td>3rd Quarter Community Meeting</td>
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<td>09/13/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>SEPTEMBER 2017</td>
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<td>09/27/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
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<td>09/27/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
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<td>10/11/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>OCTOBER 2017</td>
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<td>10/25/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
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<tr>
<td>10/25/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
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<td>11/08/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>NOVEMBER 2017</td>
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<tr>
<td>11/22/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td>This meeting is typically cancelled due to the Thanksgiving holiday</td>
</tr>
<tr>
<td>11/22/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>This meeting is typically cancelled due to the Thanksgiving holiday</td>
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<tr>
<td>11/22/2017</td>
<td>Wednesday</td>
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<td></td>
<td>4th Quarter Community Meeting</td>
<td>Topic:</td>
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<td>12/13/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>DECEMBER 2017</td>
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<td>12/27/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td>This meeting is typically cancelled due to the Christmas holiday</td>
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<tr>
<td>12/27/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>This meeting is typically cancelled due to the Christmas holiday</td>
</tr>
</tbody>
</table>

*Items sitting in the parking lot (to be discussed but (a) not yet scheduled for a specific Regular Board Meeting) or (b) a future Board not on this calendar*

*LONG RANGE DRAFT CALENDAR*

*Wednesday, April 19, 2017*
<table>
<thead>
<tr>
<th>DATE</th>
<th>DAY OF THE WEEK</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>RFID Picture Passes – Item for next Strategic Plan or three years from now – software not available nor is infrastructure/hardware</td>
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<tr>
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<td></td>
<td>Revision to Memorandum of Understanding with Incline-Tahoe Parks and Recreation Vision Foundation (ITF)</td>
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<td>TRPA EIS Contract at Diamond Peak</td>
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<td>Non-alcoholic beverage contract award</td>
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<td></td>
<td>2019 State of Nevada Legislative Session - Advocate Services – talk about this in October 2018</td>
</tr>
</tbody>
</table>

*LONG RANGE DRAFT CALENDAR*

Wednesday, April 19, 2017